 Regulatory Policy Committee	Opinion	
Impact Assessment (IA)	Merchant Shipping (Maritime Labour Convention) (Survey and Certification) Regulations 2013 (“the 2013 Regulations”)	
Lead Department/Agency	Department for Transport	
Stage	Final	
IA number	DFT00193	
Origin	International	
Expected date of implementation (and SNR number)	August 2013 (SNR No.6)	
Date submitted to RPC	29/05/2013	
RPC Opinion date and reference	21/06/2013	RPC13-DFT1716(2)
Overall Assessment	GREEN	
<p>RPC comments</p> <p>The IA is fit for purpose. The One-in, Two-out (OITO) assessment appears to be robust. Although the impacts have not been fully monetised, the assessment appears to be reasonable and proportionate overall.</p>		
<p>Background (extracts from IA)</p> <p>What is the problem under consideration? Why is government intervention necessary?</p> <p>There is currently no effective international framework for enforcing minimum standards for living and working conditions on ships. Employment conditions for seafarers vary across the world, with some seafarers working under unacceptable conditions and some shipowners operating substandard ships, thus gaining a competitive advantage. The ILO Maritime Labour Convention (2006) aims to provide comprehensive rights for seafarers that are globally applicable and uniformly enforced. Government intervention is necessary to provide a statutory framework for consistently enforcing the MLC on both UK ships and non-UK ships visiting UK ports.</p> <p>What are the policy objectives and the intended effects?</p> <p>The purpose of the Regulations is to introduce survey, certification and inspection for seafarers’ living and working conditions, as part of the UK’s implementation of the MLC. Once implementation is complete, the UK will be able to ratify the MLC and thus promote an international level playing field for “decent work” for seafarers. The regulations will enable the Maritime and Coastguard Agency (MCA) to provide UK ships with MLC certification, which will facilitate inspections in ports of countries that have ratified the MLC; and to enforce MLC standards on non-UK registered ships calling at UK ports. They also introduce seafarer complaints procedures. Specific objectives for survey and certification can be found in the Evidence Base.</p> <p>What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)</p> <p>This is one of a package of measures required to enable the UK to ratify the MLC. Doing nothing is not therefore considered to be an appropriate course of action. If the</p>		

UK did not ratify the MLC, UK ships would not be able to obtain MLC certification, limiting their ability to operate effectively, and MCA could not effectively address poor seafarer living and working conditions on non-UK ships in UK ports.

The preferred policy option is therefore to introduce the 2013 Regulations (Policy Option 1) which would make the minimum changes to existing legislation to implement the provisions of the MLC on survey and certification (Regulation 5.1 of the MLC on the Flag State Role) and port state control (Regulation 5.2 of the MLC). No further measures have been deemed to be necessary and so only one Policy Option has been considered in this impact assessment.

Comments on the robustness of the OITO assessment

As this proposal is of international origin and there is no evidence that the increase in regulation would go beyond minimum requirements, or of a failure to take available derogations which would reduce the costs to business, it is out of scope of One-in, Two-out (Better Regulation Framework Manual - paragraph 1.9.8. iii).

Comments on the robustness of the Small & Micro Business Assessment (SMBA)

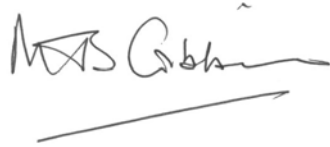
As this proposal is not of domestic origin, an SMBA is not required. However, the IA provides a Small Firms Impact Test and notes that the MCA has discussed the implications of the Convention with the Domestic Passenger Ship Steering Group and the National Work Boat Association, who represent the majority of small firms operating vessels that would be affected by the proposed Regulations. Furthermore, the IA says that the MLC includes provision for vessels under 200GT which operate only on domestic voyages to be subject to alternative national legislation. In the UK this will be done through the Small Commercial Vessels Codes, which have their own inspection and certification regime. This is intended to minimise the impact of additional inspections on these businesses, while doing the minimum necessary to implement the MLC.

Quality of the analysis and evidence presented in the IA

The IA provides partial monetisation of costs and benefits and provides adequate explanation where costs and benefits are not monetised. The consultation provided no further evidence on costs and benefits, although it is noted that the estimates have been updated using more up to date figures for numbers of vessels and that an additional cost has now been monetised. Overall, the assessment appears reasonable and proportionate.

However, although not affecting the cost and benefit estimates (as the costs to the MCA have been included), we note that the IA still includes the reference (page 19) that this "*will not increase the overall costs to government*" because "*the MCA is required to absorb the extra work within existing resources*". We stated in our Consultation stage opinion (15/03/13) that any such efficiency savings should be achievable in the counterfactual or that the "*other surveyor activities*" that "*may have to be curtailed...*" (page 19) involves a loss of benefit. The IA should reflect this point.

Signed

Handwritten signature of Michael Gibbons in black ink. The signature is written in a cursive style, with the first name 'Michael' and the last name 'Gibbons' clearly visible. There is a small mark above the 'i' in 'Gibbons' and a long horizontal stroke below the signature.

Michael Gibbons, Chairman