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|  <b>Regulatory Policy Committee</b>  | <b>Opinion</b>  |                   |
| <b>Impact Assessment (IA)</b>   | Merchant Shipping (Maritime Labour Convention) (Medical Care) Regulations |                   |
| <b>Lead Department/Agency</b>   | Department for Transport  |                   |
| <b>Stage</b>  | Final   |                   |
| <b>IA number</b>  | DFT00029  |                   |
| <b>Origin</b>   | International   |                   |
| <b>Expected date of implementation (and SNR number)</b>   | 20 August 2013 (SNR No.6)   |                   |
| <b>Date submitted to RPC</b>  | 20/05/2013  |                   |
| <b>RPC Opinion date and reference</b>   | 20/06/2013  | RPC13-DFT-0875(2) |
| <b>Overall Assessment</b>   | <b>GREEN</b>  |                   |
| <b>RPC comments</b><br><br><p>The IA is fit for purpose. The One-in, Two-out (OITO) assessment appears to be robust. Although the IA was unable to monetise any of the limited potential impacts of the proposal, the assessment appears to be reasonable and proportionate.</p>  |   |                   |
| <b>Background (extracts from IA)</b><br><b>What is the problem under consideration? Why is government intervention necessary?</b><br><p>It is considered that all seafarers should have appropriate medical care at no cost to themselves. However, employment conditions for seafarers vary globally, with some seafarers working under unacceptable conditions whilst ship operators operating substandard ships gain a competitive advantage. Effective international standards are, therefore, needed to address these issues. The ILO Maritime Labour Convention 2006 (MLC) aims to provide seafarers with minimum living and working conditions that are globally applicable and uniformly enforced including on medical care. Achieving this requires a package of new UK legislation to permit UK ratification, which would also avoid the costs of non-ratification (See Annex 3).</p> <b>What are the policy objectives and the intended effects?</b><br><p>The purpose of the proposed Regulations is to promote decent living and working conditions for seafarers globally and a more level competitive playing field for shipping by bringing existing legislation for UK ships into line with the minimum global standards for medical care provided for in the MLC. They will also, once the entire package of legislation is in place, enable the UK to ratify the MLC, thus enabling the MCA to issue MLC certification to UK-flagged ships, thereby reducing potential delays at ports in ratifying countries, as well as permitting enforcement of these minimum global standards on non-UK ships calling at UK ports. Specific objectives for the proposed Regulations can be found in the Evidence Base.</p> <b>What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)</b><br><p>The Government's social partners, the British Chamber of Shipping and the seafarers' Trade Unions, strongly support ratification of the MLC. New and amending legislation is required to enable the UK to ratify the MLC, so doing nothing is not considered to be an appropriate course of action. Failure to ratify the MLC would limit the MCA's ability to enforce the minimum standards of medical care on ships calling at UK ports and would result in UK ships not being able to</p> |   |                   |

obtain MLC certification. The preferred policy option is, therefore, to introduce the proposed Regulations (Policy Option 1) which would make the minimum changes to existing legislation to implement the provisions of the MLC on access to medical care. 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 [and civil society organisations], it is out of scope of One-in, Two-out (Better Regulation Framework Manual - paragraph 1.9.8. iii).

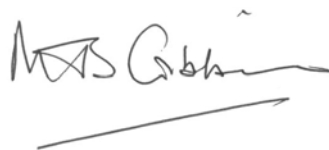
### **Comments on the robustness of the Small & Micro Business Assessment (SMBA)**

As this proposal is not of domestic origin, an SMBA is not required. The IA, however, 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 representatives of the Small Commercial Vessel sector, who represent the majority of small firms operating vessels that would be affected by the proposed Regulations. Furthermore, the IA says the UK is making use of any flexibility in the Convention designed for smaller vessels, or likely to apply to small companies, and also that a significant proportion of small firms operating vessels are unlikely to be subject to the MLC.

### **Quality of the analysis and evidence presented in the IA**

The IA lists the four main proposals under the proposed Regulations. It, however, explains that these generally involve only limited change from existing regulation and reflect existing industry practice. They are, therefore, not expected to result in any significant costs, an assessment supported by evidence from the consultation. In the few areas where there might be a small potential impact, a lack of data (e.g. on the number of cases where medical care is required for the full 16 weeks) or evidence of cost from the consultation mean that it would not be possible to make meaningful estimates. A full qualitative description is, however, provided. On this basis, the assessment provided appears reasonable and proportionate.

**Signed**



**Michael Gibbons, Chairman**