

**Survey under the National System for
Domestic Commercial Vessels**

**Regulatory Impact Statement
for consultation**

August 2015

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Executive Summary

On 1 July 2013, the *Marine Safety (Domestic Commercial Vessel) National Law Act 2012* (National Law Act) took effect and the National System for Domestic Commercial Vessel Safety began. The National System brought eight sets of rules together into one national scheme and is based on nationally-agreed standards for commercial vessels.

One of the standards which is applied under the National Law Act is the National Standard for the Administration of Marine Safety, Section 4, Surveys of Vessels (NSAMS 4). NSAMS 4 sets out the survey requirements (including survey frequency and depth) for vessels in survey, and also identifies those vessels which are not subject to survey.

Vessel survey is a process whereby a qualified person confirms that a vessel is built and maintained to the required design, construction and equipment standard. A vessel that is built and maintained to the required standard is less likely to be involved in an incident and, where an incident does occur, it is less likely to result in a serious or fatal injury.¹

For both the National Regulator (the Australian Maritime Safety Authority (AMSA)) and the operator, survey is a risk mitigation tool. However, survey is also a compliance cost to the operator and, where survey is subsidised by governments, a cost to the government. It is therefore important to ensure that regulated survey obligations match the risk of the vessel and the operation, account for modern technology and are flexible enough to allow operators to minimise the cost of complying by aligning survey with other maintenance activities.

For more background information on survey and the current survey requirements of the National System, see the following webpages and Fact Sheets:

- [Australian Government – Australian Maritime Safety Authority: Vessels](#)
- [Guidance Notice: Certificates of Survey and vessels exempt from survey](#); and
- [Guidance Notice: Initial survey](#).

In 2014, a 'Streamlining Review' of the National System was undertaken. This review recognised that the National System was an amalgamation of the eight previous State, Northern Territory and Commonwealth regimes and needed to be reviewed in order to ensure that the regulatory arrangements were efficient and effective. The Streamlining Review included:

- a detailed risk analysis of the fleet and the regulatory arrangements; and
- face-to-face and online public consultation which asked stakeholders to identify inefficiencies, safety gaps and other concerns they had with the regulatory arrangements of the National System.

The Streamlining Review determined that:

¹ The design, construction and equipment standards to which domestic commercial vessels are subject have been developed on a risk basis. See the AMSA website for more information at www.amsa.gov.au

- there would be considerable benefits for industry and the National Regulator (AMSA) in re-aligning survey activities with risk; and
- simplifying the regulations and rules, so that they are more accessible and easier to identify and apply, would lead to more consistency in the application and interpretation of the requirements.

The objectives for the National Regulator are:

- operational application of the Australian Governments' policy objectives to ensure safety and marine environment protection in Australian waters;
- to develop, maintain, monitor and enforce the National Standards and Marine Orders in consultation with State and Territory marine safety agencies, as per the COAG Inter-Governmental Agreement of 19 August 2011 (the COAG IGA) and the National Law; and
- to deliver effective and efficient regulation consistent with Australian Government policy and to meet the needs of industry.

Government action is needed in order to implement the outcomes of the Streamlining Review and improve safety, remove unnecessary red tape and improve administrative efficiency and fairness by accounting for the risks of individual operators.

Three options are considered by this Regulatory Impact Statement (RIS) for achieving the objectives: maintaining the current survey regime without amendment (Option 1); no regulated minimum survey requirements (Option 2); and amending the survey regime (Option 3). Option 3 includes four sub-options, covering different elements of the survey regime including:

- A. the periodic survey regime;
- B. the survey 'modifiers' ('high risk' operations and vessel attributes that change the survey requirements which would otherwise apply to the vessel);
- C. National System survey limits (the point at which a vessel must be in Classification Society survey. A Classification Society is a non-governmental organisation that establishes and maintains technical standards for the construction and operation of commercial ships. Ship 'Classification' verifies the structural strength and integrity of a vessel, as well as the reliability of propulsion, steering and other systems on the vessel. For more information on Classification Societies under the National System see [The Navigation Act and National Law – Documents issued by recognised classification societies](#) on the AMSA website; and
- D. survey arrangements and depth (who carries out the survey and what aspects of the vessel must be surveyed).

The impact of each sub-option has been separately analysed in this RIS, and comment is invited on the details of the sub-options as well as on alternative options for amending the survey regime in order to achieve the objectives.

Option 1 would retain the current regulatory arrangements. This means that the current survey arrangements would continue, which are not fully aligned with risk. It would also mean maintaining the current complicated regulatory structure which has led to difficulties in the

consistent application and interpretation of the requirements. This option would not address the problem or achieve the objectives of the National Regulator. As such, Option 1 is not preferred.

Option 2 involves removing the regulated minimum survey requirements. This option does not allow survey requirements to be matched to the risk of the vessel, operation and operator. A higher survey frequency would not apply to high risk vessels, such as ferries, potentially posing a risk to safety. Option 2 is not considered to be preferable due to the safety and economic implications of no regulated minimum survey requirements.

Option 3, amending the survey regime, will simplify the regulations and better align survey requirements with risk, so that safety is improved and compliance costs are reduced. This option, if all sub-options are implemented, will address the problem and achieve the objectives. It represents an estimated \$140 million in quantified net benefits to the community as a whole compared to Option 1 over a 10 year period in 2015 dollars, if all four sub-options are implemented. This does not include numerous unquantified benefits, such as the ability to adjust survey requirements on an individual vessel basis, providing greater flexibility to reduce out-of-water surveys where risks are mitigated through other measures, and allowing surveys to be more easily aligned with other vessel maintenance activities.

A completed regulatory costing of this option and the proposed regulatory arrangements for implementing the option are provided together with this RIS for the purposes of public consultation. Public consultation will occur from 17 August 2015 to 12 October 2015. Submissions received will be considered as part of the decision making process. A final RIS will be produced and published, which will include more robust analysis, a discussion of the submissions received and any recommended changes to the original recommendations.

1. Introduction

This chapter provides an introduction to the National System and outlines the requirements of current survey regulations, the OBPR's RIS requirements and the content of this RIS.

1.1 The National Law Act and survey regulations

The National Law Act came into force on 1 July 2013. The regulatory arrangements of the National System were developed through a collaborative process with the States, Northern Territory and the Commonwealth.

The regulations covering survey are contained in Marine Order 503 (Certificates of Survey) which applies NSAMS 4. Authority for making and amending the survey regime is granted under sections 38, 159, 163, and 164 of the National Law Act.

The regulations require a new vessel to be surveyed (also referred to as being 'in survey') if it will be:

- greater than or equal to 7.5m in length;
- carrying passengers;
- operating beyond sheltered waters; or
- otherwise high risk.

NSAMS 4 requires these vessels to undergo initial and then periodic surveys. The frequency of survey depends on the vessel, and ranges from annual to five-yearly surveys, or even an initial survey only for some vessels.

For existing vessels involved in commercial activity in the two years prior to the commencement of the National System (i.e. before 1 July 2013), the regulations permit the vessel to continue to comply with the survey regime that applied to the vessel prior to 1 July 2013. In other words, the pre-existing survey requirements are grandfathered. This grandfathering arrangement applies indefinitely, unless a vessel is modified, changes its area of operations or changes the nature of its operations in way that increases risk.

Where a survey is required, the vessel owner must complete an [Application for Certificate of Survey for a Domestic Commercial Vessel](#) and submit it along with supporting material (including the vessels' plan) to a State or Territory marine safety agency who will process the application on AMSA's behalf. The vessel owner must also pay an application fee set by the State or Territory marine safety agency.

Operators must ensure that vessels are surveyed by an Accredited Surveyor, which may be a government or private surveyor. Surveyors must be accredited under the National Law (as accreditation is a new concept in many jurisdictions, transitional arrangements are in place for current surveyors – see the [ASMA website](#) for more information).

The Accredited Surveyor must then carry out the survey in accordance with the survey schedules provided in NSAMS 4, which identify what aspects of the vessel are reviewed at each survey. Survey reports must be provided to the National Regulator (or its delegates).

Under the National System, new vessels 35 metres and longer in measured length are currently required to be in 'Class'. This means they are subject to survey by a Classification Society, not by a National System surveyor.

1.2 The Regulatory Impact Statement requirements

Any changes to the survey arrangements of the National System will be implemented through amendments to Commonwealth regulations which are subject to the oversight of the Ministerial Council for Transport and Infrastructure. As such, this RIS has been prepared to meet the requirements of the Office of Best Practice Regulation's (OBPR's) *COAG Best Practice Regulation - A Guide for Ministerial Councils and National Standard Setting Bodies*, October 2007 (COAG Best Practice Regulation Guide).

The COAG Best Practice Regulation Guide applies to decisions of COAG, Ministerial Councils and intergovernmental standard setting bodies that are implemented through regulation or through codes and advisory instruments for which there is a reasonable expectation of widespread compliance. The OBPR approves RISs for both public consultation and decision making, and this RIS has been reviewed and approved by the OBPR.

1.3 The structure of this Regulatory Impact Statement

In accordance with the COAG Best Practice Regulation Guide, this RIS includes:

- a statement of the problem sought to be addressed (Chapter 2);
- a statement of the objectives sought to be achieved (Chapter 3);
- identification of options by which the objectives can be achieved (Chapter 4);
- impact analysis of the options, including an assessment of the costs and benefits of each alternative option (Chapter 5);
- a statement of the consultation program to be undertaken (Chapter 6);
- an evaluation of the alternative options, and the conclusion as to which option involves the greatest net benefit for or the least net cost to the community (Chapter 7); and
- information on how the preferred option will be implemented and reviewed (Chapter 8).

2. The need for government action

This chapter outlines the underlying problems identified by stakeholders and the need for government action to address these.

Individuals and organisations are invited to comment on the problems outlined here, including their impacts and scope, and to suggest other problems not already identified here. Further details on how to provide submissions are explained in Chapter 6 of this RIS.

2.1 Current arrangements

Survey is required to ensure that a vessel meets the necessary standards for construction, stability and safety equipment. Vessels must undergo an initial survey, which includes design approval, inspection during construction of the vessel, stability approval and operational trials to confirm the vessel's safe handling and the performance of its machinery and equipment. Once in operation, vessels are also surveyed periodically to make sure the vessel and its equipment (including safety, radio, machinery and navigational equipment) is well maintained and continues to perform to the required standard.

The survey regime contributes to safety by ensuring that vessels meet the required design, construction and equipment standard, are fit for purpose and are well equipped and maintained. A vessel that is built and maintained to the required standard is less likely to be involved in an incident, and, where an incident does occur, the incident is less likely to result in death or serious injury. This is because the standards for stability, watertight integrity, fire safety, safety equipment and other key systems on the vessel are designed to prevent incidents, and to protect persons on board the vessel where an incident does occur. Ensuring that the key aspects and systems of the vessel meet the required standards and are in good working order protects those on board the vessel and the marine environment.

While there is only limited research or other data available to measure the impact of survey on vessel safety, the National Marine Safety Committee's 2009 report, *Commercial Vessel Incidents in Australia 2005-2008*, found that material factors (such as hull failure, equipment failure and lack of maintenance) contributed to 18% of the reported 2,760 reported marine incidents involving domestic commercial vessels. These risk factors are directly addressed by a vessel survey regime. Without mandated minimum survey requirements, AMSA considers the number of incidents caused by material factors would be likely to significantly increase.

Higher risk vessels (such as passenger carrying vessels, vessels operating a long way offshore and vessels carrying dangerous goods) are subject to a more onerous initial survey process and more frequent periodic surveys to reflect the potential safety risks they pose to people on board the vessel and the marine environment. Lower risk vessels (such as human powered vessels, sail craft and small passenger vessels) are subject to less onerous survey requirements, with many not subject to survey at all, reflecting the low safety risks they pose.

By supporting safety in the Australian domestic commercial vessel fleet, vessel surveys provide considerable indirect benefits to the maritime industry and the Australian economy. For example, a poor safety record or significant safety incident could reduce demand for domestic commercial

vessel operations in Australia. This may affect the livelihoods of those operating or employed in the industry and impact on the efficiency and competitiveness of the broader economy.

However, the survey regime also entails costs. As detailed in Chapters 5 and 6 of this RIS, a survey by a National System Accredited Surveyor costs (on average) between \$492 and \$14,000, depending on the size of the vessel and type of survey. There are also administrative, operational, delay, travel and time costs associated with survey. Unnecessarily high compliance costs can reduce the competitiveness of operators and flow through to higher costs for other sectors of the economy.

As survey is administered and often subsidised by State and Territory governments, including through the use of government employed surveyors, there is also a cost to government and ultimately the tax-payer. Unnecessary government subsidies can increase the tax burden and divert scarce public sector funds from other important activities elsewhere in the economy.

Overall, survey can be seen as a risk mitigation tool for operators and for the National Regulator. However, survey is also a compliance cost to the operator and government. It is therefore important to ensure that regulated survey obligations match the risk of the vessel and the operation, while minimising the compliance burden to those affected by them.

It is important to note that survey requirements do not drive the need for operators to update equipment and maintain vessels. Design, construction, equipment and maintenance standards (such as the National Standard for Commercial Vessels and the Uniform Shipping Laws Code) require vessels to be built, equipped and maintained to a certain standard. The survey regulations do not impose costs in terms of updating equipment or maintaining the vessel. The purpose of survey is to confirm compliance to the design, construction, equipment and maintenance standards, and the costs of survey are limited to the survey process (and associated administrative, operational, delay, travel and time costs).

2.2 Initial review

In 2014, a 'Streamlining Review' of the National System was undertaken with agreement from national Transport Ministers. This review recognised that the National System was an amalgamation of the eight previous State, Northern Territory and Commonwealth regimes and needed to be reviewed in order to ensure that the regulatory arrangements were efficient and effective, and were achieving safety and economic returns.

As part of the review, stakeholders were asked to identify inefficiencies, safety gaps and other concerns they had with the regulatory arrangements of the National System, including the current survey arrangements.

Face to face consultations were undertaken around Australia, including at 24 open consultation sessions attended by approximately 800 stakeholders, one round table discussion with key industry representatives and presentations at industry association meetings. 79 written submissions were received from stakeholders in response to the Streamlining Review, with many providing comments on current survey arrangements. These comments are discussed in this RIS.

A risk analysis of the current fleet and the current regulatory arrangements was also undertaken as part of the Streamlining Review. This found that risks may be more effectively controlled

through a greater emphasis on holistic safety management than through vessel survey and certification in some circumstances.

Documents released as part of the Streamlining Review, including a full report on the consultation undertaken and the feedback received from stakeholders on current survey arrangements, are available on the AMSA website:

- [National System for Domestic Commercial Vessel Safety table](#);
- [The streamlining concepts at a glance guide](#); and
- [Blueprint for the future regulatory arrangements under the National System for Commercial Vessel Safety: Consultation Feedback Report](#).

2.3 Identifying the problem

The outcomes of the Streamlining Review and risk analysis identified a range of problems with current survey arrangements. The problems identified by stakeholders were particularly important as they were drawn from the experience and insights of those subject to the current survey regulations.

The problems identified can be summarised as follows:

1. Survey requirements are not well aligned with risks

Stakeholders submitted that there is a need to better match mandated survey requirements to the risks of the individual operator, vessel and operation. Lower risk vessels in particular, such as human powered vessels, sail craft, vessels in sheltered waters, in inland waters, operating close to shore, in aquaculture operations, and small passenger vessels, were seen as being subject to far too onerous survey obligations under the current regulations. A mismatch between survey requirements and safety risks can impose unnecessary compliance costs on operators and make them less competitive.

They also felt that the current arrangements did not support the implementation of strong maintenance practices as they did not provide an incentive for operators to maintain the vessel to the required standard through, for example, reduced survey requirements. Stakeholders felt that a greater focus on proactive safety management by operators, including through safety management systems, would also allow for a reduction in minimum legislated survey requirements. Where the survey regime does not take into account complimentary mechanisms to address safety risk, it can impose unnecessary compliance costs on operators and make them less competitive.

In addition, stakeholders saw that the current survey regulations created incentives for holding onto older vessels due to their grandfathered survey status. As set out above, vessels in operation prior to 1 July 2013 can continue to comply with their pre-National System survey regime. Where these 'grandfathered' survey requirements are less onerous than the National System arrangements, there is an incentive for operators to hold onto older vessels with grandfathered status, rather than to upgrade to new, modern vessels which would be required to meet the current survey regulations. Older vessels subject to a less onerous survey regime can pose a safety risk to people onboard the vessel and the marine environment.

Stakeholders also submitted that the regulations and rules for vessel survey were unnecessarily difficult to access, identify and apply, which lead to inconsistency in the application and interpretation of the requirements. They felt that the complexity of the current survey regulations did not support consistent survey advice from marine safety agencies and Accredited Surveyors. This can distort the market by imposing unnecessary compliance costs on some operators, while providing a competitive advantage to others. There may also be potential safety risks where survey requirements are not being applied as intended.

The lack of alignment of the current survey regulations with the risks of a vessel and its operation, the lack of incentive created for operators to proactively manage risks, and the complexity of the current survey regulations, potentially affect all 13,000 vessels currently in survey under the National System and the approximately 1,900 new vessels which enter the fleet each year that would be in survey under the current arrangements. However, it is not possible to identify the exact number of vessels impacted by these problems, or the likely costs they may impose, without making assumptions about what the solution should be.

In addition, the complexities of the current survey regulations have broad industry impacts by making it more difficult to identify, apply and/or comply with the survey requirements. This problem affects all operators, boat builders and designers, the National Regulator and its delegates, public and private surveyors and Classification Societies. For example, boat builders have to understand and comply with the initial survey requirements when constructing a commercial vessel (as the vessel is generally reviewed during both the design phase and the construction phase).

It is emphasized that, except in relation to the grandfathering arrangements and potentially the complexities of the current survey regulations, the problem is not about safety. The current survey regime is seen by AMSA and stakeholders as supporting a strong level of safety in the domestic commercial fleet. The question raised by stakeholders, and through the risk analysis undertaken as part of the Streamlining Review, is whether the same level of safety can be achieved with a reduced regulatory burden.

The incentives created by the current survey regulations to hold onto older vessels with grandfathered survey status, could, however create a safety issue as the fleet ages. Older vessels are subject to older standards which do not provide the same level of safety as the current design and construction standards. With the exception of equipment standards, modern design and construction standards are generally not retrospectively applied to older vessels, as the cost of compliance would be prohibitive. In addition, as vessels age, their systems are more likely to experience problems and incidents are more likely to occur. As such, creating strong incentives to hold onto older vessels could lead to more incidents, injuries, serious injuries and deaths in the domestic commercial vessel fleet.

There are 6,000 vessels in Queensland that are potentially operating under grandfathered survey exemption arrangements, which would not apply to the equivalent new vessel entering the fleet in Queensland. This issue is most significant in Queensland, as the other States and the Northern Territory had survey regimes prior to 1 July 2013 that were similar to the current survey regulations of the National System. As such, this problem is estimated to affect around 6,000 vessels nationally. The problem will become more significant (in terms of safety outcomes) over time as the grandfathered fleet ages.

Overall, this problem is a result of the current survey regime and cannot be addressed by the market or other regulations. If left unaddressed, it will continue to impose unnecessary compliance costs and (in some cases) safety risks. Government action is needed to address this problem.

2. The survey modifiers for high-risk vessels and operations require review

Stakeholders submitted that there is a need to review the list of 'high risk' vessel attributes, in particular to reconsider the lifting or slewing potential criteria, the three tonne cut-off for cranes, the treatment of barges and the definition of fast craft. Stakeholders felt that the current 'high risk' list does not capture some very risky operations, and yet does capture some relatively low risk operations.

The 'high risk' list is used to subject vessels with certain 'high risk' attributes, such as carrying dangerous goods, being able to operate at high speeds or having a large deckload, to more onerous survey requirements than those which would otherwise apply to the vessel. This increased oversight reflects the likelihood of injuries or damage to property and the marine environment as a result of the risks associated with the attribute of the vessel or operation.

The 'high risk' list is fundamental to ensuring that the survey regulations are risk-based, and that the survey obligations reflect the level of risk of a vessel and its operations. An inaccurate 'high risk' list can impose unnecessary compliance costs on some operators, where vessels that are not high risk are captured. These vessels would be subject to unnecessary and costly survey requirements, which may reduce their competitiveness or be passed on as higher costs to consumers.

In addition, an inaccurate list can create a 'safety gap' where some high-risk vessels are not captured by the list, and as a result are not subject to adequate survey requirements. If the survey requirements are not adequate, there is a higher chance that the vessel will not meet the applicable design, construction, equipment or maintenance standards, which in turn places the vessel at greater risk of an incident, creating a risk to crew and passengers and of damage to property or to the marine environment.

Data limitations do not allow for an accurate indication of proportion of the fleet that is captured by the current 'high risk' list. However, it is likely to be only a very small proportion of the 13,000 vessels currently in survey under the National System. In addition, many vessels currently captured by the 'high risk' list would not be affected by the proposed changes, as they will continue to be captured as high risk vessels and continue to be subject to higher survey requirements. Hence, this problem only affects a small proportion of the fleet. However, a large number of stakeholders, including State and Northern Territory marine safety agencies, requested an urgent review of the high risk list, which indicates that there is a problem which needs to be addressed.

This problem is a result of the current survey regime and cannot be addressed by the market or other regulations. If left unaddressed, it will continue to impose unnecessary compliance costs and likely safety risks. Government action is needed to address this problem.

3. 'Cut-off' points for National System survey are not risk based and create perverse incentives and costs for operators

Currently, under the National System, new vessels 35 metres and longer in measured length are required to be in 'Class'. This means they are subject to survey by Classification Societies, not by National System Accredited Surveyors.

Stakeholders submitted that, due to the financial implications of requiring vessels to be constructed and surveyed in accordance with the rules of a Classification Society, the current 35m cut-off should be reviewed. It was considered to not align with the risks of many larger vessels, particularly those operating close to shore, and to create perverse incentives for vessels to be built to 34.9m, which may not be 'fit-for-purpose'.

Building and operating vessels that are not 'fit-for-purpose' has economic and safety implications. The full economic potential of the vessel may not be realised, as the optimum number of passengers or trading load may not be able to be held. In addition, the design of the vessel may not optimise the conditions for the crew and/or the passengers, which may lead to more safety incidents on-board. The National Marine Safety Committee's 2009 report, *Commercial Vessel Incidents in Australia 2005-2008*, found that falls within a vessel, other onboard incidents and persons overboard account for 13% of marine incidents.

Classification Societies survey larger vessels to ensure they are built and maintained to a level which can handle the risks involved with some voyages – such as international voyages. For the majority of the domestic fleet, the risks of the vessel and its operation do not justify the costs of Classification Society survey (which can exceed \$250,000 in Class fees alone for initial survey – as detailed in Chapter 5 of this RIS). However, due to the complexity of larger vessels, Classification Society survey is considered to be necessary for some vessels to ensure that their design and construction and ongoing maintenance meets the required standard.

There are just under 500 vessels 35m and longer currently operating in the National System. A large number of these existing vessels have grandfathered survey arrangements and are not affected by the Class requirements. In addition, many currently in Class will elect to continue to remain in Class due to the commercial benefits of doing so. For example, vessels in Class have a higher resale value and also have greater flexibility to operate internationally (as all vessels which operate internationally must be certified by a Classification Society). However, a small proportion of the existing 35m and longer fleet would choose to move out of Class, if the regulations were changed, given the cost savings associated with doing so. As such, it is not possible to accurately identify the number of existing vessels that would be affected by this problem.

More importantly, the fleet grows at a rate of around 5% per year, and turns over (i.e. older vessels are replaced by new vessels) at a rate of around 5% per year.² This means that approximately 50 new vessels 35m and longer enter the fleet each year. It is these 50 new vessels that are expected to be most affected by the Class requirement.

² The 2007 Regulatory Impact Statement on the National Standard for the Administration of Marine Safety Section 4, National Marine Safety Committee (NMSC), applied a 2% – 7% expected annual growth rate, depending on the jurisdiction. In 2007, there were 9,000 vessels in survey. In 2014-15, there were 13,000 vessels. This equates to an average annual growth rate of 5% between 2007 and 2014-15. In addition, when new vessels are purchased and older vessels retired, the new vessel must meet the current requirements. NMSC RISs since 2007 have assumed that 1,300 new vessels will enter the fleet each year (see, for example, the RIS on NMSC, Final RIS NSCV Part C Section 6B, Buoyancy and Stability After Flooding). This includes both fleet growth and replacement vessels, and is based on a total potential fleet in survey of 13,000 vessels (including Queensland vessels that were survey exempt). Assuming a 5% growth rate, this equates to a 5% assumed vessel turnover each year.

Class fees for initial survey can exceed \$250,000. However, the total cost of this problem cannot be accurately estimated without making assumptions about what changes to the regulations should be made. Chapter 5 outlines the cost savings associated with increasing the National System survey allowances.

Overall, this problem is a result of the current survey regime and cannot be addressed by the market or other regulations. If left unaddressed, it will continue to impose unnecessary compliance costs and potential safety risks. Government action is needed to address this problem.

4. Survey requirements do not accommodate new technology and operational needs or align with related regulations

Stakeholders submitted that there was a need for greater flexibility in the timing of surveys. They felt that the current arrangements, whereby periodic surveys must be completed by a specified date, did not provide sufficient flexibility and may prevent operators from aligning survey with other maintenance activities. In addition, where slip facilities are not available, operators incur costs due to the need to obtain an exemption to allow the vessel to continue to operate or to seek out alternative slip facilities. Inflexibility in the survey regime can unnecessarily increase compliance costs to operators and reduce their competitiveness.

Stakeholders also submitted that there was a need to review the survey requirements and schedules in line with current technology. They felt that the current schedules did not adequately account for modern paint systems and ultrasonic testing of the hull. As a result, some of the current hull inspection requirements may impose further unnecessary compliance costs on operators.

The lack of flexibility in survey timing, and the lack of consideration for modern technology in the survey schedules, potentially affect all 13,000 vessels currently in survey under the National System. It is not possible to identify the exact number of vessels impacted by these problems without conducting surveys of operators. However, the large number of submissions received on these issues as part of the Streamlining Review indicates that there is a problem which needs to be addressed.

In addition, the National Regulator is concerned that the current survey regulations contained in Marine Order 503 and NSAMS 4 do not align fully with the new Accredited Surveyor arrangements under the National Law. NSAMS 4 was written in the context of State and Territory marine safety agencies undertaking the majority of vessel surveys. As an example of the lack of alignment, the current regulations do not adequately provide for survey reports being given to the National Regulator at various stages of the survey process.

Although this is not currently a significant problem on the ground, as most surveys continue to be carried out by State and Territory marine safety agencies, it may become a problem as the number and role of private Accredited Surveyors grow. It could prevent the National Regulator from being able to affectively administer the survey system and maintain oversight of the survey process.

Overall, these problems are a result of the current survey regulations and cannot be addressed by the market or other regulations. If left unaddressed, it will continue to impose unnecessary compliance costs. Government action is needed to address this problem.

2.4 Scope of the problem

Combined, these problems are expected to affect all of the approximately 13,000 vessels currently in survey under the National System. With a fleet turnover rate of around 5% each year, and a growth rate of around 5% per year³ they are also expected to affect all of the approximately 1,900 new vessels that enter the fleet each year that would be in survey under the current arrangements. There are approximately 6,000 Queensland vessels that would also be affected, but these have had their current arrangements grandfathered.

As set out above, some aspects of the problem affect only a sub-set of the surveyed fleet, such as the 500 vessels 35m and longer, the 6,000 vessels with grandfathered survey exemptions, or those vessels with a 'high risk' attribute. Other aspects of the problem, such as the complexity of the current survey regulations, go beyond operators of vessels in survey and also affect boat builders and designers, the National Regulator and its delegates, public and private surveyors and Classification Societies.

Overall, it is the view of stakeholders and AMSA that the problems identified are having a significant impact on the domestic commercial vessel fleet. It is not possible to accurately estimate the costs of the problem without making assumptions – see Chapter 5 of this RIS for the savings associated with proposed solutions to the problems identified. However, both industry and the National Regulator consider that the problems identified impose unnecessary and significant compliance costs, and, in some cases, also create potential safety risks, that cannot be addressed by the market or other regulations. As such, government action is needed to address the problems.

³ The 2007 Regulatory Impact Statement on the National Standard for the Administration of Marine Safety Section 4, National Marine Safety Committee (NMSC), applied a 2% – 7% expected annual growth rate, depending on the jurisdiction. In 2007, there were 9,000 vessels in survey. In 2015, there are 13,000 vessels. This equates to an average annual growth rate of 5% between 2007 and 2013. In addition, when new vessels are purchased and older vessels retired, the new vessel must meet the current requirements. NMSC RISs since 2007 have assumed that 1,300 new vessels will enter the fleet each year (see, for example, the RIS on NMSC, Final RIS NSCV Part C Section 6B, Buoyancy and Stability After Flooding). This includes both fleet growth and replacement vessels, and is based on a total potential fleet in survey of 13,000 vessels (including Queensland vessels that were survey exempt). Assuming a 5% growth rate, this equates to a 5% assumed vessel turnover each year.

3. The objectives of government action

This chapter outlines the objectives of government action in response to the problems identified in this RIS.

Individuals and organisations are invited to comment on the objectives of government action outlined below and to suggest other objectives not already identified here. Further details on how to provide submissions are explained in Chapter 6 of this RIS.

3.1 Objectives of the National Regulator

The broad objectives of the National Regulator are:

- operational application of the Australian Governments' policy objectives to ensure safety and marine environment protection in Australian waters;
- to develop, maintain, monitor and enforce the National Standards and Marine Orders in consultation with State and Territory marine safety agencies, as per the COAG Inter-Governmental Agreement of 19 August 2011 (the COAG IGA) and the National Law; and
- to deliver effective and efficient regulation consistent with Australian Government policy and to meet the needs of industry.

3.2 Objectives of government action

In line with the problems identified in Chapter 2, the objectives of government action are to:

1. align vessel survey requirements with vessel and operational risk;
2. reduce compliance costs to industry while maintaining overall safety outcomes;
3. encourage operators to take a holistic approach to safety management, including vessel maintenance and survey;
4. make survey requirements more accessible and easier to identify and apply;
5. provide greater flexibility in the timing of surveys to allow operators to align surveys with other maintenance activities;
6. account for modern technology in the survey schedules and survey requirements; and
7. align survey regulations with other related regulations and survey arrangements.

4. The options

This chapter identifies a range of viable alternative options for addressing the problems identified in this RIS. An analysis of the costs and benefits of these options, including how they address the identified problems, is discussed in the next chapter.

Individuals and organisations are invited to comment on the options identified and to suggest other options not already considered here. Further details on how to provide submissions are explained in Chapter 6 of this RIS.

4.1 The options identified

The following viable options have been identified and are considered by this RIS:

1. Maintaining the current survey regime without amendment;
2. No regulated minimum survey requirements; and
3. Amending the survey regime.

Option 3 includes four sub-options, all of which are complimentary and specifically address the four problems identified in Chapter 2. Stakeholder suggestions to improve specific elements of the current survey regime that were submitted during the Streamlining Review are identified in Option 3 and further discussed in the analysis contained in Chapter 5 of this RIS.

4.2 Option 1: Maintaining the current survey regime without amendment

Option 1 involves maintaining the current survey regime without amendment. This is the 'status quo' or 'base case' option, against which the proposals in this RIS are compared. The COAG Best Practice Regulation Guide requires the status quo to be considered as an option for meeting the objectives.

The current periodic survey schedule for new vessels is shown in Table 1 below. To provide clarity to the proposal under Option 3, and its impact on the current regime, Option 1 is also described in detail in Tables 2, 4, 5 and 6, and Figures 1 and 3 below.

Under the current regime:

- 20% of the fleet is subject to five yearly survey;
- 8.5% of the fleet is subject to two in five yearly survey; and
- 35% of the fleet is subject to annual survey.

As outlined in Chapter 1, there are approximately 13,000 vessels in survey, however many of these will have grandfathered survey arrangements. This figure does not include the 6,000 existing vessels in Queensland which have had survey exemptions grandfathered.

For more background information on survey and the current survey requirements of the National System, see the following webpages and Fact Sheets:

- [AMSA: Vessels](#);
- [Guidance Notice: Certificates of Survey and vessels exempt from survey](#); and

- [Guidance Notice: Initial survey.](#)

Vessels in operation within the two years prior to 1 July 2013 had their pre-existing survey regime grandfathered. The grandfathering arrangements of the National System allowed pre-National System operators to continue to operate in the same manner as they had prior to 1 July 2013. These arrangements aimed to ensure that existing operators were not disadvantaged by the reform.

‘Grandfathering’ means that existing approvals, requirements or conditions are automatically recognised under new laws. The grandfathering arrangements of the National System apply indefinitely, unless subsequent incident data dictates the need to adopt an alternate approach.

The grandfathering arrangements allow a vessel that was registered, held a certificate of survey or otherwise operated commercially in the 24 months prior to 1 July 2013 which:

- does not change its operations in a way that increases risk (an ‘increased level of risk’ may arise from an upgrade in service category, an increase in propulsion power, an increase in displacement, the vessel commencing overnight operations or an increase in passenger numbers);
- is not significantly structurally modified; and
- continues to operate in the same geographic area as it did prior to 1 July 2013,

to continue to meet the design and construction, survey and crewing requirements which applied to the vessel on 30 June 2013. New equipment, identification and operating standards may apply to the vessel after transitional periods.

For vessels which entered the National System on or after 1 July 2013, the periodic survey schedule is contained in NSAMS 4 and applied under Marine Order 503. It is also shown in Table 1 below.

The design and construction standards applied under Marine Order 503 – the National Standard for Commercial Vessels (NSCV) – require new vessels $\geq 35\text{m}$ to be designed, constructed and maintained in accordance with the rules of a Classification Society that is a recognised organisation as defined by the Navigation Act 2012 (Navigation Act).

A number of stakeholders supported the retention of the current survey regime during the Streamlining Review. These stakeholders saw significant value in frequent surveys, as they prevented operators becoming complacent in maintaining their vessel to the required standard. These stakeholders raised the following concerns with changing the current survey regime:

- electrical problems, found during annual surveys, would not be picked up;
- reduced survey requirements would result in industry spending more money to demonstrate to third parties (such as insurers) that a vessel continues to meet the national standard; and
- if survey frequency was reduced, safety equipment which expires on an annual basis – such as life rafts and fire-fighting equipment – would be unlikely to be maintained.

Table 1 — Current periodic survey regime

Category	Vessels	Survey requirements					
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Full initial and periodic survey (Survey Level 1)	a. All Class 1 vessels b. All high risk vessels c. 2A d. 2B e. 2C \geq 7.5m f. 3A g. 3B h. 3C \geq 7.5m	Initial Survey	In water survey	In water survey	In and out of water survey	In water survey	In and out of water survey
Initial survey and partial periodic (Survey Level 2)	a. 2C <7.5m which carry passengers b. 2D which carry passengers c. 2E which carry passengers d. All overnight Class 4 e. 4C	Initial Survey	None	None	In and out of water survey	None	In and out of water survey
Initial survey only (Survey Level 3)	a. 2C <7.5m which do not carry passengers and are not high risk b. 2D \geq 7.5m which do not carry passengers and are not high risk c. 2E \geq 7.5m which do not carry passengers and are not high risk d. 3C <7.5m not high risk e. 3D \geq 7.5m not high risk f. 3E \geq 7.5m not high risk g. 4D \geq 7.5m not overnight h. 4E \geq 7.5m not overnight	Initial Survey	None	None	None	None	None or renewal survey, depending on the vessel and jurisdiction

4.3 Option 2: No regulated minimum survey requirements

This option involves the repeal of the current National System survey arrangements contained in Marine Order 503 and NSAMS 4, with no regulated minimum survey requirements implemented in its place.

Under this option, the requirements of the National Law Act would continue to apply, under which all vessels must obtain a Certificate of Survey. However, there would no minimum mandated survey regime.

Operators would be subject to their general safety duty under the National Law Act to maintain the vessel so that the vessel is safe, so far as is reasonably practicable. They would need to determine a survey and maintenance regime for their vessel which ensures that this obligation is met, under a self-regulatory approach.

Co-regulatory arrangements could also be implemented under this option. For example, industry associations could establish codes of practice which identify appropriate minimum survey schedules for the sector.

No stakeholders indicated support for removing regulated minimum survey requirements altogether during the Streamlining Review.

4.4 Option 3: Amending the survey regime

Based on the submissions received on the Streamlining Review, the risk analysis undertaken as part of the Streamlining Review, and ongoing consultation with State and Northern Territory marine safety agencies, a proposed new periodic survey regime has been developed. The proposed amendments to the current survey regime involve four sub-options (3A – 3D).

The proposal has been designed to address the problems identified in Chapter 2, and aims to minimise regulatory and administrative burden as much as possible, while maintaining safety levels. This proposal has no impact on consistency with international obligations, as the relevant international conventions do not extend to survey requirements for vessels which operate domestically only.

Stakeholder comments on the details of the sub-options are encouraged, and all comments received will be taken into consideration in the finalisation of the recommendations.

4.4.1. Sub-option 3A: Proposed new periodic survey regime

The first sub-option involves amending the periodic survey requirements of the National System. This sub-option addresses problem 1 identified in Chapter 2.

Based on the risk analysis and consultation undertaken as part of the Streamlining Review, the survey regime set out in Tables 2 and 3 below has been proposed. Comments on the details of this sub-option are invited.

The proposed new periodic survey schedules are designed to reduce the differences between the grandfathered survey (and survey exemption) arrangements that apply to existing vessels, and the survey requirements which would apply to new vessels entering the fleet. This aims to remove (or reduce) the incentive for operators to hold onto older vessels.

As described in Table 2 below, this option also aims to reduce the complexity of the current regulatory arrangements by moving the survey requirements into Marine Order 503. This would reduce the number of instruments stakeholders would need to access in order to understand the periodic survey requirements. The way in which the requirements are expressed would also be simplified as part of this change.

Table 2 — The proposed periodic survey regime

Current regulatory arrangements	Proposed regulatory arrangements
<p>The current periodic survey schedule for new vessels is shown in the Table 1 above. Under the current regime, a significant proportion of the fleet is subject to annual survey.</p> <p>Vessels in operation within the two years prior to 1 July 2013 had their pre-existing survey regime grandfathered.</p> <p>The periodic survey schedule is contained in NSAMS 4 and applied under Marine Order 503.</p>	<p>The proposed periodic survey schedule is shown in Table 3 below. Under the proposed regime, a significant proportion of the fleet will be subject to 2 surveys in 5 years.</p> <p>The proposed survey schedule includes SMS assessments, the primary purpose of which is to increase the focus on holistic safety management by checking that the SMS exists and is relevant to the vessel and its intended operation(s), gaining an understanding of the knowledge of the Owner, Master and crew as to the contents of the SMS and reporting this information to the National Regulator.</p> <p>Vessels which perform poorly during a survey or other compliance activity will be moved into a higher survey frequency level. If the vessel meets the required standard over a few surveys, it will be eligible to move back to its original survey frequency level.</p> <p>Vessels which perform well during periodic surveys, audits and other compliance activities, can move to a lower survey frequency level.</p> <p>The new survey regime will apply to vessels that were in operation within the two years prior to 1 July 2013. However, vessels which have had their 'non-survey' status grandfathered will not be affected, unless they perform poorly during an inspection, audit or other compliance activity.</p> <p>The periodic survey schedule will be contained in Marine Order 503.</p>

Table 3 — Proposed periodic survey regime

Category	Vessels	Survey Schedule					
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
High survey frequency	<ul style="list-style-type: none"> a. All Class 1 vessels b. 2A and 2B, which carry passengers c. 2C ≥12m which carry passengers d. Vessels with steam propulsion e. Submersibles, wing in ground craft, novel vessels and high speed thrill rides 	Initial Survey	In Water Survey & SMS Assessment	Out of Water Survey	In Water Survey	SMS Assessment & Owner Self-Declaration	Out of Water Renewal Survey
Medium survey frequency	<ul style="list-style-type: none"> a. 2A, 2B, 2C ≥12m, which do not carry passengers b. 2D, 2E, 2C <12m, which are described in the modifiers c. 2D and 2E, which are ≥12m and which carry passengers d. 3A, 3B, 3C ≥12m e. 3D, 3E and 3C, which are described in the modifiers. f. 4C, 4D and 4E, which are ≥12m. g. 4C, 4D and 4E, which are described in the modifiers. 	Initial Survey	Owner Self-Declaration	In Water Survey & SMS Assessment	Owner Self-Declaration	Owner Self-Declaration	Out of Water Renewal Survey
Low survey frequency	<ul style="list-style-type: none"> a. 2D and 2E, which are ≥12m, do not carry passengers and are not in the medium or high survey categories b. 2C, 2D and 2E, which are <12m and are not in the non-survey, medium or high survey categories c. 3D and 3E which are ≥12m and are not in the medium survey category d. 3C <12m, which are not in the medium survey category e. 4C <12m, which are not in the medium or high survey categories f. All Ferry-in-chains, permanently moored vessels, powered barges, heritage vessels and volunteer marine rescue ('Scheme R') vessels 	Initial Survey	Owner Self-Declaration	Owner Self-Declaration	Owner Self-Declaration	Owner Self-Declaration	Out of Water Renewal Survey & SMS Assessment

Stakeholder suggestions

Stakeholders made a number of suggested changes to the current periodic survey regime which have been incorporated into sub-option 3A.

Two alternative proposals were put forward by stakeholders which are not reflected in sub-option 3A. These were:

- maintain the current periodic survey regime, and reduce survey frequency based on the history of the operator and vessel only; and
- reduce survey frequency to 10 yearly surveys for some vessel types.

These are further discussed in the next chapter.

4.4.2. Sub-option 3B: Proposed new survey ‘modifiers’

The second sub-option involves amending the list of ‘high risk’ operations and attributes that, under the National System, change the survey requirements which would otherwise apply to the vessel. This sub-option addresses problem 2 identified in Chapter 2.

Based on the risk analysis and consultation undertaken as part of the Streamlining Review, the new ‘modifiers’ set out in Table 4 below have been proposed. Comments on the proposed ‘modifiers’ are invited.

Stakeholder suggestions

Stakeholders made a number of suggested changes to the current ‘high risk’ list. All of these submissions are reflected in the proposal set out in the following table.

Table 4 — The proposed new survey ‘modifiers’

Current regulatory arrangements	Proposed regulatory arrangements
<p>A ‘high risk’ vessel may be subject to a higher frequency survey regime than other vessels (see Table 1 above).</p> <p>High risk vessels are:</p> <ul style="list-style-type: none"> ▪ a powered barge that is: <ul style="list-style-type: none"> - used to carry dangerous goods, including bulk petroleum or gas products; - used for living or entertainment; - used to operate a pile frame; - equipped with a crane or davit exceeding 3 tonne capacity; - equipped with dredging machinery having a total brake power of 500kW; - a landing barge; - primarily used for towage; ▪ a dredge with a total brake power of >500kW or that is >24 m measured length; ▪ a vessel primarily used for towage; ▪ a vessel used for carrying dangerous goods, including bulk petroleum or gas products; ▪ a vessel with a crane or davit exceeding 3 tonne capacity; ▪ a support vessel in the offshore oil industry; ▪ a vessel operating more than 5 nautical miles off the mainland; ▪ overnight hire and drive; and ▪ Class 4 personal watercraft. 	<p>A vessel with a ‘modifier’ may be subject to a higher frequency survey regime than other vessels (see Table 3 above).</p> <p>The proposed modifiers are:</p> <ul style="list-style-type: none"> ▪ landing type powered barges; ▪ a net reel, deck load, crane or lifting device the use of which the National Regulator has determined will have a detrimental effect on the stability or watertight integrity of the vessel; ▪ vessels intended for towage operations as their primary operation; ▪ carriage of Dangerous Goods; ▪ support vessel in the offshore oil and gas industry, which are not used primarily for recreational use; ▪ an inboard petrol engine (except for personal watercraft); ▪ fast craft, being a: <ul style="list-style-type: none"> - Class 1 vessel operating over ≥25knots; and - Class 2 vessel operating in A, B or C waters ≥35m long and operating ≥25 knots; and ▪ overnight hire and drive vessels.

4.4.3. Sub-option 3C: Proposed new National System survey limits

The third sub-option involves increasing the allowance for vessels to be in National System survey (survey by a National System Accredited Surveyor), rather than being required to be surveyed by, and in accordance with the rules of, a Classification Society. This sub-option addresses problem 3 identified in Chapter 2.

All Australian commercial vessels that travel internationally are subject to the *Navigation Act 2012* (Commonwealth) and Classification Society rules and survey requirements. This is because vessels that travel internationally tend to be larger and face higher risks, being further from a safe haven and subject to more variant weather, than vessels which only operate domestically. Classification Societies have structures in place to ensure that vessels are built and maintained to a level which can handle the risks involved in an international voyage. These structures also ensure that Classification Societies can handle the complexities of constructing larger vessels.

For the majority of the domestic fleet, the risks of the vessel and its operation do not justify the costs of Classification Society survey. However, larger domestic vessels have historically been required to undergo Classification Society survey and to be in 'Class' – under the National System, vessels 35 metres and longer in measured length are currently required to be in Class, unless an alternative arrangement has been 'grandfathered' for a pre-National System vessel.

Based on consultation undertaken as part of the Streamlining Review, and as shown in Table 5 below, it is proposed that the length limit for National System survey be increased from 35m to 45m. The 45m length is based on an understanding by State and Territory marine safety agencies regarding what length of vessel National System Accredited Surveyors have the capability to survey. Often, the longer the vessel the more complex its technical construction and operation, and the higher the level of insurance required to resolve surveyor errors where they occur.

The proposed increase in National System survey allowances is designed to ensure that the costs of Classification Society survey are imposed only where justified on a risk basis. Increasing the length allowance is also intended to allow more vessels to be built 'fit for purpose'.

Table 5 — National System survey limits

Current regulatory arrangements	Proposed regulatory arrangements
<p>The 'limits' on National System survey (survey undertaken by National System surveyors) are currently contained in NSCV Part C Sections 3 and 5A, which require vessels $\geq 35\text{m}$ to be designed, constructed and maintained in accordance with the rules of a Classification Society that is a recognised organisation as defined by the <i>Navigation Act 2012</i> (Navigation Act).</p>	<p>New 'upper limits' on National System survey will be set through Marine Order 503.</p> <p>It is proposed that:</p> <ul style="list-style-type: none"> ▪ vessels $< 45\text{m}$ are not required to be in Class. These vessels will be subject to the NSCV and may be surveyed by a National System surveyor; and ▪ vessels $\geq 45\text{m}$ must be designed, constructed and maintained in accordance with the rules of a Classification Society that is a recognised organisation under the Navigation Act. <p>However, vessels $\geq 35\text{m}$ which carry dangerous goods or which are Category 1 Fast Craft $\geq 500\text{GT}$, must be in Class.</p> <p>Amendments to NSCV Sections C3 and C5A will allow the NSCV to apply to vessels $< 45\text{m}$ in length.</p> <p>Domestic commercial vessels (DCV) $< 45\text{m}$ that are currently in Class can move into National System survey, however any grandfathered crewing arrangements would no longer apply to the vessel.</p> <p>Any vessel that is designed, constructed and maintained in accordance with the rules of a Classification Society is deemed-to-satisfy the design, construction and survey requirements of the National System.</p>

Stakeholder suggestions

A number of alternative proposals were put forward by stakeholders which are not reflected in sub-option 3C. These were:

- vessels less than 70m in length should be permitted to be in National System survey, as the return on investment associated with Class does not exist for vessels less than 70m in length;
- vessels less than 80m in length should be permitted to be in National System survey, as this would promote more Australian vessel registration and divert money from foreign owned Classification Societies;
- vessels less than 80m in length should be permitted to be in National System survey, where the vessel will operate only in sheltered waters. The sheltered waters limitation would reduce the risks associated with these vessels and remove the need for Class survey;

- vessels less than 60m in load waterline length should be permitted to be in National System survey, to align with the requirements in Fiji, Samoa, Papua New Guinea and Tonga;
- the type of vessel and its complexity should drive the Class requirement, rather than using arbitrary length limits; and
- gross tonnage cut-offs be used, rather than length.

These are further discussed in the next chapter.

Comments on sub-option 3C, and alternative ‘cut-off’ points (including using measures such as gross tonnage rather than length-based cut-offs) are invited.

4.4.4. Sub-option 3D: Proposed new survey arrangements and depth

The fourth and final sub-option involves amending the detail of the current survey schedules and arrangements. As described in Table 6 below, this includes aligning the survey arrangements with the new Accredited Surveyor regulations, reviewing the survey schedules to allow for new technologies, and introducing a new six month window during which a periodic survey can be undertaken. This sub-option addresses problem 4 identified in Chapter 2.

Comments on this proposal, as well as other options for amending the detail of the survey arrangements and schedules, are invited.

Table 6 — Survey arrangements and depth

Current regulatory arrangements	Proposed regulatory arrangements
<p>Surveys can be undertaken by private or government surveyors, provided they are accredited under the National Law Act.</p> <p>Transitional arrangements allow current surveyors to operate until they become accredited.</p> <p>Surveys must be undertaken into accordance with NSAMS 4 and the Surveyor Manual. NSAMS 4 specifies what must be surveyed during an initial, in-water, in-and-out of water and a renewal survey.</p>	<p>Surveys will be able to be undertaken by private or government surveyors, provided they are accredited under the National Law Act.</p> <p>Transitional arrangements will continue to allow current surveyors to operate until they become accredited.</p> <p>Surveys must be undertaken in accordance the Surveyor Manual, which will include new survey schedules (what must be surveyed during an initial, in-water, out-of-water and renewal survey) which account for current technology such as ultrasonic testing and paint systems.</p> <p>Survey reports must be provided to the National Regulator.</p>

Stakeholder suggestions

Stakeholders made a number of suggested changes to the current survey schedules. All of these submissions are reflected in the proposal set out in the above table.

4.4.5. Overview of Option 3

An overview of the current vessel regulatory regime (Option 1) and that proposed under Option 3 is shown in the following two figures (including all four sub-options). Figure 2 also includes two complementary reforms that are further described in Chapter 6. Note that all vessels must also be on a Certificate of Operation, and must be covered by a safety management system. For background information on the Certificate of Operation and safety management system requirements see the [ACSA website](#).

Figure 1: Overview of the current vessel regulatory regime (Option 1)

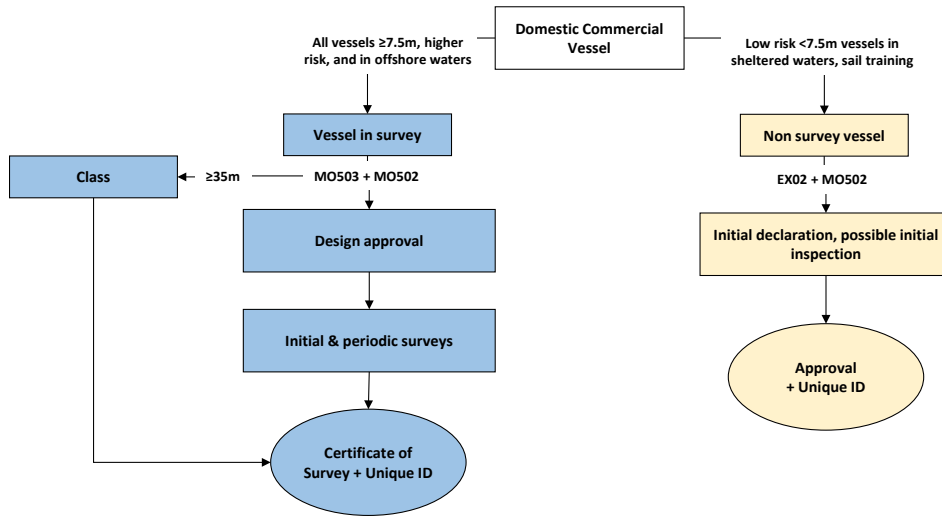
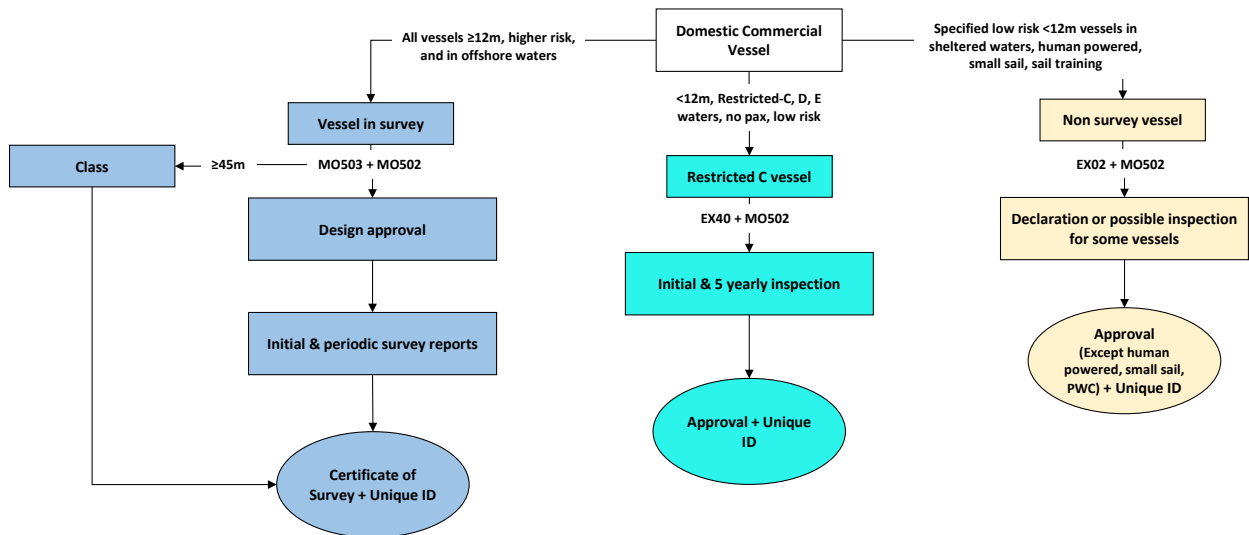


Figure 2: Overview of the proposed vessel regulatory regime (Option 3)



The next two figures provide an overview of the impact of Option 3, sub-option 3A, on the vessel survey regime. Figure 4 includes the two complementary reforms (described in Chapter 6). As shown in the figures, under sub-option 3A there would be far greater reliance on ‘medium’ level survey (two surveys in five years – green in the figures) and far less reliance on high level survey (currently annual survey, and four surveys in five years under the proposal – blue in the figures).

Note that, under the proposal, a vessel's survey level could change depending on how the vessel performed during surveys and other compliance activities.

Figure 3: Overview of the current vessel survey regime (Option 1)

Category	<7.5m	≥7.5m
Class 1	High survey frequency	High survey frequency
2A with passengers	High survey frequency	High survey frequency
2B with passengers	High survey frequency	High survey frequency
2C with passengers	Medium survey frequency	High survey frequency
2D with passengers	Medium survey frequency	Medium survey frequency
2E with passengers	Medium survey frequency	Medium survey frequency
2A no passengers	High survey frequency	High survey frequency
2B no passengers	High survey frequency	High survey frequency
2C no passengers	Low survey frequency	High survey frequency
2D no passengers	Non survey	Low survey frequency
2E no passengers	Non survey	Low survey frequency
2A with modifier	High survey frequency	High survey frequency
2B with modifier	High survey frequency	High survey frequency
2C with modifier	High survey frequency	High survey frequency
2D with modifier	High survey frequency	High survey frequency
2E with modifier	High survey frequency	High survey frequency
3A	High survey frequency	High survey frequency
3B	High survey frequency	High survey frequency
3C	Low survey frequency	High survey frequency
3D	Non survey	Low survey frequency
3E	Non survey	Low survey frequency
Class 3 with modifier	High survey frequency	High survey frequency
4C	Low survey frequency	Medium survey frequency
4D	Non survey	Low survey frequency
4E	Non survey	Low survey frequency
Class 4 with modifier	Medium survey frequency	Medium survey frequency

Figure 4: Overview of the proposed vessel survey regime (Option 3)

Category	<12m	≥12m
Class 1	High survey frequency	High survey frequency
2A with passengers	High survey frequency	High survey frequency
2B with passengers	High survey frequency	High survey frequency
2C with passengers	Low survey frequency	High survey frequency
2D with passengers	Non survey (≤4 passenger) / Low (>4 passenger)	Medium survey frequency
2E with passengers	Non survey (≤4 passenger) / Low (>4 passenger)	Medium survey frequency
2A no passengers	Medium survey frequency	Medium survey frequency
2B no passengers	Medium survey frequency	Medium survey frequency
2C no passengers	Low survey frequency	Medium survey frequency
Restricted C	Inspection	N/A
2D no passengers	Non survey	Low survey frequency
2E no passengers	Non survey	Low survey frequency
2A with modifier	Medium (no passenger) or high (passenger)	Medium (no passenger) or high (passenger)
2B with modifier	Medium (no passenger) or high (passenger)	Medium (no passenger) or high (passenger)
2C with modifier	Medium survey frequency	Medium (no passenger) or high (passenger)
2D with modifier	Medium survey frequency	Medium survey frequency
2E with modifier	Medium survey frequency	Medium survey frequency
3A	Medium survey frequency	Medium survey frequency
3B	Medium survey frequency	Medium survey frequency
3C	Low survey frequency	Medium survey frequency
Restricted C	Inspection	N/A
3D	Non survey	Low survey frequency
3E	Non survey	Low survey frequency
Class 3 with modifier	Medium survey frequency	Medium survey frequency
4C	Low survey frequency	Medium survey frequency
4D	Non survey	Medium survey frequency
4E	Non survey	Medium survey frequency
Class 4 with modifier	Medium survey frequency	Medium survey frequency

5. Impact analysis

This chapter discusses the impact of each of the three options outlined in Chapter 4, including:

- the costs and benefits;
- impacts on businesses; and
- an analysis of the extent to which each option will reduce risk.

Option 3, amending the survey regime, is considered first and includes discussion of those additional stakeholder suggestions from the Streamlining Review which have not been incorporated into the sub-options. A summary of the impact of each option is provided in Chapter 7.

Individuals and organisations are invited to comment on the analysis presented here and to suggest other costs, benefits and impacts not already considered. Further details on how to provide submissions are explained in Chapter 6 of this RIS.

5.1 Scope of impact

The following parties are likely to be affected by changes to the current vessel survey regime:

- all persons and businesses operating domestic commercial vessels. In particular, the operators of the 13,000 vessels currently in survey under the National System, and the operators of new vessels which will enter the fleet over the coming years and which would be in survey under the current regime, are affected by the proposal;
- marine safety agencies, including AMSA and all State and Territory marine safety agencies; and
- private and government surveyors, including Classification Societies, and operators of slip facilities.

Where the specific costs and benefits of the option are identified in this chapter, their impact on particular affected groups has been noted in the text below.

In addition, the flow-on effects of the proposed reforms could impact the following parties:

- all persons and vessels in or on navigable waters in Australia, including recreational vessels, Regulated Australian Vessels and foreign vessels; and
- compliance officers, including Water Police.

5.2 Methodology

Only the incremental impacts of each Option – the impacts of the Option as compared to the base case – are relevant. Option 1 (Maintaining the current survey regime without amendment) is the 'base case' for the purpose of this RIS. It is the 'status quo' option.

Where costs and benefits can be quantified, they have been estimated over a 10 year period, in line with OBPR recommendations.⁴ The 10 year period also aligns with the period for which the new Marine Order 503 would be valid. Commonwealth regulations are automatically repealed 10 years after commencement, and Marine Order 503 would be subject to a review before the end of the 10 years period.

A discount rate of 7% per year has been applied in order to identify the 2015 cost or benefit.⁵ An annual CPI increase in costs of goods and services of 2.5% has been applied.

A table of the assumptions used to estimate costs and benefits (where they could be quantified) is contained at **Appendix A**.

Importantly, this RIS is not assessing the National Law Act itself. It can only consider the costs and benefits that result from the alternative options presented in this RIS.

5.3 Option 3: Amending the survey regime

There are several reform components to this Option. The costs and benefits of each are identified below.

A draft regulatory costing for option 3, completed in accordance with the government's Regulatory Burden Measurement framework, is presented in **Appendix B**. The proposed draft of Marine Order 503, which implements Option 3, has been provided together with this RIS.

5.3.1 Sub-option 3A: Proposed new periodic survey regime

Sub-option 3A is designed to address problem 1 as outlined in Chapter 2 of this RIS. This includes the concerns regarding the current periodic survey regime raised by stakeholders during the Streamlining Review, and the recommendations of the risk analysis undertaken as part of the Streamlining Review. It is also designed to address objectives 1 – 4 of government action, outlined in Chapter 3 of this RIS.

Vessels 'in survey' (those which are required to hold a Certificate of Survey under the National Law Act) are currently subject to:

- for vessels which operated in the two years prior 1 July 2013, either their grandfathered survey regime (that which applied on 30 June 2013) or NSAMS 4; and
- for new vessels and vessels which entered the system after 1 July 2013, NSAMS 4.

The current periodic survey schedule under NSAMS 4 is shown in Table 1 above. Under the current regime:

- 20% of the fleet is subject to five yearly survey;
- 8.5% of the fleet is subject to two in five yearly survey; and
- 35% of the fleet is subject to annual survey.

The proposed periodic survey schedule is shown in the Table 3 above. Under the proposal:

⁴ *Cost Benefit Analysis Guidance Note, Office of Best Practice Regulation, 2014.*

⁵ *Cost Benefit Analysis Guidance Note, Office of Best Practice Regulation, 2014.*

- 25.5% of the fleet is subject to five yearly survey;
- 19.5% of the fleet is subject to two in five yearly survey; and
- 13% of the fleet is subject to annual survey.

Note that non-survey vessels and 'Restricted C' vessels are excluded from either the current and/or the proposed survey arrangements. Hence, only 63.5% of the fleet are subject to survey under the current arrangements, and 58% will be subject to survey in the future. It should also be noted that these percentages do not take into account grandfathered survey arrangements, so the actual proportion of the fleet in survey may be lower than these percentages suggest.

The initial survey and design and construction requirements are the same under the existing arrangements and the proposal, for vessels in survey.

Under the proposal, vessels which perform poorly during a survey, audit or other compliance activity may be moved into a higher survey frequency level. Once the vessel meets the required standard over a few surveys, it will be eligible to move back to its original survey frequency level.

Vessels which perform well during periodic surveys, audits and other compliance activities, can move to a lower survey frequency level.

The new survey regime will apply to vessels that were in operation within the two years prior to 1 July 2013. However, vessels which have had their 'non-survey' status grandfathered will not be affected, unless they perform poorly during an inspection, audit or other compliance activity.

Under the proposal, the periodic survey schedule (survey frequency) will be contained in Marine Order 503. The survey schedules (what is surveyed at each periodic survey) will be contained in the Surveyor Manual, and NSAMS 4 will no longer apply.

The average length of vessel moving from high to medium survey frequency under the proposal is estimated to be 25.25m based on an analysis of the current fleet. These vessels will have two less in-water surveys and one less in-and-out of water survey in a five year survey cycle.

The average length of vessel moving from medium to low survey frequency under the proposal is estimated to be 5.68m. These vessels will have one less in-and-out of water survey in a five year survey cycle.

The average length of vessel moving from high to low survey frequency under the proposal is estimated to be 9.75m. These vessels will have three less in-water surveys and one less in-and-out of water survey in a five year survey cycle.

In addition:

- under the proposal, all high survey frequency vessels will have one less in-water survey, one out-of-water survey instead of an in-and-out of water survey and one additional SMS assessment.⁶ The average length of a high survey frequency vessel under the proposed arrangements is 18.36m based on an analysis of the current fleet; and

⁶ For estimation purposes, \$400 and 1 hour has been allowed for an SMS assessment without survey. This includes surveyor travel costs of \$200.

- under the proposal, all medium survey frequency vessels will have one in-water survey instead of one in-and-out of water survey during a five year cycle. The average length of a medium survey frequency vessel under the proposed arrangements is 24m, based on an analysis of the current fleet.

Average survey costs for vessels of these lengths are shown in the following table. Where hourly rates apply, it has been assumed that:⁷

- an in-water survey takes:
 - two hours for a low frequency survey vessel;
 - three hours for a medium frequency survey vessel; and
 - three hours for a high frequency survey vessel;
- an out-of-water survey takes:
 - three hours for a low frequency survey vessel;
 - four hours for a medium frequency survey vessel; and
 - four hours for a high frequency survey vessel.
- an in-and-out-of-water survey takes:
 - four hours for a low frequency survey vessel;
 - five hours for a medium frequency survey vessel; and
 - five hours for a high frequency survey vessel.

It should also be noted that surveys may be undertaken by either private or government surveyors, provided the surveyor is accredited under the National Law Act. The fees set out in Table 7 below are for government surveyors, as these fees are publicly available. Different fees may apply to surveys undertaken by private surveyors. However, as shown in the table, the fee arrangements for surveys vary significantly between jurisdictions. They vary considerably even where marine safety agencies conduct surveys on a cost-recovery basis – such as in Western Australia and Tasmania. As such, it is likely that fees for private surveyors will also vary widely (by jurisdiction and within jurisdictions), so the fees shown in the table are likely to cover the potential range of private survey fees.

Where different fees are applied to different vessel classes, a medium fee is reflected in the table.⁸ Fees are generally charged on either a vessel length (per metre) basis, or on an hourly basis. The time allowances set out above for each vessel and survey type have been allowed in order to estimate fees. Note that travel time costs for the surveyor apply on top of these fees – as shown in the table, \$200 has been allowed for travel time and expenses. However, this will vary significantly depending on where the survey takes place.

⁷ These time allowances are based on feedback from surveyors. It was noted that the time taken to undertake design approval and the surveys varied significantly depending on the vessel and the comprehensiveness of the documentation provided to the surveyor. The allowances are considered to be conservative figures for the purposes of cost estimation.

⁸ This applies only in a small number of jurisdictions, and the difference between the fees scales is small, so this is a close approximation to the average.

The 'weighted average' is the average survey fee per vessel, based on the number of vessels in each jurisdiction.

In order to estimate the savings associated with the proposal, it is also assumed that the fleet grows at a rate of 5% per year.⁹

⁹ The 2007 Regulatory Impact Statement, National Standard for the Administration of Marine Safety Section 4, National Marine Safety Committee, applied a 2% – 7% expected annual growth rate, depending on the jurisdiction. In 2007, there were 9,000 vessels in survey. In 2015 there are 13,000 vessels. This equates to an average annual growth rate of 5%.

Table 7 — Survey fees at 1 July 2015

	5.68m			9.75m			18.36m			24m			25.25m		
	In water	Out of water	In and out of water	In water	Out of water	In and out of water	In water	Out of water	In and out of water	In water	Out of water	In and out of water	In water	Out of water	In and out of water
NSW	\$295.36	\$295.36	\$295.36	\$750.75	\$750.75	\$750.75	\$1,689.12	\$1,689.12	\$1,689.12	\$2,208	\$2,208	\$2,208	\$2,323	\$2,323	\$2,323
NT	\$232.88	\$232.88	\$232.88	\$399.75	\$399.75	\$399.75	\$752.76	\$752.76	\$752.76	\$984	\$98	\$984	\$1,035.25	\$1,035.25	\$1,035.25
QLD	\$123.50 per hour Total: \$247	\$123.50 per hour Total: \$370.50	\$123.50 per hour Total: \$494	\$123.50 per hour Total: \$247	\$123.50 per hour Total: \$370.50	\$123.50 per hour Total: \$494	\$123.50 per hour Total: \$370.50	\$123.50 per hour Total: \$494	\$123.50 per hour Total: \$617.50	\$123.50 per hour Total: \$370.50	\$123.50 per hour Total: \$494	\$123.50 per hour Total: \$617.50	\$123.50 per hour Total: \$370.50	\$123.50 per hour Total: \$494	\$123.50 per hour Total: \$617.50
SA	\$434	\$482	\$665	\$760	\$843	\$1,145	\$1,545	\$1,706	\$2,293	\$2,090	\$2,304	\$3,089	\$2,182	\$2,406	\$3,224
TAS	\$66.60	\$198.32	\$198.32	\$91.76	\$370.00	\$370.00	\$115.44	\$446.96	\$446.96	\$164.28	\$750.36	\$750.36	\$164.28	\$750.36	\$750.36
VIC	\$329.46	\$329.46	\$329.46	\$329.46	\$329.46	\$329.46	\$401.20	\$401.20	\$401.20	\$544.68	\$544.68	\$544.68	\$544.68	\$544.68	\$544.68
WA	\$290	\$359	\$652	\$436	\$653	\$979	\$853	\$1,280	\$1,919	\$1,255	\$1,883	\$2,824	\$1,326	\$1,989	\$2,984
Weighted average	\$292.64	\$336.02	\$440.72	\$436.67	\$538.25	\$658.82	\$848.23	\$995.27	\$1,193.02	\$1,103.76	\$1,305.81	\$1,571.34	\$1,152.37	\$1,361.15	\$1,638.59
Including surveyor travel time / costs	\$492.64	\$536.02	\$640.72	\$636.67	\$738.25	\$858.82	\$1,048.23	\$1,195.27	\$1,393.02	\$1,303.76	\$1,505.81	\$1,771.34	\$1,352.37	\$1,561.15	\$1,838.59

Based on the above assumptions, it is estimated that sub-option 3A will save industry (vessel operators) a total of \$72,044,317 in compliance costs over a 10 year period in 2015 dollars.

As the survey function is currently subsidised by State and Territory governments, there will also be savings to government associated with the proposal. The cost recovery arrangements vary significantly around Australia. Assuming an average cost recovery rate of 70% per vessel survey,¹⁰ the savings to government (State and Territory marine safety agencies) over a 10 year period associated with sub-option 3A are \$23,481,113 in 2015 dollars.

As noted above, private surveyors who are accredited under the National Law also carry out periodic surveys on vessels, including those surveyors accredited to operate in Queensland under the pre-existing Queensland laws. As the Accredited Surveyor regulations commenced in late 2014, surveyors are only starting to become accredited, so most surveys continue to be carried out by government surveyors (except in Queensland, where private surveyors accredited under the pre-existing Queensland laws continue to be recognised).

Although the total number of surveys carried out around Australia will reduce under the proposal, the share of surveys undertaken by private Accredited Surveyors is expected to increase significantly over the next 10 years. The existing Surveyor Accreditation regulations allow compliance surveys to be completed by private Accredited Surveyors around Australia, and thereby allow for the significant growth of the private surveyor industry. As a result, the overall reduction in vessel surveys resulting from sub-option 3A is not expected to reduce the total number of surveys being undertaken by private surveyors. Further, this proposal will not change the current role or requirements of private Accredited Surveyors, who will continue to perform vessel surveys as they do now. As such, no impact on private Accredited Surveyors has been quantified for the purposes of this RIS.

Sub-option 3A reduces the number of interactions vessel operators have with the National Regulator by reducing the overall number of surveys undertaken. As such, sub-option 3A will reduce the overall compliance burden, including administrative, operational and delay costs. The business compliance costs and Regulatory Costing discussed in section 5.3.5 below include estimates of the savings to businesses as result of the proposed changes. Comments from stakeholders are invited on the implications of the proposal for business administrative, operational, delay and other costs.

Survey is a risk mitigation tool, by ensuring that a vessel is maintained to the standard required by law. As a result, there may be safety costs associated with reducing the periodic survey requirements. However, in light of the consultation undertaken with stakeholders and the risk analysis completed as part of the Streamlining Review, these costs are not considered to be substantial. In addition, any safety costs resulting from the overall reduction in surveys under the sub-option 3A are considered to be offset by the following aspects of the reform:

- the proposal will encourage the large number of owners with existing vessels that have grandfathered survey status to upgrade to new vessels by reducing the compliance costs associated with this;

¹⁰ This estimation is based on figures derived through discussions with jurisdictions on the cost recovery rates of all their marine safety functions.

- the new power for the National Regulator to move vessels into higher survey levels where the vessels perform poorly during a survey, audit or other compliance activity. This also applies to vessels which have had their current survey regimes grandfathered;
- increasing the focus on safety management systems and a more holistic approach to safety. Under the proposed new survey schedule outlined in Table 3 above, the SMS will be assessed by an Accredited Surveyor on a periodic basis. Where the Accredited Surveyor identifies potential flaws in the SMS, the National Regulator will conduct a more thorough review of the SMS; and
- introducing new ways to identify high-risk operations requiring greater regulatory oversight. See 5.3.2 (sub-option 3B) below for more discussion on this proposed change.

While the safety implications of sub-option 3A are unable to be quantified, AMSA expects any safety costs associated with reducing survey frequency would be offset by other aspects of the proposal. Comments from stakeholders are invited on the potential safety implications and costs of the proposal.

Finally, as a result of the reduction in the total number of surveys undertaken, there may be some impact on third parties involved in the survey process, such as providers of slip facilities. These impacts are expected to be offset by reduced costs to vessel operators (the costs of slip facilities were not included in the quantified benefits of this sub-option). Comments are invited from stakeholders on these potential impacts.

Stakeholder suggestions

As set out in Chapter 4, stakeholders put forward two alternative proposals for changes to the periodic survey requirements. These were:

- maintain the current periodic survey regime, and reduce survey frequency based on the history of the operator and vessel only; and
- reduce survey frequency to 10 yearly surveys for some vessel types.

Maintaining the current periodic survey regime and reducing survey frequency based on the history of the operator and vessel only is not considered to adequately realign vessel survey frequency with risks across the fleet, and as such does not address objectives 1 and 2 of government action. In addition, this option would take significant time (both of the National Regulator and of the operator) to implement, as it requires consideration of each individual vessel and operator, which may further reduce its overall benefits.

Reducing survey frequency to 10-yearly surveys for some vessel types is also not considered to align survey requirements with risk. 10-years between surveys is too long for the survey to play a role in ensuring compliance and maintaining safety. Where the vessel is of such low risk that 10 yearly surveys would be appropriate, the vessel should not be required to obtain and maintain a Certificate of Survey.

Addressing the problem

Sub-option 3A addresses problem 1 (survey requirements are not well aligned with risks) set out in Chapter 2 of this RIS by:

- aligning mandated survey requirements to the risk of the individual operator, vessel and operation. Sub-option 3A reduces survey requirements for many lower-risk vessels and also allows survey requirements to be modified on an individual-vessel basis;
- supporting the implementation of strong maintenance practices by the operator. By allowing survey requirements to be modified on an individual-vessel basis, sub-option 3A provides an incentive for operators to maintain the vessel to the required standard;
- implementing a greater focus on proactive safety management by operators. By including a review of safety management systems in the periodic survey schedule, sub-option 3A increases the emphasis on proactive safety management including through safety management systems;
- removing or reducing incentives for holding onto older vessels due to their grandfathered survey status. By reducing the gap between the grandfathered survey arrangements which apply to existing vessels and the survey requirements which apply to new vessels, sub-option 3A reduces the incentive for operators to hold onto older vessels with grandfathered status; and
- increasing the accessibility and transparency of the survey requirements. By moving the periodic survey regime into Marine Order 503 and simplifying the presentation of the requirements, sub-option 3A will make the survey requirements easier to access, identify and apply.

5.3.2. Sub-option 3B: Proposed new survey ‘modifiers’

Sub-option 3B is designed to address problem 2, raised by stakeholders and outlined in Chapter 2 of this RIS. It is also designed to address objective 1 of government action, outlined in Chapter 3 of this RIS.

In order to manage the risks of some types of vessels and operations, vessels with certain attributes are currently subject to higher regulatory oversight. These vessels are not eligible for non-survey status and may be subject to a higher frequency periodic survey schedule than a vessel of an equivalent size and operational area category.

The current modifiers are based on NSAMS 4 and are:

- a powered barge that is:
 - used to carry dangerous goods, including bulk petroleum or gas products;
 - used for living or entertainment;
 - used to operate a pile frame;
 - equipped with a crane or davit exceeding 3 tonne capacity;
 - equipped with dredging machinery having a total brake power of 500kW;
 - a landing barge;
 - primarily used for towage;

- a dredge with a total brake power of >500kW or that is >24m measured length;
- a vessel primarily used for towage;
- a vessel used for carrying dangerous goods, including bulk petroleum or gas products;
- a vessel with a crane or davit exceeding 3 tonne capacity;
- a support vessel in the offshore oil industry;
- a vessel operating more than 5 nautical miles off the mainland;
- overnight hire and drive; and
- Class 4 personal watercraft.

The proposed new modifiers are:

- landing type powered barges;
- a net reel, deck load, crane or lifting device the use of which the National Regulator has determined will have a detrimental effect on the stability or watertight integrity of the vessel;
- vessels intended for towage operations as their primary operation;
- carriage of Dangerous Goods;
- support vessel in the offshore oil and gas industry;
- an inboard petrol engine (except for personal watercraft);
- fast craft, being a:
 - Class 1 vessel operating over ≥ 25 knots; and
 - Class 2 vessel operating in A, B or C waters ≥ 35 m long and operating ≥ 25 knots; and
- overnight hire and drive vessels.

The proposed changes are twofold. Firstly, the list of modifiers has been simplified to remove duplication. Secondly and more importantly, regulatory gaps have been removed, with greater flexibility for the National Regulator to identify circumstances in which an attribute of a vessel or operation will have an impact on safety that needs to be managed through greater regulatory oversight.

In particular, rather than specifying a size of crane that will cause a vessel to be subject to greater controls, guidelines will be released which specify those reels, loads, cranes and lifting devices that actually have a detrimental effect on the stability or watertight integrity of the vessel. A large crane on a large vessel may have no impact on stability, while a relatively small crane on a small vessel may have an impact.

This change will also close the current loophole in the requirements which allows operators to choose equipment that is not captured in the high risk list but which is equivalent to a crane and which has a detrimental impact on the stability of the vessel.

Sub-option 3B is likely to affect a small 'high risk' proportion of the existing fleet. A similarly small number of new vessels will also be affected by these changes. The proposal will remove unnecessary compliance costs for vessels that should not be considered to be high risk. A large

vessel with a small crane, for example, would have reduced compliance costs through the removal or reduction of survey requirements. However, the proposal will impose compliance costs on vessels which should be considered to be high risk, through new or additional survey requirements. Due to data limitations, the compliance costs and benefits of this element of the reform have not been quantified in this RIS. Given the small number of vessels involved, the impact in terms of compliance costs is expected to be conservative.

However, this change will provide safety benefits by ensuring that high risk vessels are subject to adequate survey requirements. If the survey requirements are not adequate, there is a higher chance that the vessel will not meet the applicable design, construction, equipment or maintenance standards, which in turn places the vessel at greater risk of an incident and creates a risk to crew and passengers, other vessels and the marine environment. Due to data limitations, these safety benefits have not been quantified. However, comments from stakeholders are invited on the potential safety implications and costs or benefits of the proposal.

In addition, the impact of this sub-proposal on other business compliance costs (including administrative, operational and delay costs) is not known, without knowing the number of vessels affected and the extent to which they are impacted.

Stakeholder suggestions

As all stakeholder suggestions have been incorporated into the proposal (sub-option 3B), there is no separate analysis of the costs and benefits of stakeholder proposals relating to the high risk list.

Addressing the problem

Sub-option 3B addresses problem 2 (survey modifiers for high-risk vessels and operations require review) set out in Chapter 2 of this RIS by:

- amending the current 'high risk' list to align requirements with safety risks, focussing on (in particular) the lifting or slewing potential criteria, the three tonne cut-off for cranes, the treatment of barges and the definition of fast craft.

5.3.3. Sub-option 3C: Proposed new National System survey limits

Sub-option 3C is designed to address problem 3, raised by stakeholders and outlined in Chapter 2 of this RIS. It is also designed to address objectives 1 and 2 of government action, outlined in Chapter 3 of this RIS.

Under the current arrangements, for new vessels $\geq 35\text{m}$ and existing vessels $\geq 35\text{m}$ constructed to the NSCV, the deemed-to-satisfy solution under Part C of the NSCV is design, construction and maintenance in accordance with the rules of a Classification Society.

This means that vessels $\geq 35\text{m}$ must be in Class, unless an equivalent solution or grandfathering arrangement applies.

The proposed change involves permitting vessels $< 45\text{m}$ to be in survey under the National Law. These vessels would not be required to be in Class, unless they are over 35m and carry dangerous goods or are Category 1 Fast Craft over 500GT. In addition, an operator could elect to have their vessel built to Class standards and surveyed by a Class Society. To support the proposed arrangement, the NSCV would include design and construction standards for vessels less than 45m in length.

Based on an analysis of the current fleet, it is estimated that there are 185 vessels between 35m and $< 45\text{m}$ in length that are currently operating in the National System. A number of these vessels will not be in Class as they will have had their pre-National System survey arrangements grandfathered.¹¹ Under the proposal, those vessels that are in Class will have the option of moving out of Class and into National System survey.

In addition, the 19 or so new vessels between 35m and $< 45\text{m}$ in length entering the National System each year will have the lower-cost option of National System survey.

National System survey fees are generally charged on a vessel length (per metre) basis, or on an hourly basis. In the following table, fees have been identified based on a 40m vessel.¹² 14 hours has been allowed for each of the design approval, initial survey and periodic survey phases.¹³ The 'weighted average' is the average fee per vessel, based on the number of vessels in each jurisdiction.

¹¹ Prior to 1 July 2013, State and Territory jurisdictions applied different 'cut-off' points to the Class requirement. As such, some vessels between 35 and 45m in operation prior to 1 July 2013 will not be in Class as their previous survey arrangements are recognised and grandfathered under the National System.

¹² The median vessel length of 40m has been chosen for estimation purposes.

¹³ The 14 hour figure is based on feedback from surveyors. It was noted that the time taken to undertake design approval and the surveys varied significantly depending on the vessel and the comprehensiveness of the documentation provided to the surveyor. 14 hours is considered to be a conservative figure for the purposes of cost estimation.

Table 8 — Survey fees at 1 July 2015 for a 40m vessel

Jurisdiction	Initial survey fees	Periodic survey fees
NSW	\$12,680	\$3,680
NT	\$8,160	\$1,640
QLD	\$138.15 plus \$164.65 per hour design approval and \$123.50 per hours initial survey fees Total: \$4,031.10	\$123.50 per hour Total: \$1670.20
SA	\$7,783 initial survey plus \$186 per hour plan approval Total: \$10,387	\$3,969
TAS	\$195.36 per hour for design approval and initial survey \$5,470.08	\$888
VIC	\$5,393.76	\$760.24
WA	\$56,012	\$4,009
Weighted average	\$14,388.73	\$2,573.63

In order to estimate the impact of this proposal, it is assumed that:

- 50% (92.5) of the existing vessels between 35m and <45m in length are currently in Class survey, and that 50% (46.25) of these would move into National System survey;¹⁴
- it costs \$250,000 to build a vessel to Class in Class Society fees and \$15,000 per year to maintain a vessel in Class;¹⁵ and
- it costs \$14,388.73 to build a vessel under National System survey in survey fees and \$2,573.63 per year to maintain a vessel in National System survey (as shown in Table 8 above).

It is also assumed that the fleet grows at 5% per year and turns over at 5% per year.¹⁶

¹⁴ It is assumed that a significant proportion of vessels in Class would elect to maintain Class certification due to the resale value of the vessel and other factors. However, the significantly lower compliance costs associated with National System survey will see a significant proportion move out of Class. Hence, the 50% figure has been applied.

¹⁵ The costs of Classification Society construction and survey are based on industry feedback during the Streamlining Consultation.

¹⁶ The 2007 Regulatory Impact Statement on the National Standard for the Administration of Marine Safety Section 4 by the National Marine Safety Committee applied a 2% – 7% expected annual growth rate, depending on the jurisdiction. In 2007, there were 9,000 vessels in survey. In 2015 there are 13,000 vessels. This equates to an average annual growth rate of 5%. In addition, when new vessels are purchased and older vessels retired, the new vessel must meet the current

Based on these assumptions, it is estimated that sub-option 3C will save industry (vessel operators) a total of \$46,334,021 in compliance costs over a 10 year period in 2015 dollars. This does not include time savings or on-costs associated with Class requirements.

If these vessels were surveyed by government Accredited Surveyors (as opposed to private Accredited Surveyors), and government agencies recover on average 70% of costs per vessel survey, the costs to government (marine safety agencies) over a 10 year period associated with sub-option 3C are \$2,022,839 in 2015 dollars.

This reform will potentially reduce income from surveys of domestic commercial vessels for Classification Societies. However, this impact will be partially offset by the potential increased demand for other private surveyors accredited under the National Law. The estimated costs to government (marine safety agencies) associated with this sub-option (\$2.1 million over 10 years) should be seen as the maximum amount, as this figure would be reduced where private Accredited Surveyors undertake the survey.

Classification Societies have structures in place to manage the complexities of larger vessels and to ensure that vessels are built and maintained to a high level. As such, there may be safety implications associated with changing the Class requirements for larger vessels. However, as a result of the consultation with stakeholders and the risk analysis, these costs are not considered to be substantial. In addition, any safety costs resulting from the reduction in surveys undertaken by Classification Societies will be managed through the surveyor accreditation arrangements and Accredited Surveyor insurance requirements.

Further, under the current arrangements, there is a strong incentive for vessels to be built to 34.9m, rather than being built to the ideal size for its intended purpose. The proposed reform will encourage more vessels to be built 'fit-for-purpose', which has positive safety implications from an occupational health and safety and marine safety perspective. (Given that a new length limit is proposed (45m) it is acknowledged that there will be new incentives for vessels to be built to 44.9m. However, increasing the length limit will result in more vessels being built fit-for-purpose overall). This safety benefit will also assist to off-set the potential safety implications of changing the Class requirements.

While the safety implications of sub-option 3C are unable to be quantified, AMSA expects that any safety costs associated with reducing Classification Survey requirements would be offset by other aspects of the proposal. Comments from stakeholders are invited on the potential safety implications and costs of the proposal.

Sub-option 3C may reduce business compliance costs, as it may be less costly for operators to deal with National System surveyors than with Classification Societies when undertaking vessel surveys. However, the impact of the proposal on administrative, operational and delay costs for businesses is unknown. Stakeholder comments on the impact of sub-option 3C on business compliance costs are invited.

Stakeholder suggestions

requirements. NMSC RISs since 2007 have assumed 1,300 new vessels will enter the fleet each year (see, for example, the RIS on NMSC, Final RIS NSCV Part C Section 6B, Buoyancy and Stability After Flooding). This includes both fleet growth and replacement vessels, and is based on a total potential fleet in survey of 13,000 vessels (including Queensland vessels that were survey exempt). Assuming a 5% growth rate, this equates to a 5% assumed turnover each year.

As set out in Chapter 4, stakeholders put forward alternative proposals for changes to the Classification Society survey requirements. These included longer length cut-off points (60, 70 or 80 metres), and using alternative means to apply Class requirements (such as tonnage cut-offs).

As vessel length and size increases, calculations regarding the hull and other aspects of the vessel become increasingly complicated. Based on stakeholder consultation, it is considered that 45m is an appropriate length at which to engage Classification Society expertise. However, stakeholder comments on the costs and benefits of different cut-off points are invited.

Using alternative means for applying the cut-off, such as tonnage, will add complication and remove transparency from the requirements. However, stakeholder comments on this issue are invited.

Addressing the problem

Sub-option 3C addresses problem 3 ('cut-off' points for National System survey are not risk based and create perverse incentives and costs for operators) set out in Chapter 2 of this RIS by:

- aligning the National System survey cut-offs with the risks of larger vessels; and
- allowing more vessels to be built 'fit-for-purpose'.

5.3.4. Sub-option 3D: Proposed new survey arrangements and depth

Sub-option 3D is designed to address problem 4 raised by stakeholders and outlined in Chapter 2 of this RIS, as well as to align the survey arrangements with the Accredited Surveyor regulations. It is also designed to address objectives 5, 6 and 7 of government action, outlined in Chapter 3 of this RIS.

The current survey regulations contained in Marine Order 503 and NSAMS 4 do not align fully with the new Accredited Surveyor arrangements under the National Law. For example, the current regulations do not adequately provide for survey reports being provided to the National Regulator at various stages of the survey process.

The proposed changes ensure that Marine Order 503 aligns with the Accredited Surveyor regulations. In doing so, they allow the National Regulator to rely on the advice of private Accredited Surveyors when issuing and renewing Certificates of Survey and facilitate the development of a private marine surveyor industry around Australia. A private Accredited Surveyor industry will increase competition and provide operators with more options on how they meet their vessel survey obligations under the National Law.

The current survey schedules contained in NSAMS 4 do not adequately account for new technologies, such as ultrasonic testing and paint systems. The proposed changes provide greater flexibility to reduce out-of-water surveys where risks are mitigated through other measures, such as ultrasonic testing and paint systems, which will reduce costs and vessel down time. This change will potentially benefit a large number of operators.

The current survey arrangements also do not provide sufficient flexibility in survey timing – surveys generally must be completed by the date identified on the Certificate of Survey. The proposed new survey arrangements provide a six month window for periodic surveys (three months prior to and three months after the survey date), and thereby allow the surveys to be more readily aligned to other maintenance activities and with the availability of slip facilities and

surveyors, and reduce down-time costs. This change will benefit all operators of vessels in survey.

Quantifying these proposed changes is challenging as it will depend on the circumstances of each vessel and operator. However, as part of the Streamlining Review of the National System, one stakeholder submitted that out-of-water surveys on his vessels had cost \$300,000 over 10 years, as they did not align with the vessels' anti-fouling paint regimes.

This sub-option is not expected to have any safety benefits or costs. It is also not expected to have any impact on business administrative, operational or delays costs, except as set out above. However, stakeholder comments on the impact on safety and business costs of sub-option 3D are invited.

Stakeholder suggestions

As all stakeholder suggestions have been incorporated into the proposal (sub-option 3D), there is no separate analysis of the costs and benefits of stakeholder proposals relating to the current survey arrangements and depth.

Addressing the problem

Sub-option 3D addresses problem 4 (survey requirements do not accommodate new technology and operational needs or align with related regulations) set out in Chapter 2 of this RIS by:

- allowing for greater flexibility in the timing of surveys, so that operators can align survey with other maintenance activities and work around the availability of slip facilities;
- ensuring that the survey requirements and schedules take modern technology, including paint systems and ultrasonic testing of the hull, in account; and
- ensuring that the survey regulations contained align fully with the new Accredited Surveyor arrangements under the National Law.

5.3.5. Business compliance costs

The COAG Best Practice Regulation Guide requires consideration be given to the compliance burden imposed on business as a result of proposed regulatory change. These are the additional (incremental) costs incurred by business when complying with regulations.

Details of the expected compliance costs associated with Option 3 (including all four sub-options) are provided in the regulatory costing at **Appendix B**. This costing is consistent with the requirements of the government's Regulatory Burden Measurement Framework and has been reviewed by the OBPR. It shows each compliance cost item covered by the framework and explains the cost calculations and assumptions used. A summary table showing the outcomes of this costing is provided below.

Stakeholder comments are invited on the outcomes of the regulatory costing and the underlying data and assumptions used in these calculations.

Further details about the framework and costing methodology are provided on the [Regulatory burden measurement framework guidance note](#) of the Department of Prime Minister and Cabinet website.

Table 9 — Regulatory burden and cost offset estimate table

Average annual regulatory costs (from business as usual)				
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	-\$15.25	\$0	\$0	-\$15.25
Cost offset (\$ million)				
	Business	Community organisations	Individuals	Total, by source
Agency	\$0	\$0	\$0	\$0
Are all new costs offset?				
<input type="checkbox"/> Yes, costs are offset <input type="checkbox"/> No, costs are not offset <input checked="" type="checkbox"/> Deregulatory—no offsets required				
Total (Change in costs – Cost offset) (\$ million) = -\$15.25				

5.3.6. Competition effects

The COAG Best Practice Regulation Guide requires the competition effects of any proposal to be considered as part of an evaluation of the effectiveness of the proposal relative to the alternatives.

By reducing the incentives for holding onto older, grandfathered vessels, the proposed survey regime in Option 3 helps to ensure competitive neutrality between businesses, regardless of where they operate, and between new operators and pre-National System operators. Under the current arrangements, some pre-National System operators may have a competitive advantage due to the differences between the grandfathered survey arrangements and the survey arrangements that apply to new vessels under the National System.

In addition, sub-option 3A would reduce the costs of survey over a five year period for the majority of the fleet, so it would have a positive effect on the overall cost structure of individual organisations who operate commercial vessels. Although businesses will continue to incur the routine costs associated with survey, these ongoing costs are unlikely to be higher than under the current arrangements or to restrict market competition, market entry or product and service innovation.

It is highly unlikely that the requirements will be unsustainable for existing small businesses or act as a barrier for businesses planning to expand or to enter the maritime industry. While it is difficult to determine the exact portion of the fleet that is likely to be operated by small businesses, they are expected to operate a large number of the vessels affected by Option 3, including at the smaller end of the fleet. The proposed survey arrangements are not expected to unfairly disadvantage small businesses, as they reduce costs across the fleet. In fact, the proposed changes to survey requirements may particularly benefit small businesses, as survey costs are likely to comprise a larger share of their overall operating costs as compared to larger businesses.

5.4 Option 1: Maintaining the current survey regime without amendment

Option 1 involves maintaining the current survey regime without amendment. The current survey requirements were a compromise between the State and Territory requirements in place prior to the commencement of the National System and are not considered to be based on a thorough risk assessment. Option 1 also means that the current complicated, out-dated and inconsistent regulatory structure will continue, along with current difficulties in the consistent application and interpretation of the requirements.

Under this option, the benefits and costs of amending the survey regime identified above would not be realised. The costs of Option 1 include:

- continued high survey costs to operators. The changes to periodic survey contained in sub-option 3A would save \$72,044,317 to industry and \$23,481,113 to government. Not implementing these changes will cost industry and government \$95,525,430 over the next 10 years in 2015 dollars;
- no ability to modify survey requirements on a risk basis for individual vessels. This means that there is no ability for the National Regulator to address the risks of individual vessels which perform poorly during surveys or compliance activities through the implementation of more onerous survey requirements. Conversely, there is also no ability for the National Regulator to provide an incentive for sound safety management by rewarding good operators with a reduction in survey frequency where the vessel performs well during surveys and compliance activities;
- continuation of the current 'gaps' in the definition of higher risk vessels and activities that require greater regulatory oversight. These create a safety gap;
- continued high compliance costs for operators of vessels between 35m and <45m in length. The changes to Classification Society requirements contained in sub-option 3C would save \$44,311,182 over the next 10 years in 2015 dollars (including \$46,334,021 in savings to industry and \$2,022,839 in costs to government). Not implementing these changes would cost \$44,311,182 over the next 10 years in 2015 dollars, not including unquantified time and compliance costs associated with Class requirements; and
- continuation of the current inflexible arrangements for survey timing, and no allowance for reducing in out-of-water surveys where risks are mitigated through other measures, such as ultrasonic testing and paint systems.

There are safety benefits associated with frequent vessels surveys under the current arrangements. However, the high cost of frequent surveys has also created an incentive for operators to retain older, grandfathered vessels rather than purchasing new, safer vessels. This is due to the differences in costs between the previous State and Territory grandfathered arrangements and the requirements of the National System for new vessels.

In addition, the current 7.5m 'cut-off' points for survey frequency levels has created an incentive for operators to purchase smaller vessels which are less safe and not 'fit-for-purpose'. Allowing some larger vessels to be subject to less frequent survey helps ensure that the appropriate vessel for the operation is purchased and deployed.

The safety benefits of the frequent surveys required under the current arrangements are considered to be off-set by the safety implications of these arrangements. As such, the safety benefits of the current survey regime have not been quantified for the purposes of this RIS.

As this option is the 'status quo' it will have no impact on current business compliance costs, including administrative, operational and delay costs.

Stakeholder comments

A number of stakeholders supported the retention of the current survey regime during the Streamlining Review. They saw significant value in frequent surveys, as they prevented operators becoming complacent in maintaining their vessel to the required standard. However, as set out in the analysis on Option 3 above, AMSA believes that the same safety outcomes can be achieved with reduced compliance costs to operators.

Stakeholders were also concerned that changing the current survey regime might mean that electrical problems, found during annual surveys, would not be picked up. However, under the National Law, operators must have a safety management system in place which ensures that electrical and other concerns with the vessel are picked up on a day-to-day basis, not just at a periodic survey. Under Option 3, vessels which fail to meet the required standard at a periodic survey could be moved into a high frequency survey regime, so that they are checked by an Accredited Surveyor more often.

Stakeholders also felt that reduced survey requirements would result in industry spending more money to demonstrate to third parties (such as insurers) that a vessel continues to meet the national standard. However, during consultation, many stakeholders submitted that insurance surveys were separate to the regulated survey process and were driven by insurance company requirements. As such, AMSA did not consider this to be sufficient justification for retaining the current regime. In addition, under Option 3, operators could elect to undertake more frequent surveys than the minimum required – including maintaining the current survey regime.

Stakeholders also suggested that, if survey frequency was reduced, safety equipment which expires on an annual basis – such as life rafts and fire-fighting equipment – would be unlikely to be maintained. However, under the National Law, operators must have a safety management system in place which ensures that safety equipment is serviced and replaced at the intervals required. Under Option 3, operators who do not identify or implement an appropriate maintenance schedule through their safety management system could be moved into a high frequency survey regime, so that they are checked by an Accredited Surveyor more often.

Addressing the problem

Option 1 does not address any of the problems set out in Chapter 2 of this RIS.

5.5 Option 2: No regulated minimum survey requirements

Under Option 2, the requirements of the National Law Act would continue to apply. This would mean that all vessels would need to obtain a Certificate of Survey.

Operators would also be subject to their general safety duty to maintain the vessel so that the vessel is safe, so far as reasonably practicable, but no mandated survey regime would apply.

Operators would need to determine a survey and maintenance regime for their vessel which ensures that their general safety duty is met, under a self-regulatory approach.

Co-regulatory arrangements could also be implemented under this arrangement. For example, industry associations could establish codes of practice which identify appropriate minimum survey schedules.

However, neither the self-regulatory or co-regulatory approach under this option allow the National Regulator to mandate a minimum survey regime for any segments of the fleet. The survey requirements applied through Marine Order 503 aim to mitigate the risks of an incident involving a commercial vessel, and in doing so protect crew and passengers on board the vessel.

Not all operators have sufficient knowledge to determine a minimum survey regime that would ensure that the vessel continues to meet an appropriate standard. In addition, commercial and other pressures can conflict with an operator's desire to ensure that their vessels remain safe. The National Marine Safety Committee's 2009 report, *Commercial Vessel Incidents in Australia 2005-2008*, found that material factors (such as hull failure, equipment failure and lack of maintenance) contributed to 18% of incidents involving domestic commercial vessels. These risk factors are directly addressed by a vessel survey regime. Without mandated minimum survey requirements, the number of incidents caused by material factors would be likely to significantly increase.

There is also an expectation that governments oversee the safety practices of passenger carrying transport operations. These expectations would not be met through either self-regulatory or co-regulatory arrangements for high risk vessels under Option 2. An incident involving a large passenger ferry could have catastrophic outcomes in terms of loss of life. Such an incident would also cause economic damage to Australia's maritime industry by placing doubt over the safety of the Australian domestic fleet. Due to the risks associated with some segments of the fleet, Option 2 is not considered to be preferable.

It should be noted that co-regulatory arrangements have been and are being implemented for lower-risk sectors which have clear governing bodies. For example, the complementary non-survey reforms described in Chapter 6 below include arrangements for vessels affiliated with Yachting Australia, Surf Lifesaving Australia, the Australian Waterski Federation and similar organisations in inshore waters. This approach can be achieved without removing the minimum survey requirements across the board.

The full safety implications of this option are not known but could be substantial. Although the minimum design, construction, equipment and maintenance standards would remain in place, the compliance of a vessel with these standards would not be required to be confirmed initially or on a periodic basis. The standards are highly technical and third party review by an Accredited Surveyor assists all operators to comply and to ensure that a vessel is safe.

This option could significantly reduce the compliance burden for businesses, including administrative, operational and delay costs, by removing survey transactions with the National Regulator. However, the businesses may face other costs if they seek third party assurance that a vessel meets the required standard, as part of their risk management.

Stakeholder comments

No stakeholders indicated support for removing regulated minimum survey requirements altogether during the Streamlining Review.

Addressing the problem

Option 2 does not address any of the problems set out in Chapter 2 of this RIS.

6. Consultation

This chapter outlines the initial review and further consultation undertaken for this RIS. The outcomes of the initial review and consultations are also provided.

Individuals and organisations are invited to comment on the outcomes of the consultation conducted to date and to provide other suggested outcomes not already considered here. Further details on how to provide submissions are explained section 6.3 of this chapter.

6.1 The Streamlining Review

Consultation on the Streamlining Review occurred from May to July 2014. Stakeholders were asked:

- whether they had identified inefficiencies in the system that should be reviewed;
- whether there was anything in the rules that applied to them that did not make sense, particularly in terms of achieving safety outcomes;
- if there were any major safety failings that needed to be addressed; and
- how they would like to see commercial vessel regulation change.

As part of the Streamlining Review, face to face consultations were undertaken around Australia, including at 24 open consultation sessions attended by approximately 800 stakeholders, one round table discussion with key industry representatives and presentations at industry association meetings. In addition, 79 written submissions were received.

Through this consultation on the Streamlining Review, stakeholders raised the following issues with the current survey system:

- the need to include personal watercraft, water-powered jet packs and human powered vessels in the non-survey category;
- the need to apply a light regulatory touch to vessels in sheltered, particularly inland, waters;
- the need to consider the complexity of larger vessels when determining the survey arrangements;
- concerns with the ability of recreational boat builders to build to the required standard;
- the option of undertaking an initial inspection of some non-survey vessels to confirm compliance;
- concerns with self-assessments of compliance to the required standard;
- the need to reconsider the treatment of vessels in C (restricted offshore) waters, given the high compliance costs associated with the current arrangements;
- the need to introduce a light regulatory touch for some small passenger vessels;
- the need to review the current survey requirements on a risk basis;
- the need for greater flexibility in the timing of surveys;
- the need to adjust survey requirements on a vessel or operator basis;

- concerns with the standard of segments of the fleet – particularly the fishing fleet – and the need to ensure adequate survey arrangements are in place;
- the importance of an effective SMS in addressing safety issues;
- the need to review the ‘modifiers’, in particular to reconsider the lifting or slewing potential criteria, the three tonne cut-off for cranes, the treatment of barges and the definition of fast craft;
- the financial implications of requiring vessels to be in Class, and the arbitrary nature of the 35m cut-off which leads to vessels being built to 34.9m and creates an incentive to hold on to older grandfathered vessels;
- the need to consider the complexity in technical construction and operation of vessels over 35 metres, and the insurance arrangements for surveyors of these vessels;
- the need for additional monitoring to address any risks associated with reducing survey requirements;
- the need to review the frequency of shaft and hull inspection requirements, and equipment survey requirements, in light of new technologies including ultrasonic testing and paint systems; and
- the need to improve the consistency of surveys and advice from marine safety agencies.

These concerns, and risk analysis undertaken as part of the Streamlining Review, provided the basis upon which the proposed changes to survey arrangements under Option 3 were developed.

Stakeholders who made submissions as part of the Streamlining Review included government agencies, marine safety agencies, fishery agencies, fishing and aquaculture industry bodies, universities, water corporations, large and small commercial vessel operators, surveyors, tourism operators, boat builders, yacht clubs, unions, ferry companies, naval architects, boat designers, museums, hire and drive industry groups and training organisations.

A full list of stakeholders who made formal submissions to the Streamlining Review is contained in [Appendix A of the Streamlining Review Consultation Feedback Report](#). This report also includes a summary of submissions made on proposed changes to the survey arrangements of the National System – see in particular chapters 8 and 9 of the report.

6.2 Early outcomes of the Streamlining Review

The following complementary reforms have been, or will soon be, implemented in response to the outcomes of the Streamlining Review. They are not part of the regulatory impact assessment in this RIS, but been included here for information purposes as they complement the proposed arrangements under Option 3.

They are:

- Complementary reform #1: Non survey vessels; and
- Complementary reform #2: Restricted C Class.

6.2.1. Non survey vessels

The complementary reform to the non-survey vessel category is described in the following table.

Table 10 — Non survey vessels

Previous regulatory arrangements	Complementary reform
<p>Non-survey vessels are subject to the National Standard for Commercial Vessels (NSCV) Part G, the National Standard for General Safety Requirements for Vessels (GSR Standard).</p> <p>Although no survey requirements apply to the vessel, the vessel may be subject to an initial inspection.</p> <p>Non-survey vessels are:</p> <ul style="list-style-type: none"> ▪ Class 2, 3 and 4 vessels which are <7.5m, operate in sheltered (D or E) waters, do not carry passengers and are not 'high risk' (see Table 4 above for the high risk list); and ▪ recreational training vessels <24m in inshore waters. <p>In addition, vessels in operation within the two years prior to 1 July 2013 had their pre-existing survey regime grandfathered, including where the vessels were not subject to survey.</p>	<p>The required outcomes for construction of non-survey vessels will be retained. A new Domestic Commercial Vessel Manual (DCV Manual) will include guidance on meeting these requirements. This will include all options that were available under the GSR Standard.</p> <p>No survey requirements will apply to the vessel, however the vessel may be subject to an initial inspection.</p> <p>Non-survey vessels are:</p> <ul style="list-style-type: none"> ▪ Class 2, 3 and 4 vessels which are <12m, operate in sheltered (D or E) waters, do not carry passengers and do not have a 'modifier' (see Table 4 above for the modifiers); ▪ Class 2 vessels which are <7.5m, operate in sheltered (D or E) waters, carry up to 4 passengers and do not have a 'modifier'; ▪ human powered vessels*; ▪ sail craft <7.5m with no auxiliary engine or an auxiliary engine $\leq 3.5\text{kw}^*$; ▪ personal watercraft*; ▪ recreational training vessels <24m in inshore waters; and ▪ vessels affiliated with Yachting Australia, Surf Lifesaving Australia, the Australian Waterski Federation and similar organisations in inshore waters. <p>Vessels which perform poorly during an inspection, audit or other compliance activity may be moved into survey.</p> <p>Vessels in operation within the two years prior to 1 July 2013 will continue to have their pre-existing 'non-survey' status grandfathered, unless the vessel performs poorly during an inspection, audit or other compliance activity.</p> <p>Non-survey vessels will also be subject to risk-based inspections and SMS verification as part of the National Regulator's compliance monitoring activities.</p>

As shown in Table 10 above, the changes involve expanding the non-survey category to include more low risk vessels. This would reduce compliance costs both as result of the removal of the survey obligation and because new non-survey vessels are required to comply with a simpler design and construction standard.

Table 11 below sets out the costs associated with obtaining a Certificate of Survey on a jurisdictional basis.¹⁷ Given that the non-survey changes mainly affect vessels 7.5m to <12m in length, the fees have been identified for a 9.75m vessel. Three hours has been allowed for each of the design approval, initial survey and periodic survey processes.¹⁸ The 'weighted average' is the average fee per vessel, based on the number of vessels in each jurisdiction.

On top of the direct costs of survey, there are also costs to industry resulting from the delays inherent in the survey process. When a vessel is built in survey, the builder must wait for approval from a surveyor before being allowed to move to the next stage of construction.

Table 11 — Survey fees at 1 July 2015 for a 9.75m vessel

Jurisdiction	Initial survey fees	Periodic survey fee	Certificate of Survey fee
NSW	\$3,090.75	\$750.75	Included in survey fees
NT	\$1,989	\$399.75	Included in survey fees
QLD	\$138.15 plus \$164.65 per hour design approval and \$123.50 per hours initial survey fees Total: \$1002.60 <i>Note that fees for private surveyor reports may apply in addition to these fees</i>	\$123.50 per hour Total: \$370.50	\$376.40
SA	\$1,546 initial survey plus \$186 per hour plan approval Total: \$2,104	\$843	Included in survey fees
TAS	\$195.36 per hour for design approval and initial survey	\$370	\$75.48

¹⁷ The fees are for government surveyors, as these fees are publicly available. Different fees may apply to surveys undertaken by private surveyors. However, as outlined in Chapter 5, jurisdiction survey fees are considered to cover the potential range of private survey fees.

¹⁸ The three hour figure is based on feedback from surveyors. It was noted that the time taken to undertake design approval and the surveys varied significantly depending on the vessel and the comprehensiveness of the documentation provided to the surveyor. Three hours is considered to be a conservative figure for the purposes of cost estimation.

Jurisdiction	Initial survey fees	Periodic survey fee	Certificate of Survey fee
	\$1,172.16		
VIC	\$1,253.07	\$329.46	\$20.39
WA	\$6,754	\$653	\$184
Weighted average	\$2,771.37 (including issuing the Certificate of Survey)	\$696.24 (including reissuing the Certificate of Survey)	Included in the average weighted initial and periodic fees
Including surveyor travel time / costs	\$2,971.37	\$896.24	Included in the average weighted initial and periodic fees

The non-survey category currently includes at least 10,619 vessels (approximately 36% of the fleet). The actual size of the non-survey category may be significantly larger than this figure, as some existing vessels are not required to be listed on a Certificate of Operation until 1 July 2016, and as such are not yet 'known' to the National Regulator.¹⁹

As a result of the changes, 1,719 existing vessels will be eligible to move into non-survey. All of these existing vessels are currently subject to a five yearly survey regime. It is assumed that:

- 80% of these existing vessels will elect to move into non-survey;²⁰ and
- the proposal will save \$896.24 every five years per vessel in periodic survey and Certificate of Survey renewal fees (as per Table 11 above), and three hours of time during which the vessel could otherwise be productive.²¹

It is assumed that the same proportion of new vessels will, as a result of the changes, be in non-survey as compared to under the current regime.

In order to estimate the savings for these new vessels, it is assumed that:

- new non-survey vessels face 25% lower design and construction costs, as compared to vessels in survey which are subject to Part C of the NSCV;²²

¹⁹ This number does not take into account grandfathered survey arrangements, where the grandfathered vessel is of a type that would be in survey if it had entered the system as a new vessel after 1 July 2013. As such, the actual proportion of the fleet in non-survey is higher than these percentages suggest. However, vessels which have had their non-survey arrangements grandfathered are not affected by the changes. If they were included in the non-survey category for estimation purposes, this would artificially inflate the savings.

²⁰ Operators may elect to comply with the Certificate of Survey requirements, and not take advantage of the arrangements under EX02, as part of their management of the risks of their operation. However, it is assumed that a large proportion of eligible vessels will elect to move out of survey, due to the cost savings associated with this option.

²¹ It is assumed that a vessel makes \$1,000 revenue per 7.5 hour working day, or \$133.33 per hour. This is a conservative figure which includes costs associated with crew wages during vessel survey.

- the average new vessel 7.5-12 metres in length costs \$110,000;²³
- the changes will save \$2,971.37 per vessel in initial survey and Certificate of Survey fees (as per Table 11 above), and six hours of time during which the vessel could otherwise be productive. However, \$500 and two hours of time has been allowed for applying for the non-survey status and potential inspection requirements (which includes a \$200 component for travel time for the person undertaking the inspection); and
- the changes will save \$896.24 every five years per vessel in periodic survey and Certificate of Survey renewal fees (see Table 11 above), and three hours of time during which the vessel could otherwise be productive.

Based on these assumptions, it is estimated that the changes to the non-survey arrangements will save industry (vessel operators) \$44,023,813 in compliance costs over a 10 year period in 2015 dollars.

As the survey function is currently subsidised by State and Territory governments, there will also be savings to government associated with these changes. The cost recovery arrangements vary significantly around Australia. Assuming an average cost recovery rate of 70% per vessel survey,²⁴ the savings to government (marine safety agencies) over a 10 year period associated with the changes to the non-survey arrangements is \$2,795,962 in 2015 dollars.

There will also be benefits associated with establishing the DCV Manual. This will simplify the regulatory arrangements, making it easier to identify and apply the requirements, and ensure that the regulations are performance-based. This will benefit vessel operators, vessel designers and builders, marine safety agencies, compliance officers including Water Police and marine surveyors.

²² Regulatory Impact Statement on the National Standard for General Safety Requirements for Vessels, 2012, National Marine Safety Committee. The GSR RIS considered the cost impact of the non-survey standard and the removal of survey requirements for certain vessels.

²³ This estimate was borne out by research on vessel costs, including through vessel trading sites such as aquamarine.com.au and confirmed with AMSA marine surveyors.

²⁴ This estimation is based on figures derived through discussions with jurisdictions on the cost recovery rates of all their marine safety functions.

There may be safety costs associated with increasing the number of vessels in non-survey. However, these are considered to be offset by:

- the large number of existing vessels with grandfathered survey status. The changes will encourage operators to upgrade to new vessels by reducing the compliance costs associated with doing so;
- removing the incentive for operators to purchase smaller vessels, which may not be fit-for-purpose;
- a new power for the National Regulator to move vessels into survey where they perform poorly during an inspection, audit or other compliance activity; and
- introducing new ways to identify high risk operations requiring greater regulatory oversight. These high risk vessels are not eligible for the non-survey category. See 5.3.2 above for more discussion on this proposed change.

6.2.2. Restricted C Class

Prior to the introduction of the National System, a number of State jurisdictions had arrangements for vessels operating in gulfs, bays, close to shore, 'off-the-beach' and in shallow waters in aquaculture operations. These vessels were not required to meet the full design and construction standards and survey regulations that applied to Class C vessels, despite operating in C waters.

These arrangements did not form part of the National System, except in relation to existing vessels for which the pre-existing design, construction, survey and crewing requirements were grandfathered.

The change involves introducing a new 'Restricted C Class', encompassing non-passenger carrying vessels in 'Restricted C' operational areas. It is described in the following table.

Table 12 — Restricted C Class

Previous regulatory arrangements	Complementary reform
<p>All new C Class vessels are subject to survey and to the National Standard for Commercial Vessels (NSCV).</p> <p>The survey, design and construction and crewing standards for existing C Class vessels are grandfathered, provided the vessel continues to operate in the same manner.</p>	<p>A new 'Restricted C Class', encompassing non-passenger carrying vessels in 'Restricted C' operational areas, will be provided in the NSCV Part B. This will allow industry to operate new vessels in restricted operations, without having to meet significantly higher design, construction and survey costs than under the previous State and Territory arrangements.</p> <p>The Restricted C operational area will be explained on the AMSA website. In many parts of Australia, it is 15nm from the shore. However, lesser distances are specified in certain areas due to the nature of the coastline and the local sea and weather conditions.</p> <p>Class 2 and 3 vessels, which do not carry passengers and are <12m, are eligible for the Restricted C class, provided they:</p> <ul style="list-style-type: none"> ▪ carry no more than 3 persons (crew or special personnel); ▪ do not have a modifier (see Table 4 above for the modifiers); ▪ do not have berthed accommodation; and ▪ do not carry sail as their primary means of propulsion. <p>Restricted C vessels must meet specified design and construction requirements, which are similar to the standards that apply to non-survey vessels, and must undergo an initial and then five yearly inspections.</p> <p>The deemed-to-satisfy design, construction and equipment requirements for Restricted C vessels have been released as a guideline and in the future will form part of the DCV Manual.</p> <p>Restricted C vessels will also be subject to risk-based inspections and SMS audits as part of the National Regulator's compliance monitoring activities.</p>

It is estimated that 10% of new non-passenger Class 2C and Class 3C vessels less than 12 metres in length will enter the system as a Restricted C vessel.²⁵ It is assumed that there will be no impact on existing vessels, as these will continue to operate under grandfathered arrangements.

In order to estimate the savings associated with the introduction of a Restricted C Class, it is also assumed that:

- the initial and ongoing inspection costs for these vessels will be 50% less than the survey and certification costs would be under the current regulatory arrangements (see Table 11 above for average survey costs for these vessels), and the vessel will spend 50% less time meeting the inspection / survey obligations.²⁶ Note that the travel costs for the surveyor remain the same for a Restricted C vessel, and as such travel costs are not included in the savings;
- new Restricted C vessels face 25% lower design and construction costs, as compared to Class C vessels, as the standards for Restricted C vessels are similar to those which apply to non survey vessels;²⁷ and
- the average new vessel less than 12 metres in length costs \$100,000.²⁸

Based on these assumptions, it is estimated that the change will save industry (vessel operators) \$12,241,511 in compliance costs over a 10 year period in 2015 dollars.

As the survey function is currently subsidised by State and Territory governments, there will also be savings to government associated with the proposal. The cost recovery arrangements vary significantly around Australia. Assuming an average cost recovery rate of 70% per vessel survey, the saving to government (marine safety agencies) over a 10 year period associated with the introduction of a Restricted C Class is \$320,807 in 2015 dollars.

There may be safety costs associated with introducing the Restricted C category due to the simpler construction standard and lesser survey requirements. However, these are considered to be offset by:

- the large number of existing vessels with grandfathered survey status. The introduction of a Restricted C Class will encourage operators to upgrade to new vessels by reducing the compliance costs associated with doing so;
- removing the incentive for operators to purchase smaller vessels, which may not be fit-for-purpose;

²⁵ The 10% figure is based on discussions with marine safety agencies, industry and a high level analysis of the Class C fleet. It is considered to be a conservative figure for the purposes of estimation – given the allowance contained in the Restricted C arrangements, a higher proportion of new vessels may elect to comply with the Restricted C arrangements.

²⁶ The 50% cost figure is based on the removal of design approval for these vessels. The inspections are 'fit for purpose' inspections rather than full initial and periodic surveys. Detailed guidance to surveyors has been developed for completing the Restricted C inspections.

²⁷ Regulatory Impact Statement on the National Standard for General Safety Requirements for Vessels, 2012, National Marine Safety Committee. The GSR RIS considered the cost impact of the non-survey standard and the removal of survey requirements for certain vessels.

²⁸ This estimate was borne out by research on vessel costs, including through vessel trading sites such as aquamarine.com.au and confirmed with AMSA marine surveyors.

- the new power for the National Regulator to move vessels into survey where they perform poorly during an inspection, audit or other compliance activity; and
- introducing new ways to identify high risk operations requiring greater regulatory oversight. These high risk vessels are not eligible for the Restricted C category. See 5.3.2 above for more discussion on this proposed change.

6.3 Consultation on the proposed survey regime and this RIS

Public consultation on this RIS and the proposed survey regime will occur from 17 August 2015 to 12 October 2015.

Notification of the consultation has been provided in the following ways:

- publication of the proposed survey regime and this RIS on the AMSA website;
- publication of the RIS on the OBPR website; and
- letter of notice and invitation to comment on the proposed survey regime and this RIS sent to key stakeholders.

Individuals and organisations are invited to comment on any aspects of this RIS, including the details of the four sub-options put forward under Option 3 and on any other options which would address the problems and meet the objectives outlined in Chapters 2 and 3 of this RIS.

Submissions can be made online at <https://www.amsa.gov.au/community/consultation/> or by emailing the submission to maritimereforms@amsa.gov.au. Submissions should be provided to AMSA by no later than 14 September 2015. Issues raised in submissions will be taken into account in the decision making process and the development of the final 'decision' RIS.

The final 'decision' RIS will include additional analysis, particularly on consultation outcomes and any jurisdictional impacts identified by stakeholders, and it will be published.

7. Evaluation and conclusion

This chapter summarises the impact of each option, identifies the preferred option, and considers the preferred option against the requirements of the COAG Best Practice Regulation Guide.

Individuals and organisations are invited to comment on the conclusions reached in this RIS and to suggest other conclusions not already considered here. Further details on how to provide submissions are explained in Chapter 6 of this RIS.

7.1 Option 3: Amending the survey regime

The following table provides a summary of the impact of each sub-option under Option 3.

Table 13 — Summary of the impact of amending the survey regime

	Benefits	Costs
Sub-option 3A: Proposed new periodic survey regime	<p>\$72,044,317 savings to industry over the next 10 years in 2015 dollars, associated with reduced survey costs.</p> <p>\$23,481,113 savings to government over the next 10 years in 2015 dollars, associated with reduced survey costs.</p> <p>Ability to modify survey requirements on a risk basis for individual vessels.</p>	<p>No costs quantified.</p> <p>Potential safety costs identified can be managed by elements of the proposed changes.</p>
Sub-option 3B: Proposed new survey modifiers	<p>No benefits quantified.</p> <p>Removal of regulatory gaps and greater flexibility for the National Regulator to identify high risk vessels and operations that require greater oversight.</p>	<p>No costs quantified.</p>
Sub-option 3C: Proposed new National System survey limits	<p>\$46,344,021 savings to industry over the next 10 years in 2015 dollars, associated with reduced survey costs.</p> <p>Additional, unquantified time and compliance cost savings associated with Class requirements.</p>	<p>\$2,022,839 in increased costs to government over the next 10 years in 2015 dollars, associated with unrecovered survey costs.</p> <p>Potential safety costs identified can be managed by elements of the proposed changes.</p>
Sub-option 3D: Proposed new survey arrangements and depth	<p>Aligning survey schedules with current technology, allowing for a reduction in out-of-water surveys where risks are mitigated through other measures, such as ultrasonic testing and paint systems.</p>	<p>No costs quantified.</p>

Option 3, including all four sub-options, provides an estimated total of \$139,836,612 in quantified net benefits over the next 10 years, in 2015 dollars.

There are also unquantified benefits associated with:

- the ability to apply survey requirements, and modify survey requirements, on a risk basis to individual vessels. This allows survey arrangements to be individualised, taking into account an operator's maintenance practices;
- removing regulatory gaps to ensure that higher risk vessels and operations are subject to greater regulatory oversight;
- providing greater flexibility for the National Regulator to identify high risk vessels and operations that require greater oversight;
- aligning survey schedules with current technology and allowing for a reduction in out-of-water surveys where risks are mitigated through other measures, such as ultrasonic testing and paint systems;
- providing greater flexibility in survey timing to allow surveys to be aligned the other maintenance activities and the availability of slip facilities and surveyors; and
- simplifying the regulatory arrangements, making it easier to identify and apply the requirements, and ensuring that the regulations are performance-based.

Option 3 also directly addresses the problems identified by stakeholders and meets the objectives of government action, as identified in Chapters 2 and 3 above.

7.2 Option 1: Maintaining the current survey regime without amendment

Under this option, the estimated \$140 million in net benefits of amending the survey regime identified above would not be realised.

Option 1 is not supported because it does not provide the greatest net benefit at the least net cost to the community. Option 1 also does not address the problems or achieve all of the objectives of the government action.

7.3 Option 2: No regulated minimum survey requirements

Option 2 is not supported because it does not allow minimum survey requirements to be implemented which are matched to the risk of the vessel, its operation and its operator.

This option is not considered to be preferable due to the safety implications of not mandating a high survey frequency for some segments of the fleet. These would include large passenger vessels such as ferries, and high risk vessels such as those carrying dangerous goods, for which a high level of regulatory oversight is desired due to the potential consequences of an incident.

Option 2 also fails to address the problems or discharge any of the objectives of government action.

7.4 COAG Best Practice Regulation Guide

In order for the proposals to be implemented, the anticipated benefits to the community from amending the survey regime must outweigh the anticipated costs to the community.

In addition, as compared to the range of alternative options available and considered, the proposed survey regime must involve the greatest net benefit or the least net cost to the community.

Without considering the unquantified benefits, the net benefit of the proposed survey regime in Option 3, including all four sub-options, is estimated at \$140 million over a ten year period. In other words, the benefits of the proposed survey regime outweigh its costs by an estimated \$140 million over a ten year period.

By comparison, the costs of Option 1 outweigh its benefits by an estimated \$140 million – not accounting for the significant unquantified costs associated with Option 1.

Option 2 is not considered to be a preferable option. 'No regulated minimum survey requirements' would have a significant safety impact, and would not achieve the objectives of government action.

As such, amending the survey regime as proposed by Option 3 (including all four sub-options) meets the requirements of the COAG Best Practice Regulation Guide.

8. Implementation and review

This chapter provides information on how the preferred option outlined in this RIS would be implemented, monitored and reviewed.

Individuals and organisations are invited to comment on the implementation, monitoring and review approaches outlined here and to suggest other options not already considered. Further details on how to provide submissions are explained in Chapter 6 of this RIS.

8.1 Implementation

The changes outlined in Option 3 are proposed to take effect in 2017, to allow time for a smooth transition for delivery of the new arrangements. They would be implemented through amendments to Marine Order 503 (Certificates of survey — national law) 2013 and the repeal of NSAMS 4. The proposed draft of Marine Order 503 has been provided together with this RIS.

8.2 Review and monitoring

The proposed survey regime would be automatically repealed ten years after it commences, due to the sun-setting arrangements for Commonwealth regulations under the *Legislative Instruments Act 2003*. It will be subject to a review before this date.

In addition, the safety implications of the survey arrangements will be subject to ongoing review. AMSA completes statistical analysis of incidents involving domestic commercial vessels each year, the outcomes of which may result in the development of proposals to amend the survey regime. In addition, Coroner's recommendations and submissions to AMSA by marine safety agencies and other stakeholders, would be considered and reforms proposed if appropriate.

Appendix A: Summary of assumptions

Proposed change	Assumptions
<p>Sub-option 3A: Proposed new periodic survey regime</p>	<ul style="list-style-type: none"> ▪ The average length of vessel moving from high to medium survey frequency under the proposal is 25.25m. ▪ The average length of vessel moving from medium to low survey frequency under the proposal is 5.68m. ▪ The average length of vessel moving from high to low survey frequency under the proposal is 9.75m. ▪ The average length of a high survey frequency vessel under the proposed arrangements is 18.36m. ▪ The average length of a medium survey frequency vessel under the proposed arrangements is 24m. ▪ An in-water survey takes: <ul style="list-style-type: none"> - two hours for a low frequency survey vessel - three hours for a medium frequency survey vessel - three hours for a high frequency survey vessel ▪ An out-of-water survey takes: <ul style="list-style-type: none"> - three hours for a low frequency survey vessel - four hours for a medium frequency survey vessel - four hours for a high frequency survey vessel ▪ An in-and-out-of-water survey takes: <ul style="list-style-type: none"> - four hours for a low frequency survey vessel - five hours for a medium frequency survey vessel - five hours for a high frequency survey vessel ▪ An SMS assessment without survey costs \$200 plus \$200 in travel costs, and takes one hour
<p>Sub-option 3C: Proposed new National System survey limits</p>	<ul style="list-style-type: none"> ▪ 50% (92.5) of the existing vessels 35m - <45m are currently in Class survey, and 50% (46.25) of these would move into National System survey. ▪ It costs \$250,000 to build a vessel to Class in Class Society fees and \$15,000 per year to maintain a vessel in Class. ▪ It costs \$8,663.15 to build a vessel under National System survey in survey fees and \$3,215.57 per year to maintain a vessel in National System survey.

Appendix B: Business compliance costs – regulatory costing

The regulatory costing is provided together with this RIS and has been completed for Option 3 in accordance with the government Regulatory Burden Measurement framework. The costing has also been reviewed by the OBPR.

For further details about the Regulatory Burden Measurement framework, including the costing methodology, please see the [Regulatory burden measurement framework guidance note](#) page on the Prime Minister and Cabinet website.