



Australian Government
Department of Employment

Deputy Secretary

Sandra Parker

Ms Tanja Cvijanovic
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
One National Circuit
BARTON ACT 2600

Email: helpdesk-OBPR@pmc.gov.au

Dear Ms Cvijanovic

Regulation Impact Statement – Final Assessment Second Pass

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for reform of the Seacare scheme (Seacare reforms).

The regulatory burden on Seacare employers and employees has been quantified and offsets have been identified and quantified using the Regulatory Burden Measurement framework. These have been agreed with your office.

I am satisfied that the RIS addresses the concerns raised in Mr Tony Simovski's letter of 31 August 2016. Specifically:

- The 'Problem Statement' section of the RIS more clearly identifies the nature of the problem by further explaining the practical consequences for Seacare employers and employees arising from the lack of certainty about the coverage of the Seacare scheme, including costs of determining the appropriate workers' compensation coverage, potential costs of having to obtain workers' compensation coverage over multiple jurisdictions, potential costs of not holding the appropriate workers' compensation insurance and costs of claims being disputed through tribunals and the courts.
- The 'Consultation' section of the RIS provides significantly more detail on the consultation processes undertaken to support the development of the Seacare reforms, including the timing and length of consultations held and the stakeholders that

participated in the consultations. It also more clearly outlines how the three options in the RIS have developed in response to views expressed by stakeholders over the course of the reviews of the Seacare scheme and recent consultations hosted by the Department.

- The 'Impact Analysis' section of the RIS also further explains the likely net benefit of each option. The most significant net benefit of the options to abolish the Seacare scheme or reform the Seacare scheme is improvements in safety outcomes, which will reduce costs associated with workplace injuries for both employers and employees. However, in isolation of any changes to broader economic factors affecting the Australian maritime industry, these options are not expected to have any significant impacts the size of the Australian maritime industry, the nature of the industry or employment opportunities in the industry.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the *Australian Government Guide to Regulation*.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely



Sandra Parker

6 September 2016