**Australian Government**



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**Department of Infrastructure, Transport,**

**Regional Development, Communications and the Arts**

**Deputy Secretary Marisa Purvis-Smith**

**EC22-001112** OBPR21-01231

Mr Jason Lange

Executive Director

Office of Best Practice Regulation

Department of the Prime Minister and Cabinet

1 National Circuit

BARTON ACT 2600

Dear Mr Lange,

I am writing in relation to the attached final draft of the Regulation Impact Statement (RIS)

prepared for Australia's possible accession to the Nairobi International Convention on the Removal of Wrecks (Nairobi Convention) [OBPR21-01231].

I am satisfied that the RIS addresses the concerns raised in your letter of 16 September 2022. The department has addressed the concerns raised as detailed below.

* *Provide a detailed case study discussing an incident where the Convention has been exercised by a State party, how the process played out in practice, and how effective the Convention was in ensuring costs could be recovered from wreck owners.*

Due to the Convention's recent entry into force and the generally confidential' nature of insurance and judicial settlements, it is not publicly known if the Convention has been used by a State. Unfortunately, this means the department is unable to provide an example of another State's successful use of the Convention to recover funds from a wreck incident. This information has been added to the RIS. •

* *Include more in-depth commentary on the feedback from consultation, acknowledging barriers, limitations and the particular context of each stakeholder underlying the submissions.*

To better contextualise a specific concern raised during consultation, the department has included more information about the stakeholder that raised the concern. The RIS has also been edited to make clear that the Department considered the stakeholder's concern, but for reasons articulated, . we disagree with the concern.

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* *Expand the implementation and evaluation section to include a more detailed evaluation plan.*

The department has included a more detailed and precise evaluation plan. The RIS makes it clear how the department intends to assess the impact of regulatory changes.

The regulatory costs are $5.74 million per year. The impact of accession to the Nairobi Convention on these costs is primarily related to transfers between the Australian Government, insurers, ship owners; and the general shipping industry with the risk creator (ship owner or insurer) becoming the ultimate holder of any costs.

Accordingly, I am satisfied that the RIS is now consistent with the six principles for Australian Government policy makers as specified in the Australian Government Guide to Regulatory Impact Analysis.

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

Yours sincerely,

Marisa Purvis-Smith

Deputy Secretary, Transport Group

*7'* November 2022

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