

Impacts from proposed changes to Marine Order 504 (Certificates of operation and operation requirements — national law) 2018

Estimated Annual Regulatory Costs & Savings

Draft Marine Order 504 (Certificates of operation – national law)

AMSA is required under the Australian Government Regulatory Burden Measurement framework to give consideration to the compliance costs imposed on businesses, community organisations and individuals as a result of proposed regulatory changes.

The Regulatory Burden Measurement framework considers the regulatory costs and savings resulting from regulations on businesses, community individuals. Costs are measured over a 10-year time frame against business as usual costs. Costs include administrative, operational, time and delay costs. Some organisations and costs are excluded, such as fees paid to government and the costs of international treaty obligations. Further details about the framework and costing methodology are provided at:

<https://oia.pmc.gov.au/resources/guidance-assessing-impacts/regulatory-burden-measurement-framework>

This regulatory costing has been prepared consistent with the requirements of the framework. It shows each compliance cost covered by the framework and explains the cost calculations, including the assumptions and data sources used. Stakeholder comments are invited on the regulatory costing.

The regulatory costing includes the following information:

Table A - provides a summary table showing the outcomes of this regulatory costing for each stakeholder group.

Table B - details the estimated additional regulatory costs or savings incurred by businesses as a result of the proposed changes to regulations.

Table A: Summary of Estimated Total Annual Net Regulatory Costs from this proposal

Stakeholder Group	Total Annual Net Costs (\$000)
Businesses	\$ 619.76
Community Organisations	\$ -
Individuals	\$ -
TOTAL	\$ 619.76

Table B: Estimated Annual Regulatory Costs & Savings to Businesses

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
PART A - TRADITIONAL SMS CHANGES						
1	<p>Fatigue Risk Management Plan - Traditional SMS - Existing vessels</p> <p>The owner of an existing vessel with a traditional SMS must identify the risk of master and crew fatigue in the vessel's risk assessment and develop a fatigue risk management plan.</p>	Record Keeping	2490	\$ 22.96	\$ 57,171	<p>Additional costs are based on an estimated 11,203 existing vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the plan and related administration (estimated at 2.5 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as plans will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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2	<p>Fatigue Risk Management Plan - Traditional SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a traditional SMS must identify the risk of master and crew fatigue in the vessel's risk assessment and develop a fatigue risk management plan.</p>	Record Keeping	142	\$ 229.64	\$ 32,660	<p>Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the plan and related administration (estimated at 2.5 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as plans will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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3	<p>Vessel Stability - Traditional SMS - Existing vessels</p> <p>The owner of an existing vessel with a traditional SMS must ensure that the risk assessment identifies risks to vessel stability.</p>	Record Keeping	2490	\$ 9.19	\$ 22,868	<p>Additional costs are based on an estimated 11,203 existing vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the risk assessment and related administration (estimated at 1 hour based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as risk assessments will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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4	<p>Vessel Stability - Traditional SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a traditional SMS must ensure that the risk assessment identifies risks to vessel stability.</p>	Record Keeping	142	\$ 91.86	\$ 13,064	Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the risk assessment and related administration (estimated at 1 hour based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as risk assessments will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.

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5	<p>Designated person's responsibility and authority statement - Traditional SMS - Existing vessels</p> <p>The owner of an existing vessel with a traditional SMS must ensure that a designated person's responsibility and authority statement is included in the vessel's safety management system.</p>	Record Keeping	2490	\$ 4.59	\$ 11,434	<p>Additional costs are based on an estimated 11,203 existing vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the statement and related administration (estimated at 30 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as statements will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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6	Designated person's responsibility and authority statement - Traditional SMS - New vessels	Record Keeping	142	\$ 45.93	\$ 6,532	
	<p>The owner of a new vessel entering the DCV fleet with a traditional SMS must ensure that a designated person's responsibility and authority statement is included in the SMS.</p>					<p>Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the statement and related administration (estimated at 30 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as statements will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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7	<p>Procedures for key vessel operations - Traditional SMS - Existing vessels (non-cargo)</p> <p>The owner of an existing non-cargo vessel with a traditional SMS must have the following key vessel operation procedures:</p> <ul style="list-style-type: none"> - vessel start up and shut down - vessel mooring and berthing - vessel bunkering and refuelling - vessel access - passage plan(s) - confined space entry (for a vessel with a confined space) 	Record Keeping	2414	\$ 55.11	\$ 133,046	<p>Additional costs are based on an estimated 10,863 existing non-cargo vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the procedures and related administration (estimated at 6 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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8	<p>Procedures for key vessel operations - Traditional SMS - Existing vessels (cargo)</p> <p>The owner of an existing cargo vessel with a traditional SMS must have the following key vessel operation procedures:</p> <ul style="list-style-type: none"> - cargo operations including the carriage of dangerous goods - vessel start up and shut down - vessel mooring and berthing - vessel bunkering and refuelling - vessel access - passage plan(s) - confined space entry (for a vessel with a confined space) 	Record Keeping	76	\$ 59.71	\$ 4,511	<p>Additional costs are based on an estimated 340 existing cargo vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the procedures and related administration (estimated at 6.5 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
9	<p>Procedures for key vessel operations - Traditional SMS - New vessels (non-cargo)</p> <p>The owner of a new non-cargo vessel entering the DCV fleet with a traditional SMS must have the following key vessel operation procedures:</p> <ul style="list-style-type: none"> - vessel start up and shut down - vessel mooring and berthing - vessel bunkering and refuelling - vessel access - passage plan(s) - confined space entry (for a vessel with a confined space) 	Record Keeping	56	\$ 551.15	\$ 30,973	<p>Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that the proportion of new non-cargo vessels entering the fleet will be the same as the proportion of existing non-cargo vessels in the affected fleet. It is assumed that 60% of new non-cargo vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of new cargo vessels includes the time costs for the development of the procedures and related administration (estimated at 6 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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10	<p>Procedures for key vessel operations - Traditional SMS - New vessels (cargo)</p> <p>The owner of a new cargo vessel entering the DCV fleet with a traditional SMS must have the following key vessel operation procedures:</p> <ul style="list-style-type: none"> - cargo operations including the carriage of dangerous goods - vessel start up and shut down - vessel mooring and berthing - vessel bunkering and refuelling - vessel access - passage plan(s) - confined space entry (for a vessel with a confined space) 	Record Keeping	2	\$ 597.07	\$ 1,031	<p>Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that the proportion of new cargo vessels entering the fleet will be the same as the proportion of existing cargo vessels in the affected existing fleet. It is assumed that 60% of new cargo vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of new cargo vessels includes the time costs for the development of the procedures and related administration (estimated at 6.5 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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11	<p>Drug & alcohol policy - Traditional SMS - Existing vessels</p> <p>The owner of an existing vessel with a traditional SMS must include a drug and alcohol policy in the SMS.</p>	Record Keeping	2490	\$ 9.19	\$ 22,868	<p>Additional costs are based on an estimated 11,203 existing vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the policy and related administration (estimated at 1 hour based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as policies will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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12	<p>Drug & alcohol policy - Traditional SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a traditional SMS must include a drug and alcohol policy in the SMS.</p>	Record Keeping	142	\$ 91.86	\$ 13,064	<p>Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the policy and related administration (estimated at 1 hour based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as policies will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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13	<p>Emergency plan procedures - Traditional SMS - Existing vessels</p> <p>The owner of an existing vessel with a traditional SMS must include the following procedures in the emergency plan:</p> <ul style="list-style-type: none"> - loss of propulsion - oil/fuel spill 	Record Keeping	2490	\$ 18.37	\$ 45,737	<p>Additional costs are based on an estimated 11,203 existing vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the procedures and related administration (estimated at 2 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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14	<p>Emergency plan procedures - Traditional SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a traditional SMS must include the following procedures in the emergency plan:</p> <ul style="list-style-type: none"> - loss of propulsion - oil/fuel spill 	Record Keeping	142	\$ 183.72	\$ 26,128	<p>Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the procedures and related administration (estimated at 2 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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15	<p>Alternative assembly station - Traditional SMS - Existing vessels</p> <p>The owner of an existing vessel with a traditional SMS must include an alternative assembly station in the emergency plan if reasonably practicable to do so based on the vessel's layout, characteristics, and risk assessment.</p>	Record Keeping	1245	\$ 4.59	\$ 5,717	Additional costs are based on an estimated 11,203 existing vessels that will use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 20% of vessels includes the time costs for including the alternative assembly station in the emergency plan and related administration (estimated at 30 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as plans will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.

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16	<p>Alternative assembly station - Traditional SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a traditional SMS must include an alternative assembly station in the emergency plan if reasonably practicable to do so based on the vessel's layout, characteristics, and risk assessment.</p>	Record Keeping	71	\$ 45.93	\$ 3,266	<p>Additional costs are based on an estimated 640 new vessels that enter the fleet each year with a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 20% of vessels includes the time costs for the development of the plan and related administration (estimated at 30 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as plans will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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PART B - SIMPLIFIED SMS CHANGES						
17	Risk Assessment simplification - Simplified SMS The owner of vessel using a simplified SMS will no longer be required to identify the following in the risk assessment: - the key daily tasks to be performed by the master and all crew - a person to be responsible for ensuring that actions needed to eliminate or minimise any risk are carried out	Procedural	72	-\$ 45.93	-\$ 3,317	Net savings are based on an estimated 650 new vessels that enter the fleet each year and are eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of new vessels will join an existing operator and use an existing compliant traditional SMS (based on AMSA data). The reduced compliance cost to the remaining 20% of vessels with new operators includes the avoided time costs for the development of the risk assessment and related administration (estimated at 30 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as risk assessments will predominantly be in an electronic format, rather than hard copy, as per current industry practice. Eligible existing vessels are excluded as they are assumed to continue to use their existing compliant traditional SMS. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.

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18	<p>Fatigue Risk Management Plan - Simplified SMS - Existing vessels</p> <p>The owner of an existing vessel with a simplified SMS will be required to identify the risk of master and crew fatigue in the risk assessment and develop a fatigue risk management plan.</p>	Record Keeping	4890	\$ 6.89	\$ 33,691	<p>Additional costs are based on an estimated 12,226 existing vessels eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the plan and related administration (estimated at 45 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as plans will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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19	<p>Fatigue Risk Management Plan - Simplified SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a simplified SMS will be required to identify the risk of master and crew fatigue in the risk assessment and develop a fatigue risk management plan.</p>	Record Keeping	29	\$ 68.89	\$ 1,990	<p>Additional costs are based on an estimated 650 new vessels that enter the fleet each year and are eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). It is assumed that 80% of the remaining 40% of vessels will join an existing operator and use an existing compliant traditional SMS (based on AMSA data). The reduced compliance cost to the remaining 20% of vessels with new operators includes the avoided time costs for the development of the plan and related administration (estimated at 45 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as plans will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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20	<p>Designated person's responsibility and authority statement - Simplified SMS - Existing vessels</p> <p>The owner of an existing vessel with a simplified SMS will be required to have a designated person responsibility and authority statement in the SMS. This requirement will not apply if the owner and designated person are the same person.</p>	Record Keeping	1358	\$ 4.59	\$ 6,239	<p>Additional costs are based on an estimated 12,226 existing vessels eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of vessels will not be affected as they will be small owner-operators where the owner is the designated person and a statement is not required (based on AMSA data). The compliance cost to the remaining 20% of vessels includes the time costs for the development of the statement and related administration (estimated at 30 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as statements will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

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21	<p>Designated person's responsibility and authority statement - Simplified SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a simplified SMS will be required to have a designated person responsibility and authority statement in the SMS. This requirement will not apply if the owner and designated person are the same person.</p>	Record Keeping	14	\$ 45.93	\$ 663	<p>Additional costs are based on an estimated 650 new vessels that enter the fleet each year and are eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of vessels will not be affected as they will be small owner-operators where the owner is the designated person and a statement is not required (based on AMSA data). It is assumed that 80% of the remaining 20% of vessels will join an existing operator and use an existing compliant traditional SMS (based on AMSA data). The compliance cost to the remaining 20% of vessels includes the time costs for the development of the statement and related administration (estimated at 30 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as statements will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
22	<p>Owner's responsibility & authority statement - Simplified SMS</p> <p>If the owner of a vessel is also the master of the vessel, the master's responsibility and authority statement can be incorporated into the owner's responsibility and authority statement.</p>	Record Keeping	1087	-\$ 22.96	-\$ 24,957	<p>Net savings are based on an estimated 12,226 vessels, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of vessels will belong to small owner-operators where the owner is the master, so they will benefit from this change (based on AMSA data). It is also assumed that 80% of these vessels will join an existing operator and use a existing compliant traditional SMS (based on AMSA data). The reduced compliance cost to the remaining 20% of vessels with new operators includes the avoided time costs for the development of the statement and related administration (estimated at 15 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as statements will predominantly be in an electronic format, rather than hard copy, as per current industry practice. Eligible existing vessels are excluded as they are assumed to continue to use their compliant existing traditional SMS. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
23	<p>New procedures in simplified SMS - Existing vessels</p> <p>The owner of an existing vessel with a Simplified SMS will be required to include the following new procedures in the SMS:</p> <ul style="list-style-type: none"> - vessel access - drug and alcohol use by master and crew 	Record Keeping	4890	\$ 18.37	\$ 89,844	<p>Additional costs are based on an estimated 12,226 existing vessels eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the procedures and related administration (estimated at 2 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
24	<p>New procedures in simplified SMS - New vessels</p> <p>The owner of a new vessel entering the fleet with a Simplified SMS will be required to include the following new procedures in the SMS:</p> <ul style="list-style-type: none"> - vessel access - drug and alcohol use by master and crew 	Record Keeping	29	\$ 183.72	\$ 5,307	<p>Additional costs are based on an estimated 650 new vessels that enter the fleet each year and are eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). It is assumed that 80% of the remaining 40% of vessels will join an existing operator and use an existing compliant traditional SMS (based on AMSA data). The reduced compliance cost to the remaining 20% of vessels with new operators includes the avoided time costs for the development of the procedures and related administration (estimated at 2 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
25	<p>Removed procedures in simplified SMS</p> <p>The owner of a vessel with a Simplified SMS will no longer be required to include the following procedures in the SMS:</p> <ul style="list-style-type: none"> - a passenger count at or around the time of embarkation and disembarkation - a radio watch 	Record Keeping	72	-\$ 183.72	-\$ 13,268	<p>Net savings are based on an estimated 650 new vessels that enter the fleet each year and are eligible to use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of new vessels will join an existing operator and use a compliant existing traditional SMS (based on AMSA data). The reduced compliance cost to the remaining 20% of vessels with new operators includes the avoided time costs of developing the procedures and related administration (estimated at 2 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. Eligible existing vessels are excluded as they are assumed to continue to use their compliant existing traditional SMS. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
26	<p>Emergency plan procedures - Simplified SMS - Existing vessels</p> <p>The owner of an existing vessel with a Simplified SMS must include the following procedures in the emergency plan:</p> <ul style="list-style-type: none"> - loss of propulsion - oil/fuel spill 	Record Keeping	4890	\$ 18.37	\$ 89,844	<p>Additional costs are based on an estimated 12,226 existing vessels eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). The compliance cost to the remaining 40% of vessels includes the time costs for the development of the procedures and related administration (estimated at 2 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
27	<p>Emergency plan procedures - Simplified SMS - New vessels</p> <p>The owner of a new vessel entering the DCV fleet with a Simplified SMS must include the following procedures in the emergency plan:</p> <ul style="list-style-type: none"> - loss of propulsion - oil/fuel spill 	Record Keeping	29	\$ 183.72	\$ 5,307	<p>Additional costs are based on an estimated 650 new vessels that enter the fleet each year and are eligible to use a simplified SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 60% of vessels will not be affected as they will already comply (based on AMSA data). It is assumed that 80% of the remaining 40% of vessels will join an existing operator and use an existing compliant traditional SMS (based on AMSA data). The reduced compliance cost to the remaining 20% of vessels with new operators includes the avoided time costs for the development of the procedures and related administration (estimated at 2 hours based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as procedures will predominantly be in an electronic format, rather than hard copy, as per current industry practice. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
28	<p>Emergency assembly station - Simplified SMS</p> <p>The owner of a vessel with a Simplified SMS will no longer be required to have an emergency assembly station on the vessel.</p>	Other	0	\$ -	\$ -	There are no additional costs from this item because this change aligns requirements with current industry practice.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
29	<p>Passenger manifest - Simplified SMS</p> <p>The owner of a Class 2 vessel with a Simplified SMS will no longer be required to have a passenger manifest for a voyage that is ≥ 12 hours long.</p>	Record Keeping	0	\$ -	\$ -	There are no additional costs from this item because AMSA expects there are no Class 2 vessels eligible for a simplified SMS that carry passengers on voyages of 12 hours or more.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
30	<p>Vessel crew details - Simplified SMS</p> <p>The owner of a vessel with a Simplified SMS will no longer be required to include the following details in the vessel's crew list:</p> <ul style="list-style-type: none"> - the name of the vessel - the identification number of the vessel - the name, address, phone number and email address of the vessel owner and crew employer 	Record Keeping	72	-\$ 22.96	-\$ 1,659	<p>Net savings are based on an estimated 650 new vessels that enter the fleet each year and are eligible to use a traditional SMS, with an estimated average of 1.8 vessels per business (based on AMSA data). It is assumed that 80% of new vessels will join an existing operator and use an existing compliant traditional SMS (based on AMSA data). The reduced compliance cost to the remaining 20% of vessels with new operators includes the avoided time costs of including the vessel details in the crew list and related administration (estimated at 15 minutes based on AMSA data). An estimated \$91.86 per hour wage rate is used for vessel Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. The cost of materials (e.g. paper and printing) are considered negligible as these details will predominantly be in an electronic format, rather than hard copy, as per current industry practice. Eligible existing vessels are excluded as they are assumed to continue to use their compliant existing traditional SMS. It is assumed that operators with multiple vessels will largely use the same SMS content for all vessels they operate, rather than develop separate SMS content for each vessel, as per current industry practice. Compliance costs are shown as an annualised figure over 10 years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
PART C - GENERAL CHANGES						
31	<p>Minimum rest period</p> <p>The owner of a new or existing vessel that operates with more than the prescribed minimum crewing must provide a minimum period of rest for the master and each crew member of the vessel.</p>	Procedural	0	\$ -	\$ -	<p>There are no additional costs from this item because costs are either excluded under the Australian Government Regulatory Burden Measurement framework costing methodology or not reasonably measurable and negligible. AMSA expects most vessel operators would already provide the minimum period of rest to the master and crew, so they would already comply with this change. While a vessel operator may choose to hire additional crew to provide the minimum rest for existing crew members while maintaining current operational hours, it is expected that hiring additional crew for short periods of time or job-sharing arrangements would not be practical and are unlikely to occur in practice. Where additional crew were hired, the additional wage costs would be excluded under the methodology as a 'business-as-usual' cost (i.e. the same current wage cost would be paid to multiple people, rather than a single person) or potentially as a 'non-compliance cost' (i.e. for excessive crew hours inconsistent with safe operations). Associated minor administrative costs (e.g. changing crew rosters) are highly operation-specific and cannot reasonably be measured, but would likely be negligible. Potential income impacts to the business would also be excluded under the methodology as an 'opportunity cost'.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
32	Vessel, machinery & equipment inspections The owner of a new or existing vessel will be permitted to have inspections of the vessel, machinery, and its equipment to be conducted by an authorised representative or suitable person appointed by the owner.	Procedural	0	\$ -	\$ -	There are no additional costs from this item because these changes provide additional flexibility for compliance with current requirements, with all compliance options expected to involve similar cost to current arrangements. This does not change existing requirements and is not expected to have any regulatory impacts or affect compliance costs for industry.
33	Minimum crewing for houseboats The minimum crewing table will no longer apply to Class 2 houseboats that are ≤24m in length and usually operated as Class 4 vessels, when operated for the purposes of relocating the vessel within a marina, maintenance work (including vessel surveys), sewerage pump out, vessel refuelling, or delivery and retrieval operations.	Other	0	\$ -	\$ -	There are no additional costs from this item because this change aligns requirements with current industry practice.
34	Record of modifications affecting vessel stability The owner of a vessel must ensure that a record of modifications affecting the stability of the vessel is kept with the SMS.	Record Keeping	0	\$ -	\$ -	There are no additional costs from this item because AMSA expects vessel operators already largely record these details and will already meet this requirement.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
35	Logbook backup The owner of a vessel must have a backup of the vessel's logbook to prevent the loss of information.	Record Keeping	0	\$ -	\$ -	There are no additional costs from this item because AMSA vessel expects operators already largely have electronic records and will already meet this requirement.
36	Temporary crewing permit A temporary crewing permit will no longer be granted for the position of Master on vessels ≥24m in length.	Permission	0	\$ -	\$ -	There are no additional costs from this item because AMSA does not currently issue temporary crewing permits in these circumstances.
37	Hire and drive briefing The briefing required for each hirer and participant of a hire and drive (Class 4) vessel must include the matters determined by the owner with consideration of the vessel's risk assessment, rather than matters determined in writing by the National Regulator.	Publication/ Documentation	0	\$ -	\$ -	There are no additional costs from this item because AMSA does not currently determine the matters included in the briefing.
38	Renewal of certificate The owner of a vessel will be permitted to make certain low-risk changes to a certificate of operation through the renewal of certificate process.	Permission	0	\$ -	\$ -	There are no additional costs from this item because this change aligns with existing AMSA administrative processes.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
39	<p>Master’s responsibility and authority statement</p> <p>Clarification will be provided for vessel owners on what needs to be included in the master’s responsibility and authority statement.</p>	Publication/Documentation	0	\$ -	\$ -	There are no additional costs from this item because vessel operators are already required to include the statement in the SMS and most statements would already include the required content.
40	<p>General editorial changes</p> <p>Minor editorial amendments will be made to Marine Order 504 to update terminology, clarify existing text and redraft some elements in a modern drafting style. Minor consequential editorial amendments may also be required to related instruments as a result of the changes to this standard.</p>	Other	0	\$ -	\$ -	There are no additional costs from this item because these are minor editorial changes to clarify existing requirements. They do not change existing requirements and are not expected to have any regulatory impacts or affect compliance costs for industry.

Total Annual Net Cost \$ 619,760