

## PROJECTS

# Regulatory Impact Statement on Australia's Accession to the Athens Convention

Understanding the costs and benefits of an international agreement relating to cruise shipping

**LOCATION**

Canberra, ACT

**CLIENT**

Department of Infrastructure,  
Regional Development, Transport  
and Communications

REGULATORY IMPACT STATEMENTS

COST BENEFIT ANALYSIS

## Background

The Australian cruise ship industry is a growing industry, with Australian passenger numbers quadrupling over the last decade. With this growth, there is a greater need to ensure that Australian passengers and shipping Carriers are provided with high quality legal protections informed by the world's best practice.

Presently, Australian passengers on international cruise ships who pursue a claim relating to injury or luggage, can be faced with an overly complex recourse which may impact the claims process and the outcome. The Athens Convention relating to the Carriage of Passengers and their Luggage by Sea 1974, as amended by the 2002 Protocol (Athens Convention) seeks to implement a regime for assigning liability in international passenger shipping that provides passengers and Carriers with greater legal certainty and assurance of cover. It shifts the burden of proof for 'shipping incidents' from the passenger to the carrier and provides defined options to resolve legal claims arising from shipping accidents that are arguably simpler and more extensive than those currently available under Australian law.

In 2017, the Commonwealth Government Department of Infrastructure, Regional Development, Transport and Communications conducted initial public and industry consultation on several possible implementation options and received feedback predominantly from the large cruise companies and legal advocates. In 2019, the Department sort services to conduct a cost benefit analysis and develop a Regulatory Impact Analysis (RIS) on a refined set of options to assist in advising government on whether Australia should accede to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea 1974, as amended by the 2002 Protocol.

## Our role

NineSquared was engaged to conduct a cost benefit analysis to provide a sound basis on which to assess the financial and regulatory impacts of the policy options for implementation of the convention, including non-implementation. The overarching aim of the analysis was to show the potential impact on

all shipping insurance industry stakeholders that may be affected, and the Australian shipping passenger/consumer markets. The project involved the following key components:

Review of relevant policy and background documentation held by the Department, including submissions to the November 2017 Carriage of Passengers and Luggage by Sea Discussion Paper and analysis.

Development of an options analysis paper to facilitate consultation with the cruise industry, academic legal advocates, the maritime insurance industry, tourism bodies, consumer groups and relevant government agencies.

Provision of a cost benefit analysis of the options addressing the likely impacts to the cruise industry and changes to insurance premiums under the proposed options and administrative implications.

Provision of an options and impact analysis report for consultation with relevant government agencies.

Development of a Regulatory impact Statement for the Department, following the requirements of the Office of Best Practice Regulation, to advise government on Australia's possible accession to the Athens Convention.

NineSquared delivered the following key documents:

- A report detailing the assessment of options and cost benefit analysis of options, including insurance arrangements.
- Regulatory Impact Statement (conforming to the requirements set out by the Office of Best Practice Regulation).

A copy of the final RIS can be downloaded from the [Office of Best Practice Regulation Website](#).

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## FOR FURTHER INFORMATION

For more information, find one of our experts at [ninesquared.com.au/people](https://ninesquared.com.au/people)