

## REGULATORY IMPACT ASSESSMENT

### THE RACE RELATIONS ORDER (SEAMEN RECRUITED ABROAD) ORDER (NORTHERN IRELAND) 2003.

#### PURPOSE AND INTENDED EFFECT

As part of the implementation of the EC Article 13 Race Directive we are required to abolish any laws contrary to the principle of equal treatment.

The Race Directive makes it unlawful to discriminate in the areas of employment-related matters, social protection, social advantage, healthcare, education and good and services – but only on the grounds of racial or ethnic origins. (Colour is not mentioned and nationality is expressly excluded).

Article 11 of the Race Relations (Northern Ireland) Order 1997 currently provides exemptions for seafarers recruited abroad – and allows employers to discriminate on racial grounds (colour, race, nationality and national or ethnic origins) when employing someone outside Northern Ireland for employment on a Northern Ireland registered ship and that ship will enter Northern Ireland territorial waters. (UK territorial waters adjacent to Northern Ireland).

This order uses the powers in Article 69 of the Race Relations (Northern Ireland) Order 1997 to revise Article 11 to remove the exemptions for discrimination on the grounds of colour as well as racial or ethnic or national origins.

As a result of the revision, the only basis on which there can be discrimination will be seafarers' nationality and the only matter in relation to which there can be discrimination is pay (including retirement or death benefits). This will permit those employing seafarers on ships registered at a port of registry in Northern Ireland to employ seafarers at local rates of pay, when the application is made or contract is entered into outside Northern Ireland and the ship will enter Northern Ireland territorial waters.

#### IDENTIFYING THE OPTIONS

There are 3 options. These are:

- a) do nothing
- b) amend the Race Relations Order to revise Article 11 to remove the basis of colour as well as the provisions of the Race Directive.
- c) Repeal Article 11 thus removing the exemption for all of the racial grounds.

**Option a)** would go against the Government's obligation to implement EU Directives and its commitment to race equality.

**Option b)** would revise Article 11 in line with the provisions of the Race Directive and would also remove colour as a basis on which discrimination would be permitted.

## Costs

This will present the shipping industry with negligible additional costs.

## Benefits

Foreign seafarers recruited abroad to serve on Northern Ireland registered ships that will enter Northern Ireland territorial waters will for the first time receive protection from discrimination on the grounds of race, national or ethnic origins and colour.

**Option c)** The repeal of this exemption would have an impact on the costs of shipowners who operate in this way. Representations from the industry indicate that many shipowners would transfer their fleets to another register to avoid incurring these additional employment costs.

## Costs

Equality of access to pay and benefits would mean that UK employers would have to bear increased costs. If Article 11 of the RRO and the equivalent provision in the Race Relations Act were to be totally repealed, employers would have to pay an additional **£40.5million<sup>1</sup>** in salaries per annum to workers newly covered by the RRO and the Act.

## Benefits

Protection from discrimination will be extended to circumstances not previously covered by the RRO.

## Summary of Costs

| <b>Race Relations Order (Seamen Recruited Abroad) Order (NI) 2003 Costs</b>  | <b>One-off Costs</b> | <b>Annual Costs</b> |
|--|----------------------|---------------------|
| <b>Cost to UK employers of repeal of exception for seamen recruited overseas</b>   |                      | <b>£40.5m</b>       |
| <b>Cost to employers of amending Article 11 to include provisions of Race Directive and to prohibit discrimination on the basis of colour.</b> |                      | <b>negligible</b>   |

<sup>1</sup> Based on 6736 foreign seafarers receiving an additional £6K salary per annum. Chamber of Shipping Manpower Survey 2000. Separate figures are not available for ships registered at Northern Ireland ports of registry.

