



To Minister for Employment and Workplace Relations
Subject Meeting Brief | 14 February | ACTU and MUA | Seacare Scheme

Meeting Details

Date: 14 February 2023

Time: TBC

Venue: TBC

Attendees: Australian Council of Trade Unions (ACTU) , Maritime Union of Australia (MUA)

Departmental Officers: s 22(1)(a)(ii) , First Assistant Secretary, Safety and Industry Policy Division
s 22(1)(a)(ii) , Assistant Secretary, Workplace Relations Legal Division

Meeting purpose

1. The ACTU and MUA are expected to advocate for Government intervention and financial support to secure the future of the Seacare workers' compensation scheme.
2. The ACTU, MUA, the Australian Institute of Marine and Power Engineers and the Australian Maritime Officers' Union have previously written to you with a proposal for s 47G(1)(a), s 47 under the *Seafarers Rehabilitation and Compensation Act 1992* (MC22-047301) and are likely to seek an update on consideration of that proposal.
3. s 47C

Stakeholder position

4. The ACTU and MUA advocate retaining the Seacare workers' compensation scheme on the basis that the distinctive benefit structure of the scheme is necessary for the class of seafarers covered by the scheme because of the particular challenges of their work at sea and for injured workers returning to work at sea. They have argued that action is needed by 31 March 2023 on the basis that by then it would be extremely difficult, if not impossible, for most Seacare employers to buy a commercial policy.
5. They argue that the Seacare scheme should end its reliance on private insurers to become sustainable, and have developed a proposal s 47(1)(b), s 47G(1)(a) for an industry scheme s 47G(1)(a), s 47, s 47C
6. s 47G(1)(a), s 47C, s 47
7. Unions have also suggested that abolishing the Seacare scheme or allowing it to collapse will have implications for the Government's commitment to establish a Maritime Strategic Fleet of up to 12 Australian flagged and crewed vessels, whose workers would then need to seek coverage from state or territory workers' compensation schemes. s 47C

Government policy position

8. The Government made no specific election commitments in relation to Seacare. The ALP National Platform 2021 stated that ‘Labor will retain Seacare as an independent Commonwealth statutory authority’ and that ‘Labor supports a thorough review of workers compensation schemes’.
9. s 47C
10. s 47C
11. s 47C, s 47G(1)(a), s 47
12. s 47C
13. The Department of Infrastructure, Transport, Regional Development, Communications and the Arts, as the department responsible for the development of the Maritime Strategic Fleet, have been consulted on concerns that changes to the Seacare scheme could affect the strategic fleet. At this stage the fleet is likely to be established in phases, s 47C
14. Stakeholder views on the future of the Seacare scheme vary significantly. s 47C

Consultation

15. Consultation was conducted during the independent review of the Seacare scheme with maritime unions, the Seacare Authority, the ship-owners organisation Maritime Industry Australia Ltd and the Australian Maritime Safety Authority.
16. Any changes to the Seacare scheme will have significant impacts on maritime employers, workers, and insurers. The department intends to conduct further consultation with all stakeholders.

Attachments

- Attachment A Talking Points
Attachment B Background

Clearance

Primary Contact Officer: s 22(1)(a)(ii)
 Safety and Compensation Policy Branch
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Comments (for MO use only)

Attachment A – Talking Points

Insurance issues

- I recognise the need for action to address the issues that have arisen in connection with Seacare.
- I acknowledge the difficulties that employers are facing in securing appropriate workers' compensation insurance for their liabilities under the scheme and the impact this has on the scheme as a whole.
- I note that in your letter of 18 November 2022 you were concerned that it might be impossible for most Seacare employers to buy a commercial policy from 31 March 2023.
- I understand that although no new policies are available, some insurers are still offering renewals of existing Seacare scheme policies.
- I am advised that this means that a number of employers are expected to remain in the scheme for some time after 31 March 2023.
- s 47C
- The insurance issues are complex, and are being given serious and urgent consideration by the Government.
- s 47C

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s 47(1)(b), s 47G(1)(a)

- I am grateful for your ongoing engagement with my Department and with me on these issues, and in particular for the work to develop the proposal s 47G(1)(a), s 47
- s 47C, s 47G(1)(a), s 47
- s 47C, s 47G(1)(a), s 47
- s 47C
- s 47G(1)(a), s 47C, s 47
- When a decision on the way forward for the scheme is made, I will ensure that you – and other stakeholders – are informed as soon as possible.

Questions for unions

- s 47G(1)(a), s 47, s 47C

Are you able to outline in more detail how you would see this model for the future of the scheme operating?

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- s 47(1)(b), s 47G(1)(a), s 47C(1)

do you have any views on what can be done in the short-term to address the lack of scheme insurance in the scheme prior to passage of legislation?

- Do you think the government and stakeholders could work with the existing insurers to keep them in the scheme pending scheme reform?
- Is there any further information you would like to provide in relation to the Seacare insurance market?
- Is there any other information you would like to provide in support of s 47(1)(b), s 47G(1)(a)

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Attachment B – Background

The Seacare scheme

The Seacare workers' compensation scheme covers a limited range of seafarers (approximately 3,873) whose work takes them outside the boundaries of one state, or within a Territory. The Seacare scheme is established by the *Seafarers Rehabilitation and Compensation Act 1992* (Seafarers Act), the *Occupational Health and Safety (Maritime Industry) Act 1992* (OHS(MI) Act) as well as the *Seafarers Rehabilitation and Compensation Levy Act 1992* and the *Seafarers Rehabilitation and Compensation Levy Collection Act 1992*.

s 47C

s 47C

Options to address issues in the scheme

s 47C

s 47C

s 47C, s 47G(1)(a), s 47

s 47C, s 47G(1)(a), s 47

s 47C

s 47C

Terms of reference for 2022 Review

The review will report to the Minister for Industrial Relations on:

- key options to comprehensively address the issues identified through the review, and ensure that effective and sustainable WHS and compensation arrangements are available for seafarers captured by the Seacare scheme
- the costs and benefits to industry and government of the identified options
- key operational and implementation issues associated with recommended options.

The review will consider:

- how to best meet the needs of the modern Australian maritime industry in relation to WHS and compensation arrangements for employees and employers covered by the Seacare scheme
- the performance of the WHS and workers' compensation arrangements under the Seacare scheme in comparison to other Australian jurisdictions
- options to support sustainable coverage of workers' compensation liabilities for seafarers, considering the availability of private insurance coverage
- the regulatory and cost impact for maritime operators covered by the Seacare scheme when operating across multiple jurisdictions
- the effectiveness of the governance and administrative mechanisms supporting the scheme, including the role of the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority).