



SEACARE AUTHORITY QUARTERLY REPORT

Report 02/2002

Outcomes of Seacare Authority Meeting 40 of 21 May 2002 and Seacare Authority Teleconference Meeting 41 of 13 June 2002

Levy to support the Seafarers Safety Net Fund commences

Following meetings 40 and 41 of the Authority the Chairperson, Mr Geoff Gronow, wrote to the industry advising of the new arrangements for management of the Safety Net Fund and on commencement of the levy. An extract of his letter is reproduced below.

The Fund is established under the *Seafarers Rehabilitation and Compensation Act 1992* (Seafarers Act) to provide safety net workers' compensation coverage for seafarers who have no identifiable employer -due for example to employer insolvency or where there are employees with no known employer who may lodge a compensation claim. Very few claims have been made against the Fund since its establishment in 1993.

Why is the Seacare Authority now managing the Fund and not AMICA?

On 10 April 2002, the Hon Tony Abbott MP, Minister for Employment and Workplace Relations, revoked the appointment of the Australian Maritime Industry Compensation Agency Ltd (AMICA) as the Fund manager, and declared the Seacare Authority to be the Fund manager. AMICA had successfully managed the Fund since 1993. The Minister's action was unavoidable because from 31 January 2002, AMICA was no longer able to obtain a policy of insurance for the Fund as required under the Seafarers Act. In such circumstances the Minister had no legal alternative other than to declare the Seacare Authority to have the functions of manager of the Fund.

A consequence of the Minister's decision is that the *Seafarers Rehabilitation and Compensation Levy Act 1992* (Levy Act) and *Seafarers Rehabilitation and Compensation Levy Collection Act 1992* (Levy Collection Act) came into force on 10 April 2002. The Levy Act and Levy Collection Act (and associated regulations) provide for a premium-based levy to be collected from all employers engaging seafarers on prescribed ships, each quarter. The levy under statutory arrangements is equivalent to a premium, in that it is providing for workers' compensation cover.

Levy collection commences

The Seafarers Rehabilitation and Compensation Levy Regulations 2002 commenced on 1 July 2002. The Levy Regulations set the rate of levy at \$53.00 per berth per quarter. Levy for the first quarter (July to September 2002) was due on 14 July 2002.

The Minister consulted the Seacare Authority on the rate of levy before making a decision. In turn the Authority sought the views of the Australian Mines and Metals Association (AMMA) and Australian Shipowners Association (ASA). Both AMMA and ASA advised the Authority of their

qualified and cautious acceptance of the premium-based levy in the context of there being no alternative. In advising the Minister, the Seacare Authority had to consider its prudential obligations as set out in the Levy Act, namely, that it have regard to:

- the need to ensure that the Fund has adequate financial reserves for the purposes of its prudential management;
- reasonable estimates of the Fund's present and future liabilities under the Seafarers Act; and
- the cost of administering the Authority in connection with the performance or exercise of the Fund's functions, powers and obligations under the Seafarers Act.

The Authority recommended, and the Minister agreed, that the premium-based levy rate will be reviewed quarterly to ensure it reflects the actual costs of the Fund (some administration costs on establishment were by necessity, estimates), and he has also asked the Seacare Authority to advise him in 6 months upon the operation of the Fund under Seacare Authority management. The intention of the Government, which is fully supported by the Authority, is to return the operation of the Fund to industry management as soon as possible. At that time, any reserves accumulated to the Fund while under Seacare Authority management will be passed over to the industry trading corporation approved as the Fund.

To assist in maintaining industry involvement in Fund management, the Seacare Authority has contracted with AMICA to undertake Fund administration services on its behalf, involving levy collection, claims management and other services. AMICA will continue with its claims data base function.

Review of Seacare scheme legislation

The Authority considered a progress report on stakeholder comments on the legislation review. The Australian Shipowners Association (ASA) and Australian Mines and Metals Association (AMMA) have now provided a preliminary joint submission identifying the need for significant reform of the legislation. The **deadline for submissions** to the review has been extended to **6 August 2002**.

Positive Performance Indicators in the maritime industry

The Authority considered a draft report outlining the development of positive performance indicators in three trial companies in the maritime industry, following completion of phase 1 of the trial. The draft report highlights the issues which have arisen as a result of the trial, the different methods trialled and the results achieved to date. The draft report was the subject of discussion by the Seacare Authority Safety Performance Indicators in Shipping Industry Committee (SPISIC) in July 2002. SPISIC will be recommending to the Authority that implementation of phase 2 of the trial proceed. Phase 2 will run until mid 2003.

Approval of OHS representatives training course assessor

The Australian Maritime College (AMC) has been approved as the Authority's accreditation adviser. Its role is to assess applications by OHS course providers/deliverers as part of the Authority accreditation process. Two new applications for accreditation will shortly be assessed by the AMC for the Authority prior to it giving consideration to accredit the new courses.

Sea Safe-Work Awards and OHS Conference

The Seacare Authority Sea Safe-Work Awards will be held on 8 April 2002 at the Melbourne Aquarium. The Awards will be preceded by a half day OHS conference at Crown Event facilities on South Bank. The Award categories are:

- Off-Shore Employer – OHS Achievement Award

- Small employer – OHS Achievement Award
- Large Employer – OHS Achievement Award
- Seafarer - OHS Achievement Award
- Occupational Health and Safety Committee - Achievement Award
- Best OHS Solution to a Major OHS Risk
- Best Rehabilitation and Return To Work Program
- Best OHS Training Program

Entry forms will be circulated throughout the industry in August (and will be available on the Seacare website). The Authority urges potential winners to start considering your entries now!!!

The Authority gratefully acknowledges those shipping companies and organisations which have agreed to sponsor the awards. Full details will shortly appear on the Seacare website.

Draft Permanent Impairment Guide released for comment.

The Authority is currently considering the proposed new PI Guide. The draft Guide has been circulated to stakeholders to obtain views and comment. Further comments are welcome. The draft Guide is available on the Seacare website.

Seacare stakeholder satisfaction survey

The Authority recently completed a stakeholder satisfaction survey for 2001-02 which indicated a strong degree of satisfaction with the performance of the Authority. The Authority wishes to thank all those who participated in the survey. Full survey results will be published following the August 2002 meeting of the Authority.

Next Seacare Authority meeting

The next meeting of the Seacare Authority will take place in Melbourne on Tuesday 20 August 2002. If you wish that a matter be placed on the agenda for discussion, please forward your item to the Seacare Authority Secretariat by e-mail at seacare@comcare.gov.au or telephone on 02 62750070.

We encourage you to replicate this Report in part or in full in your organisation's newsletter or journal. No permission is required to publish but it would be appropriate to acknowledge the source. Another way in which you can ensure your organisation improves communication is by creating a direct link between your website and the Authority's website. Many organisations have already done so.

HOW TO CONTACT THE SEACARE AUTHORITY

Phone: (02) 6275 0070
Fax: (02) 6275 0067
E-mail: seacare@comcare.gov.au
Address: GPO Box 9905
CANBERRA ACT 2601

ISSUED: 29 July 2002

**Geoff Gronow
Chairperson**

Visit the Seacare Authority Website at www.seacare.gov.au