

COMCARE, THE SAFETY, REHABILITATION AND COMPENSATION COMMISSION, AND THE SEAFARERS SAFETY, REHABILITATION AND COMPENSATION AUTHORITY

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COMCARE, THE SAFETY, REHABILITATION AND COMPENSATION COMMISSION, AND THE SEAFARERS SAFETY, REHABILITATION AND COMPENSATION AUTHORITY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

Comcare is the statutory authority responsible for administering the Commonwealth's occupational health and safety framework, its statutory framework for rehabilitation and workers' compensation and its common law liabilities for asbestos compensation.

Comcare's vision is 'Australia's Safest Workplaces'. To achieve this vision, Comcare works in partnership with employers and employees to reduce the incidence and cost of workplace injuries and disease. The outcomes for which Comcare is responsible are:

- Outcome 1: The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement.
- Outcome 2: An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers' compensation claims.
- Outcome 3: Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through the management of claims.

In addition to its regulatory and claims service functions, Comcare also provides assistance to the Safety, Rehabilitation and Compensation Commission (SRCC) and administrative support to the Seafarers Safety, Rehabilitation and Compensation Authority.

Comcare and the 2009-10 Budget

While there are no major new budgetary measures for Comcare in the 2009-10 financial year, a number of ongoing measures and other factors will affect the agency in 2009-10. These include any outcomes from a review of the Comcare scheme, the impact of the global financial crisis and the Government's commitment to national harmonisation of occupational health and safety arrangements.

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a) Review of the Comcare scheme

In December 2007, the Minister for Employment and Workplace Relations announced a moratorium on applications for self-insurance under the Comcare scheme and a review of the Comcare scheme. Comcare has planned on the basis that any changes arising from the review will be implemented in the course of the 2009-10 financial year, although budgetary assumptions for 2009-10 have been developed on the basis of business as usual in accordance with existing legislation and policies.

b) Global financial crisis

The global financial crisis has affected (and is likely to continue to affect) Comcare's valuation of its workers' compensation assets and liabilities, although the scheme remains fully funded. Equally, scheme participants are experiencing increased financial pressures, with potential risks both to the resources available to achieve workplace health and safety outcomes and to the ongoing capability of self-insured employers to meet their ongoing liabilities to injured workers. Comcare's plans and activities are designed to mitigate these risks.

c) National occupational health and safety harmonisation

The Council of Australian Governments is committed to harmonisation of occupational health and safety (OHS) legislation across Australia by 2011. Comcare is committed to working with Safe Work Australia and with other jurisdictions to achieve harmonisation through 2009-10 and beyond. As the Commonwealth's OHS regulator, it is anticipated that Comcare will be an early adopter of any agreed legislative changes.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Comcare resource statement — Budget estimates for 2009-10 as at Budget May 2009

Source	Estimate of prior year amounts available in 2009-10 \$'000	Proposed at Budget = 2009-10 \$'000	Total Estimate 2009-10 \$'000	Actual Available Appropriation 2008-09 \$'000
Opening Balance/Reserves at Bank ¹	195,297	-	195,297	184,104
REVENUE FROM GOVERNMENT				
Ordinary Annual Services ²				
Outcome 1	-	293	293	5,772
Outcome 2	-	447	447	-
Outcome 3	-	5,158	5,158	-
Total ordinary annual services	-	5,898	5,898	5,772
Total Annual Appropriations	-	5,898	5,898	5,772
Special Appropriations				
Asbestos- related Claims (Management of Commonwealth Liabilities) Act 2005 s8(2)	-	23,391	23,391	19,456
Safety, Rehabilitation and Compensation Act 1988 s90D	-	48,000	48,000	49,838
Total Special Appropriations	-	71,391	71,391	69,294
Total Funds from Government	-	77,289	77,289	75,066
FUNDS FROM INDUSTRY SOURCES				
Licence Fees	-	11,709	11,709	8,429
Total	-	11,709	11,709	8,429
FUNDS FROM OTHER SOURCES				
Interest	-	9,493	9,493	25,000
Royalties	-			
Sale of goods and services	-	20,802	20,802	15,071
Workers' compensation premiums	-	208,991	208,991	207,690
Total	-	239,286	239,286	247,761
Total net resourcing for Agency	195,297	328,284	523,581	515,360

All figures are GST exclusive

Funds are not appropriated directly to Comcare as it is a Commonwealth Authority under the *Commonwealth Authorities and Companies Act*. Appropriations are made to Department of Education, Employment & Workplace Relations which are then paid to Comcare and are considered 'departmental' for all purposes.

¹ The Opening Balances/Reserves at Bank figures represent gross cash on hand and do not take into account the commitments against those funds.

² Appropriation Bill (No.1) 2009-10

1.3 BUDGET MEASURES

Comcare does not have any new budget measures since the 2008-09 Budget. For this reason Table 1.2 is not presented.

1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. The table below outlines the transition from the 2008-09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups to the program reporting framework used for the 2009-10 Budget. The table also captures revisions made to GGS outcome statements under the Operation Sunlight Outcome Statements Review.

Figure 2: Transition table

2008-09 Budget year	2009-10 Budget year
Outcome 1: Safe and healthy workplaces, and cost effective and fair compensation.	Outcome 1: The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement.
Output 2 <i>OHS Act Regulation</i>	Program 1.1: Comcare <i>OHS Act Regulation</i>
Outcome 1: Safe and healthy workplaces, and cost effective and fair compensation.	Outcome 2: An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employees to create best practice in rehabilitation and quick and accurate management of workers' compensation claims.
Output 1 <i>SRC Act Regulation</i>	Program 1.2: Comcare <i>Component 1.2.1 - SRC Act Regulation</i>
Output 3 <i>Management of Premium Claims</i>	Program 1.2: Comcare <i>Component 1.2.2 - Management of Premium Claims</i>
Output 4 <i>Management of Pre Premium claims</i>	Program 1.2: Comcare <i>Component 1.2.3 - Management of Pre Premium claims</i>
Output 5 <i>Provide support to the Seafarers Safety Rehabilitation and Compensation Commission</i>	Program 1.2: Comcare <i>Component 1.2.4 - Provide support to the Seafarers Safety Rehabilitation and Compensation Commission</i>
Outcome 1: Safe and healthy workplaces, and cost effective and fair compensation.	Outcome 3: Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through management of claims.
Output 6: <i>Management of common law asbestos claims</i>	Program 1.3 Comcare <i>Management of common law asbestos claims</i>

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Agencies deliver programs which are the actions taken by the Government to deliver the stated outcomes. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Comcare in achieving government outcomes.

In 2009-10 Comcare has moved from one outcome to three outcomes to better show the three related but separate legislative responsibilities of the agency. In order to provide consistent comparatives between 2008-09 and 2009-10 the following table has been constructed on the same basis as the 2008-09 outcome structure.

Table 2.1: Budgeted Expenses and Resources for Outcome 1

2008-09 Outcome 1: The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement.	2008-09	2009-10
	Estimated Actual Expenses \$'000	Estimated Expenses \$'000
Revenue from Government		
Ordinary Annual Services (Appropriation Bill No. 1)	5,772	5,898
Special Appropriations:	69,294	71,391
Expenses not requiring Appropriation in the Budget year	242,156	229,502
Total for Outcome 1 (2008-09)	317,222	306,791
	2008-09	2009-10
Average Staffing Level (number)	535	551

The 2009-10 Budgeted Expenses and Resources tables for the outcomes include 2008-09 comparative figures against the three new outcomes for consistency.

Outcome 1: The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement.

Outcome 1 Strategy

Comcare will achieve the outcome by:

- working in partnership with employers and employees to create safe and healthy workplaces
- regulating effectively and co-operatively
- developing tailored solutions to improve safety outcomes
- making decisions that are transparent, accountable, consistent and proportionate
- actioning outcomes from the Minister's review of the Comcare scheme as it relates to occupational health and safety
- preparing to implement nationally harmonised occupational health and safety arrangements in the Commonwealth jurisdiction.

Comcare will do this by providing employers with information, education and practical workplace advice to assist them to meet their duty of care, by developing and implementing policy, and by undertaking assurance and enforcement action.

Outcome 1 Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted Expenses and Resources for Outcome 1

Outcome 1: The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement.	2008-09	2009-10
	Estimated Actual Expenses \$'000	Estimated Expenses \$'000
Program 1.1: Comcare		
Revenue from Government		
Ordinary Annual Services (Appropriation Bill No. 1)	294	293
Expenses not requiring Appropriation in the Budget year	16,876	22,154
Total for Program 1.1	17,170	22,447
Outcome 1 Totals by Resource type		
Revenue from Government		
Ordinary Annual Services (Appropriation Bill No. 1)	294	293
Expenses not requiring Appropriation in the Budget year	16,876	22,154
Total Expenses for Outcome 1	17,170	22,447
	2008-09	2009-10
Average Staffing Level (number)	129	143

Note: Departmental Appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Note: Comcare's new outcome structure does not come into effect until 1 July 2009. The 2008-09 figures have been mapped to the new outcomes for comparative purposes.

Contributions to Outcome 1

Program 1.1: Comcare
<p>Program objective</p> <p>The objectives for this program are:</p> <ul style="list-style-type: none"> • to reduce the incidence of workplace injury and disease • to ensure that workplaces have systems in place to manage risks to the health, safety and welfare of workers • to improve the level of compliance with the <i>Occupational Health and Safety Act 1991</i> and associated regulations.

Program expenses

Comcare's overall regulatory investment in Occupational Health and Safety (OHS) has grown in recent years to meet the Government's expectations about the level of regulatory intervention, growth in the jurisdiction and the need to continue the positive trend in injury prevention. The estimated expenses for 2009-10 reflect the completion of that growth.

	2008-09 Revised budget	2009-10 Budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
(\$'000)					
Annual Departmental Expenses:					
Annual Appropriation	294	293	291	292	289
Special Appropriations:					
<i>SRC Act s90D, Asbestos related Claims Act 2005 - s8(2)</i>	-	-	-	-	-
Expenses not requiring Appropriation in the Budget year	16,876	22,154	23,987	25,991	28,180
Total Departmental Expenses	17,170	22,447	24,278	26,283	28,469

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Program 1.1 Deliverables

The program deliverables for this outcome are:

- draft regulations and codes of practice, guidance material and policy advice for the jurisdiction addressing OHS issues and risks
- education and awareness through forums with stakeholders and partners
- investigations and audits to determine compliance with legislation
- enforcement actions taken in respect of breaches of an employer's OHS obligations
- information for employers and employees in the jurisdiction supporting the implementation of any new legislation resulting from the OHS harmonisation initiative.

Deliverables	2008-09 Revised budget	2009-10 Budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Investigations undertaken	250	250	250	250	250
Licences or certificate of compliance issued for hazardous facilities and equipment	7	11	7	-	-
<i>Assumptions:</i>					
Notifications of incidents	6,000	6,000	6,000	6,000	6,000
Number of major hazard facilities	7	18	25	25	25

Program 1.1 Key Performance Indicators

The key performance indicators for this outcome are:

- all regulatory non-conformances are rectified and all statutory notices complied with
- all prosecutions and civil actions for breaches of the *Occupational Health and Safety Act 1991* are successful
- further performance indicators described in the table below.

Key Performance Indicators	2008-09 Revised budget	2009-10 Budget Target	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Number of compensable fatalities per 100,000 FTE	1.1	-	-	-	-
% reduction in the number of compensable injuries involving 1 week time off work per 1,000 FTE ¹	28%	32%	36%	40%	44%

¹ Baseline is the period 2000-2001 to 2002-2003

Outcome 2: An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers' compensation claims.

Outcome 2 Strategy

Comcare will achieve the outcome by:

- providing high quality and timely policy advice on rehabilitation and workers' compensation to the Minister and the Safety, Rehabilitation and Compensation Commission (SRCC)
- providing high quality and timely advice and support on safety, rehabilitation and workers' compensation to the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority)
- providing advice to employers to assist them in preventing injuries at work and to achieve the early and safe return to work of their injured employees
- working collaboratively with employers to identify and promote better practices in rehabilitation
- providing effective claims management services for Commonwealth entities and authorities and the ACT government, having regard to the need for accurate and quick decision making
- ensuring the accurate and sound calculation of premiums so the Comcare scheme remains fully funded and appropriately reflects premium-paying employers' performance
- providing assurance that Comcare scheme employers have effective claims and injury management systems in place
- ensuring that licensed self-insurers conform with their conditions of licence and meet continuous improvement targets
- actioning outcomes from the Minister's review of the Comcare scheme as it relates to rehabilitation, workers' compensation and licensed self-insurance.

Comcare will use tailored and proportionate regulation to deliver a consistent approach to regulation for all employers.

Outcome 2 Budgeted Expenses and Resources

Table 2.2 provides an overview of the total expenses for Outcome 2, by program.

Table 2.2: Budgeted Expenses and Resources for Outcome 2

Outcome 2: An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employees to create best practice in rehabilitation and quick and accurate management of workers' compensation claims.	2008-09 Estimated Actual Expenses \$'000	2009-10 Estimated Expenses \$'000
Program 1.2: Comcare		
Revenue from Government		
Ordinary Annual Services (Appropriation Bill No. 1)	438	447
Special Appropriations	49,838	48,000
Expenses not requiring Appropriation in the Budget year	225,280	207,348
Total for Program 1.2	275,556	255,795
Outcome 2 Totals by Resource type		
Revenue from Government		
Ordinary Annual Services (Appropriation Bill No. 1)	438	447
Special Appropriations	49,838	48,000
Expenses not requiring Appropriation in the Budget year	225,280	207,348
Total Expenses for Outcome 2	275,556	255,795
	2008-09	2009-10
Average Staffing Level (number)	396	398

Note: Departmental Appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Note: Comcare's new outcome structure does not come into effect until 1 July 2009. The 2008-09 figures have been mapped to the new outcomes for comparative purposes.

Contributions to Outcome 2

Program 1.2: Comcare

Program objective

The objectives of this outcome are:

- to increase the rate of durable return to work
- to provide consistent access to workers' compensation.

Program expenses

The Special Appropriation under s90D of the *Safety, Rehabilitation and Compensation Act 1988* is reducing each year in line with expectations. This funding relates to workers' compensation claims that were accepted prior to the establishment of Comcare premium scheme in 1989. The costs of these claims are funded from Consolidated Revenue and those costs continue to reduce as cases are resolved and closed. Expenses for claims accepted since 1989 are funded from premium revenue paid to Comcare and do not require appropriation.

(\$'000)	2008-09 Revised budget	2009-10 Budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Annual Departmental Expenses:					
Annual Appropriation	438	447	456	456	450
Special Appropriations:					
<i>Safety, Rehabilitation & Compensation Act - s90D</i>	49,838	48,000	45,153	41,548	38,090
Expenses not requiring Appropriation in the Budget year	225,280	207,348	211,847	225,202	244,239
Total Departmental Expenses	275,556	255,795	257,456	267,206	282,779

Program 1.2 Deliverables

The program deliverables for this outcome are:

- Relevant and accurate information provided to employers and employees under the Comcare scheme supporting effective return to work and appropriate access to compensation.
- Jurisdictional policy advice, jurisdictional bulletins, research reports and fact sheets addressing rehabilitation and compensation issues and risks.
- Education and awareness through forums with stakeholders and partners.
- Assurance activity that ensures that licensed self-insurers conform to their conditions of licence under the *Safety, Rehabilitation and Compensation Act 1988*.
- Accurate and timely determination of workers' compensation claims, including requests for reconsiderations from premium scheme employees.
- Management of claims matters determined by Comcare that are the subject of review by the Administrative Appeals Tribunal.
- Other deliverables identified below.

Program 1.2 Key Performance Indicators

The performance indicators for this outcome are:

- feedback from employers and employees on rehabilitation and compensation outcomes
- other key performance indicators described in the table below.

Key Performance Indicators	2008-09 Revised budget	2009-10 Budget Target	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
% reduction in the number of claims with an extended return to work outcome per 1000 FTE employees*	14%	16%	18%	20%	22%
Percentage of premium-related total assets to premium related total liabilities	110%	110%	115%	115%	115%
Percentage of licensees compliant with licensing obligations	100%	100%	100%	100%	100%
Commonwealth average premium rate	1.36%	1.36%	1.36%	1.36%	1.36%

*(Baseline is 2001-02)

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Program 1.2 Components					
<ul style="list-style-type: none"> • Component 1.2.1 – SRC Act Regulation • Component 1.2.2 – Management of Premium Claims • Component 1.2.3 – Management of Pre-Premium Claims • Component 1.2.4 – Provide support to the Seafarers Safety, Rehabilitation and Compensation Commission 					
	2008-09 Revised budget	2009-10 Budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
('000)					
SRC Act Regulation					
Expenses not requiring Appropriation in the Budget year	7,542	9,660	10,626	11,689	12,857
Total Component Expenses	7,542	9,660	10,626	11,689	12,857
Management of Premium Claims					
Expenses not requiring Appropriation in the Budget year	217,552	197,502	201,035	213,327	231,196
Total Component Expenses	217,552	197,502	201,035	213,327	231,196
Management of Pre Premium Claims					
Special Appropriations:					
<i>Safety Rehabilitation and Compensation Act 1988 s90D</i>	49,838	48,000	45,153	41,548	38,090
Expenses not requiring Appropriation in the Budget year	99	113	113	113	113
Total Component Expenses	49,937	48,113	45,266	41,661	38,203
Provide Support to the Seafarers Safety Rehabilitation and Compensation Commission					
Annual Departmental Expenses:					
Annual appropriation	438	447	456	456	450
Expenses not requiring Appropriation in the Budget year	87	73	73	73	73
Total Component Expenses	525	520	529	529	523

Outcome 3: Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through management of claims.

Outcome 3 Strategy

Comcare manages the Commonwealth's asbestos-related disease liabilities at common law in accordance with Commonwealth Legal Services Directions, Comcare's Asbestos Litigation Policy Statement and any relevant Court/Tribunal Orders/Rules. The Asbestos Litigation Policy Statement establishes the framework for the prioritisation by Comcare of its management of asbestos-related claims, given the urgent nature of many such claims and competing considerations.

Outcome 3 Budgeted Expenses and Resources

Table 2.3 provides an overview of the total expenses for Outcome 3, by program.

Table 2.3: Budgeted Expenses and Resources for Outcome 3

Outcome 3: Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through management of claims.	2008-09 Estimated Actual Expenses \$'000	2009-10 Estimated Expenses \$'000
Program 1.3: Comcare		
Revenue from Government		
Ordinary Annual Services (Appropriation Bill No. 1)	5,040	5,158
Special Appropriations	19,456	23,391
Total for Program 1.3	24,496	28,549
Outcome 3 Totals by Resource type		
Revenue from Government		
Ordinary Annual Services (Appropriation Bill No. 1)	5,040	5,158
Special Appropriations	19,456	23,391
Total Expenses for Outcome 3	24,496	28,549
	2008-09	2009-10
Average Staffing Level (number)	10	10

Note: Departmental Appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Note: Comcare's new outcome structure does not come into effect until 1 July 2009. The 2008-09 figures have been mapped to the new outcomes for comparative purposes.

Contributions to Outcome 3

Program 1.3: Comcare

Program objective

- To manage primary asbestos disease claims in an efficient and equitable manner and in accordance with the order of priority set out in Comcare's Policy Statement.
- To pay compensation in a timely manner once a Court/Tribunal Order is made.
- To recover contributions to compensation payments from third parties which, in turn, should contribute to the preservation of funds available for future compensation payments to primary claimants who have an asbestos related disease.

Program expenses

(\$'000)	2008-09 Revised budget	2009-10 Budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Annual Departmental Expenses:					
Annual Appropriation	5,040	5,158	5,195	5,186	5,244
Special Appropriations:					
<i>Abestos related claims Act 2005 - s8(2)</i>	19,456	23,391	22,464	22,555	22,664
Total Departmental Expenses	24,496	28,549	27,659	27,741	27,908

Program 1.3 Deliverables

- Management of asbestos related claims liabilities consistently and in accordance with any relevant legislation or Australian Government policies.
- To provide an accurate data set and other information about asbestos claims liabilities to Comcare's external actuary and the Australian National Audit Office to enable the future projected liabilities to be valued accurately for Comcare's annual report.

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Program 1.3 Key Performance Indicators

- Comcare will comply with the Legal Service Directions, the management objectives contained in the Asbestos Litigation Policy Statement and any Court/Tribunal Rules/Orders in respect of all asbestos related disease claims.
- The data Comcare provides to its external actuaries for the purpose of the annual actuarial assessment is materially accurate.

Key Performance Indicators	2008-09 Revised budget	2009-10 Budget Target	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Average number of days to settle primary claims during the financial year (% within 180 days)	65%	65%	65%	65%	65%
% of the value of asbestos claims settlements recovered from third parties	5%	5%	5%	5%	5%

SECTION 3: EXPLANATORY TABLES AND BUDGETED FINANCIAL STATEMENTS

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2009-10. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

Comcare has no movement of funds to report. For this reason Table 3.1.1 is not presented.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for the special account for which the Seafarers Safety, Rehabilitation and Compensation Authority is responsible.

Table 3.1.2: Estimates of Special Account cash flows and balances

	Opening balance 2009-10 2008-09	Receipts 2009-10 2008-09	Payments 2009-10 2008-09	Adjustments 2009-10 2008-09	Closing balance 2009-10 2008-09
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Seafarers Rehabilitation and Compensation (A) Account s20 FMA Act ¹	1,274	132	90	-	1,316
	1,231	137	94	-	1,274
Total special accounts 2009-10 Budget estimate	1,274	132	90	-	1,316
Total special accounts 2008-09 estimate actual	1,231	137	94	-	1,274

(A) = Administered

The Special Account was established for the purpose of providing a safety net under section 96 of the *Seafarers Rehabilitation and Compensation Act 1992* for the compensation and rehabilitation of injured seafarers not otherwise covered by an employer.

Transactions against this special account reflect:

- levy collections from shipping operators
- expenses incurred in the administration of the Seafarers Safety Net Fund and claim payments (if any).

3.1.3 Australian Government Indigenous Expenditure

The 2009-10 Australian Government Indigenous Statement is not applicable because Comcare has no Indigenous specific expenses. For this reason Table 3.1.3 is not presented.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is a significant difference between the resources shown as being available in Table 1.1: Comcare resource statement and the financial statements especially in regards to the 'estimate of prior amounts available in 2009-10'. The reason for this largely relates to Comcare's workers' compensation business and its long term nature.

Significant resources shown in Table 3.2.2: Budgeted departmental balance sheet (appropriations receivable) will fund claim payments over approximately the next 30 years. For most other agencies the majority of such resources are usually restricted to funding employee entitlements and fixed asset purchases. These resources have not been shown in the Comcare resource statement because guidelines for the preparation of the Portfolio Budget Statements do not permit it and would lead to a distortion of Comcare's overall resource position.

3.2.2 Analysis of budgeted financial statements

Revenue

Comcare's total revenue is estimated to marginally decrease from \$251.4 million in 2008-09 to \$251.1 million in 2009-10.

Comcare's actuary has forecast that the premium rate required to fund the lifetime cost of injuries expected to be incurred in 2009-10 will be similar to the rate in 2008-09. Premium rates will be determined by Comcare in June 2009 following consideration of the actuary's final premium pool report based on the most recently available data.

A breakdown of revenue from independent sources for 2008-09 and 2009-10 is as follows:

	2008-09 Estimated actual \$'000	2009-10 Budget estimate \$'000
Premium	207,890	209,091
Interest	20,000	9,493
Licence fees	8,429	11,709
Sale of Goods & Services		
Regulatory contributions	13,280	18,170
Other	1,791	2,632
Total	251,390	251,095

Comcare Budget Statements – Budgeted financial statements

Expenses

Total expenses are budgeted to decrease from \$317.2 million in 2008-09 to \$306.8 million in 2009-10.

The main variances between 2008-09 and 2009-10 are as follows:

- reduced costs associated with workers' compensation claims due to a small decrease in net premium claim payments and the decline in outstanding pre-premium claim liabilities accounts for nearly \$16.0 million
- additional administrative expenses largely to support the expansion of regulatory activities for all entities under the *Occupational Health and Safety Act 1991* and self insurers under the *Safety, Rehabilitation and Compensation Act 1988*. These expenses will be funded from increased regulatory contributions, licence fees and other revenue. This increase offsets the decrease in overall expenses bringing the decrease from \$16.0 million to approximately \$10.0 million.

Claims Liabilities

There are two elements of outstanding workers' compensation claims liabilities:

- those with a date of injury before 1 July 1989 – referred to as pre-premium claims
- those with a date of injury on and from 1 July 1989 – referred to as premium claims.

It is expected that pre-premium claims liabilities will continue to decrease over time, while premium claims liabilities will remain relatively stable.

The other major component of other provisions in the Balance Sheet is an actuarial assessment for asbestos related common law liabilities. Estimates have been provided for 30 June 2009 and at 30 June for each forward year.

The claims liabilities figures for both workers' compensation and asbestos related common law claims include a prudential margin in accordance with a change in accounting policy under accounting standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. The impact of adding a prudential margin is to increase the reported total claims liabilities on a like for like basis.

Estimates for gross claims liabilities as at 30 June 2009 and each forward year are as follows:

	2008-09	2009-10	2010-11	2011-12	2012-13
	\$m	\$m	\$m	\$m	\$m
Workers' compensation					
Premium	1,330	1,327	1,328	1,339	1,358
Pre Premium	507	472	439	410	386
Asbestos related common law	987	1,006	1,017	1,023	1,028

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental comprehensive income statement
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
EXPENSES					
Employee benefits	46,622	50,969	51,612	52,308	52,898
Supplier	28,556	27,975	28,334	28,723	29,057
Depreciation and amortisation	3,792	5,292	5,382	5,484	5,583
Other	246,092	227,875	227,024	239,515	253,055
Total expenses	325,062	312,111	312,352	326,030	340,593
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	15,071	20,802	22,664	24,713	26,961
Fees and fines	8,429	11,709	12,880	14,168	15,585
Interest	20,000	9,493	10,725	12,122	13,697
Other revenue	207,890	209,091	212,414	217,241	222,144
Total revenue	251,390	251,095	258,683	268,244	278,387
Gains					
Total gains	-	-	-	-	-
Total own-source income	251,390	251,095	258,683	268,244	278,387
Net cost of (contribution by) services	(73,672)	(61,016)	(53,669)	(57,786)	(62,206)
Revenue from government	83,903	63,773	58,214	62,656	70,375
Surplus (Deficit)	10,231	2,757	4,545	4,870	8,169
Surplus (Deficit) attributable to the Australian Government	10,231	2,757	4,545	4,870	8,169
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	10,231	2,757	4,545	4,870	8,169

Prepared on Australian Accounting Standards basis.

Comcare Budget Statements – Budgeted financial statements

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and equivalents	195,297	195,926	199,967	203,999	209,536
Trade and other Receivables	2,802,480	2,782,891	2,761,478	2,749,819	2,749,484
Other	5,348	5,348	5,348	5,348	5,348
Total financial assets	3,003,125	2,984,165	2,966,793	2,959,166	2,964,368
Non-financial assets					
Land and buildings					
Infrastructure, plant and equipment	12,678	13,939	14,312	14,777	17,253
Intangibles	1,263	1,462	1,691	1,951	1,978
Other	286	286	286	286	286
Total non-financial assets	14,227	15,687	16,289	17,014	19,517
Assets held for sale					
Total assets	3,017,352	2,999,852	2,983,082	2,976,180	2,983,885
LIABILITIES					
Provisions					
Employees	8,960	8,877	8,775	8,662	8,533
Other	2,825,532	2,805,358	2,784,145	2,772,486	2,772,151
Total provisions	2,834,492	2,814,235	2,792,920	2,781,148	2,780,684
Payables					
Suppliers	2,415	2,415	2,415	2,415	2,415
Other	3,798	3,798	3,798	3,798	3,798
Total payables	6,213	6,213	6,213	6,213	6,213
Liabilities included in disposal groups held for sale					
Total liabilities	2,840,705	2,820,448	2,799,133	2,787,361	2,786,897
Net assets	176,647	179,404	183,949	188,819	196,988
EQUITY*					
Parent entity interest					
Contributed equity	605	605	605	605	605
Reserves	3,846	3,846	3,846	3,846	3,846
Retained surpluses or accumulated deficits	172,196	174,953	179,498	184,368	192,537
Total parent entity interest	176,647	179,404	183,949	188,819	196,988
Current assets	271,898	264,060	263,886	263,992	265,803
Non-current assets	2,463,334	2,448,272	2,428,676	2,419,908	2,424,402
Current liabilities	270,559	267,392	264,869	263,414	263,112
Non-current liabilities	2,288,026	2,265,536	2,243,744	2,231,667	2,230,106

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Comcare Budget Statements – Budgeted financial statements

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	23,500	32,511	35,544	38,881	42,546
Appropriations	75,066	77,289	73,558	73,037	66,734
Interest	25,000	9,493	10,725	12,122	13,697
Other	229,984	230,410	234,055	239,365	244,758
Total cash received	353,550	349,703	353,882	363,405	367,735
Cash used					
Employees	46,622	51,053	51,714	52,421	53,027
Suppliers	28,557	27,926	28,291	28,693	29,077
Other	259,349	263,343	263,852	272,050	272,008
Total cash used	334,528	342,322	343,857	353,164	354,112
Net cash from or (used by) operating activities	19,022	7,381	10,025	10,241	13,623
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	7,830	6,752	5,984	6,209	8,086
Total cash used	7,830	6,752	5,984	6,209	8,086
Net cash from or (used by) investing activities	(7,830)	(6,752)	(5,984)	(6,209)	(8,086)
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held					
Cash at the beginning of the reporting period	184,105	195,297	195,926	199,967	203,999
Cash at the end of the reporting period	195,297	195,926	199,967	203,999	209,536

Prepared on Australian Accounting Standards basis.

Comcare Budget Statements – Budgeted financial statements

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009-10)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	172,196	3,846	-	605	176,647
Adjusted opening balance	172,196	3,846	-	605	176,647
Income and expense					
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	2,757				2,757
Total income and expenses recognised directly in equity	2,757	-	-	-	2,757
Transactions with owners					
Sub-total transactions with owners	-	-	-	-	-
Estimated closing balance as at 30 June 2010	174,953	3,846	-	605	179,404

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2008-09	2009-10	2010-11	2011-12	2012-13
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total capital appropriations	-	-	-	-	-
Represented by:					
Total represented by	-	-	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded internally from Departmental resources ¹	7,830	6,752	5,984	6,209	8,086
TOTAL	7,830	6,752	5,984	6,209	8,086

¹ Includes the following sources of funding: annual and prior year appropriations, donations and contributions, gifts, financial leases, internally developed assets, s31 relevant agency receipts and proceeds from the sale of assets.
Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements - Departmental

	Other Infrastructure, Plant & Equipment \$'000	Intangibles \$'000	Total \$'000
as at 1 July 2009			
Gross book value	15,868	9,865	25,733
Accumulated depreciation/amortisation	(3,190)	(8,602)	(11,792)
Opening net book balance	12,678	1,263	37,525
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
by purchase or internally developed	6,001	751	6,752
Acquisition of entities or operations (including restructuring)			
Sub-total	6,001	751	6,752
Other Movements			
Depreciation/amortisation expense	(4,740)	(552)	(5,292)
as at 30 June 2010			
Gross book value	21,869	10,616	32,485
Accumulated depreciation/amortisation	(7,930)	(9,154)	(17,084)
Closing net book balance	13,939	1,462	15,401

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
<i>Total taxation</i>	-	-	-	-	-
Non-taxation					
Other sources of non-taxation revenues	125	132	132	132	132
<i>Total non-taxation</i>	125	132	132	132	132
Total revenues administered on behalf of Government	125	132	132	132	132
Gains					
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	125	132	132	132	132
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	120	90	90	90	90
Total expenses administered on behalf of Government	120	90	90	90	90

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	2	43	80	117	159
Receivables	1,238	1,239	1,244	1,249	1,249
Total financial assets	1,240	1,282	1,324	1,366	1,408
Non-financial assets					
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	1,240	1,282	1,324	1,366	1,408
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	-	-	-	-	-
Payables					
Suppliers	18	18	18	18	18
Other payables	219	219	219	219	219
Total payables	237	237	237	237	237
Total liabilities administered on behalf of Government	237	237	237	237	237

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**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	137	147	144	144	132
Total cash received	137	147	144	144	132
Cash used					
Other	132	101	102	102	90
Total cash used	132	101	102	102	90
Net cash from or (used by) operating activities	5	46	42	42	42
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	5	46	42	42	42
Cash at beginning of reporting period	2	2	43	80	117
Cash from Official Public Account for: - special accounts	133	131	133	133	-
Cash to Official Public Account for: - special accounts	138	136	138	138	-
Cash at end of reporting period	2	43	80	117	159

Prepared on Australian Accounting Standards basis.

Table 3.2.10 Schedule of Administered Capital Budget

Comcare has no capital purchases to report. For this reason Table 3.2.10 is not presented.

Table 3.2.11 Statement of Admin Asset Movements

Comcare has no non financial assets to report. For this reason Table 3.2.11 is not presented.

3.2.4 Notes to the financial statements

Accounting policy

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders issued by the Minister for Finance and Deregulation.

The statements have been prepared:

- on an accrual accounting basis
- in compliance with Australian Accounting Standards and Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other authoritative pronouncements of the Australian Accounting Standards Boards and the Consensus Views of the Urgent Issues Group
- having regard to Statements of Accounting Concepts.

Agency items

Agency assets, liabilities, revenues and expenses are those items that are controlled by Comcare including:

- computers, plant and equipment used in providing goods and services
- liabilities for outstanding workers compensation claims
- liabilities for asbestos related common law claims
- liabilities for employee entitlements
- revenues from appropriations for resources used in providing goods and services
- other revenues which largely consist of workers compensation premiums collected from other Commonwealth Government agencies
- employee expenses and other administrative expenses incurred in providing goods and services.

Administered assets, liabilities, revenues and expenses are those items which are controlled by the Government and managed or overseen by the department or agency on behalf of the Government. For the Seacare Authority levies are collected under the *Seafarers Rehabilitation and Compensation Levy Collection Act 1992*.

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Agency revenue from government

Comcare’s special appropriation revenue consists of two components – a cash component for the payment of claims during the 2009-10 financial year and a non cash component to fund the expected increase in claim liabilities which will be payable in future years. Only the cash component is included in the relevant Appropriation Bill. As Table 1.1: Comcare resource statement is required to be consistent with the Appropriation Bill, the non cash component has been excluded from the resource statement.

Noting the above, the total departmental cash appropriation (both annual and special appropriation) from Government in the 2009-10 Budget is estimated at \$77.3 million (2008-09 \$75.1 million). The non cash component of the special appropriation is -\$13.5 million (2008-09 \$8.8 million) reflecting an expected decrease in claim liabilities during the year based on actuarial assessments.

Reconciliation between Agency Resource Statement and Income Statement	2008-09 Revised Budget \$'000	2009-10 Budget \$'000
Agency Resource Statement		
Total Funds from Government	75,066	77,289
Income Statement		
Revenue from Government	83,903	63,773
	(8,837)	13,516
Non Cash component of Special Appropriation	8,837	(13,516)
Total	-	-

Agency revenue from other sources

Revenue from goods and services is recognised upon the delivery of the goods and services to the customers. Premium revenue for 2009-10 is recognised as it is owned and controlled by Comcare.

Agency expenses - employees

This item represents employee expenses incurred including the net increase in entitlements to employees for services rendered in the financial year.

Agency expenses – depreciation and amortisation

Property, plant and equipment assets are depreciated to their estimated residual values over their estimated useful lives to Comcare using, in all cases, the straight-line method of depreciation. The estimated useful life of these assets is between three and ten years.

Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease. Intangibles are amortised over periods between three and five years.

Agency expenses- other costs of providing goods and services

This item represents purchases of goods and services from suppliers.

Agency expenses - other

This item represents workers compensation claims payments; including net movements in outstanding workers compensation claims liabilities and common law settlements for asbestos related compensation cases.

Accounting policy

The premium scheme covers employees of Commonwealth Government agencies and the ACT Government covered by the *Safety, Rehabilitation and Compensation Act 1988* for injuries and illnesses sustained on or after 1 July 1989. A methodology developed by an independent actuary is used to calculate premiums to cover fully the liabilities expected to be incurred by the scheme.

Premiums do not cover any liabilities for injuries or illness sustained prior to 1 July 1989. These liabilities are funded by Parliamentary appropriation and are referred to as 'pre-premium' liabilities.

Section 90A (1) of the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) required that premiums collected for financial years prior to 1 July 2002 by Comcare be paid into the Consolidated Revenue Fund. The *SRC Act* does not presently provide for those premium funds (or the notional interest accrued) to be brought to account as assets of Comcare. Accordingly, these financial statements do not reflect these amounts except insofar as they are required to meet existing outstanding claims obligations. This amount is recognised as an appropriation receivable in the Balance Sheet.

Agency assets and liabilities – provisions and payables

Provision is made for:

- Comcare's liability for employee entitlements arising from services rendered by employees to balance date
- an estimate for asbestos related common law liabilities
- an estimate for outstanding workers compensation claims liabilities.

The liability for employee entitlements encompasses unpaid annual and long service leave. No provision is made for sick leave. The liability for leave expected to be settled within 12 months has been measured at its nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Attrition rates

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and pay rises through promotion and wage/salary agreements have been taken into account.

The financial statements include, as provisions, an estimate for outstanding workers compensation claims and asbestos related common law liabilities. Estimates have been provided for 30 June 2009 and at 30 June for each forward year.

The estimate has been based on current rates and costs of settlement adjusted for inflation, imputed investment return and administration expenses and include the use of statistical information relating to the development of claims over a number of years. Outstanding claims liabilities are calculated in accordance with the Australian Accounting Standards Board standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The estimates of outstanding liabilities include a prudential margin which is above and beyond the central estimate of the liability. The central estimate refers to the fact that there is a 50/50 chance that when the forecast claim liabilities have been finally discharged they will prove to be either too high or too low.

Agency assets and liabilities – financial assets - cash

Cash includes deposits at call and term deposits with a bank or financial institution.

Agency assets and liabilities – financial assets - receivables

Receivables represent amounts owing to Comcare for goods and services that have been provided to external parties, together with an estimate of appropriations required to meet outstanding workers compensation claims liabilities.

Agency assets and liabilities – financial assets - other

This item represents an estimate for prepayments.

Agency assets and liabilities – non-financial assets

These items represent future economic benefits that Comcare will consume in producing outputs. The reported value represents the fair value of assets less depreciation incurred to date in using that asset.

Property, plant and equipment are brought to account at cost, except for purchases costing less than \$3,000 which are expensed in the year of acquisition. Leasehold assets include an amount for the estimated value of restoring leased property to its pre-lease standard at the expiration of the lease.

