

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



# 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, together with the Safety, Rehabilitation and Compensation Commission (SRCC), regulates the Commonwealth's legislation for occupational health and safety and the rehabilitation and workers' compensation legislation. Comcare is also responsible for managing Commonwealth common law liabilities for asbestos compensation.

Comcare's work is centred on three main dimensions:

- Innovation – new services and support for workers
- Collaboration – new initiatives partnering with stakeholders, business and governments
- Impact – improved, efficient business practices, capacity and capability to deliver better services.

Comcare is responsible for the following outcomes:

1. The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement
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
3. Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through management of claims.

In addition to its regulatory and claims management functions, Comcare provides secretariat and related functions to support the SRCC and the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority).

## **Comcare and the 2011-12 Budget**

Four key factors will affect Comcare in 2011-12. These include the national harmonisation of occupational health and safety arrangements, regulatory changes, the Australian Public Service reforms and the implementation of Comcare's 2015 Strategic Plan

### **a) Transition to national model workplace health and safety laws**

The Council of Australian Governments is committed to harmonisation of work health and safety legislation across Australia by the end of 2011. To this end, Comcare is working to achieve harmonisation and protect and improve the health and safety of workers and workplaces.

A project team has been established to work with the Department of Education, Employment and Workplace Relations (DEEWR) and Safe Work Australia in developing the legislation, the regulations and the Codes of Practice. It is also working with state and territory regulators to ensure a nationally consistent approach to implementing model work health and safety laws.

### **b) Regulatory and legislative changes**

The moratorium on applications for self-insurance under the Comcare scheme remains in place. Budgetary assumptions for 2011-12 reflect business as usual in line with existing legislation and policies.

The Minister for Education, Employment and Workplace Relations issued the following directions:

- adopt a more pro-active approach to occupational health and safety compliance and enforcement including undertaking a greater number of investigations each year with the aim of reducing the incidence of injury and disease in under-performing sectors
- implement measures to ensure that investigators possess the qualifications, knowledge and skills to exercise their statutory functions in relation to the broad range of industries covered by the scheme
- develop guidance material which appropriately reflects that pro-active compliance and enforcement policy.

Comcare will continue to address these directions during 2011-12.

c) Responding to the Australian Public Service reforms to deliver better services

Comcare is placing federal workers at the centre of Comcare's business model in a 'citizen-centric' shift in focus and cultural orientation, co-designing service delivery models and focussing on how Comcare people engage with the community they serve. Comcare will seek closer partnerships and collaboration with the community sector, the private sector and with all levels of government.

d) Strategic Plan 2010-2015

Implementation of the Strategic Plan 2010-2015 is already well underway. It tells the Comcare story and outlines the vision for the future. The 2015 plan comes from listening to the community and will shape the changes needed to build a stronger Comcare in our third decade as a statutory authority. Under the Plan, Comcare is working on designing better ways of delivering services, drawing on world's best practice and the advice of experts. This will lift productivity, increase workforce participation and reduce social exclusion to deliver on the Government's long-term priorities.

## 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 2011-12 as at Budget May 2011**

Source	Estimate of prior year amounts available in 2011-12 \$'000	Proposed at Budget 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
<b>Opening balance/Reserves at bank</b>	193,248	-	193,248	199,122
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>2</sup></b>				
Outcome 1	-	8,768	8,768	2,711
Outcome 2	-	445	445	448
Outcome 3	-	5,190	5,190	5,213
<b>Total ordinary annual services</b>	<b>-</b>	<b>14,403</b>	<b>14,403</b>	<b>8,372</b>
<b>Other services<sup>3</sup></b>				
Equity injection	-	7,112	7,112	-
<b>Total ordinary annual services</b>	<b>-</b>	<b>7,112</b>	<b>7,112</b>	<b>-</b>
<b>Total funds from Government</b>	<b>-</b>	<b>21,515</b>	<b>21,515</b>	<b>8,372</b>
<b>FUNDS FROM INDUSTRY SOURCES</b>				
Licence fees	-	13,775	13,775	13,197
<b>Total</b>	<b>-</b>	<b>13,775</b>	<b>13,775</b>	<b>13,197</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	21,792	21,792	20,860
Sale of goods and services	-	19,122	19,122	17,616
Grants from Portfolio Departments <sup>4,5</sup>	-	66,530	66,530	65,344
Non Tax Revenue <sup>5</sup>	-	17,900	17,900	22,513
Workers' Compensation Premiums	-	256,183	256,183	217,757
<b>Total</b>	<b>-</b>	<b>381,527</b>	<b>381,527</b>	<b>344,090</b>
<b>Total net resourcing for agency</b>	<b>193,248</b>	<b>416,817</b>	<b>610,065</b>	<b>564,781</b>

All figures are GST exclusive.

Comcare is not directly appropriated as it is a CAC Act body. Appropriations are made to Department of Education, Employment and Workplace Relations (DEEWR) which are then paid to Comcare and are considered 'departmental' for all purposes.

<sup>1</sup> The Opening Balances/Reserves at Bank figure represent gross cash on hand and does not take into account the commitments against those funds.

<sup>2</sup> Appropriation Bill (No.1) 2011-12.

<sup>3</sup> Appropriation Bill (No. 2) 2011-12.

<sup>4</sup> Grants from Portfolio Departments include special appropriations under the *Safety, Rehabilitation and Compensation Act 1988* for the payment of pre-premium claims costs and the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* for asbestos-related claims settlements.

<sup>5</sup> The movements in workers' compensation and common law asbestos claim liabilities are non cash in nature and therefore excluded from the Statement.



### 1.3 BUDGET MEASURES

Budget measures relating to Comcare are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Comcare 2011-12 Budget measures**

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense Measures</b>						
	1.1					
Model Work Health and Safety Law s Implementation						
		1,344	6,221	-	-	-
		Departmental expenses				
		<b>Total</b>	<b>1,344</b>	<b>6,221</b>	<b>-</b>	<b>-</b>
Efficiency Dividend - Increase in the rate						
	1.1					
		-	(28)	(70)	(88)	(107)
		Departmental expenses				
		<b>Total</b>	<b>-</b>	<b>(28)</b>	<b>(70)</b>	<b>(88)</b>
<b>Total Expense measures</b>						
		1,344	6,193	(70)	(88)	(107)
		Departmental expenses				
		<b>Total</b>	<b>1,344</b>	<b>6,193</b>	<b>(70)</b>	<b>(88)</b>
<b>Capital Measures</b>						
	1.1					
Model Work Health and Safety Law s Implementation						
		-	7,112	-	-	-
		Departmental capital				
		<b>Total</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>-</b>

Prepared on a Government Finance Statistics (fiscal) basis

## 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. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. 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.

**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 this outcome through:

- education and assurance services that will focus on employers
- focussing on preventing harm in the workplace, keeping workers healthy and safe at work, and reducing the number and severity of safety incidents
- responding to safety incidents in a timely way and seeking to ensure appropriate justice in response to death, serious injury or dangerous occurrences
- continuing to support Safe Work Australia and contributing to a seamless transition of the federal jurisdiction to new harmonised work health and safety laws.

## Outcome 1 Expense Statement

Table 2.1.1 provides an overview of the total expenses for Outcome 1, by program.

**Table 2.1.1: Budgeted Expenses and Resources for Outcome 1**

<b>Outcome 1: The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement.</b>	2010-11	2011-12
	Estimated actual expenses \$'000	Estimated expenses \$'000
<b>Program 1.1: Comcare</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	3,148	7,424
Revenues from industry sources	8,297	8,661
Revenues from other independent sources	12,720	16,020
<b>Total for Program 1.1</b>	<b>24,165</b>	<b>32,105</b>
<b>Outcome 1 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	3,148	7,424
Revenues from industry sources	8,297	8,661
Revenues from other independent sources	12,720	16,020
<b>Total expenses for Outcome 1</b>	<b>24,165</b>	<b>32,105</b>
	2010-11	2011-12
<b>Average Staffing Level (number)</b>	180	175

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

## Contributions to Outcome 1

### Program 1.1: Comcare

#### Program objective

The objectives for this program are:

- promoting worker health, wellbeing and resilience
- preventing harm in federal workplaces
- stronger enforcement and justice outcomes
- contribute to and collaborate on research into workplace health and safety
- seamless transition to National workplace health and safety laws in the Federal jurisdiction.

#### Program 1.1 expenses

Comcare is maintaining resourcing to match the Government's expectations about the level of regulatory intervention and the need to continue the positive trend in injury prevention. Comcare will also be provided with additional funding in 2010-11 and 2011-12, through the implementation of model work health and safety laws budget measure to support the transition to the national workplace health and safety laws.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual departmental expenses:					
Annual Appropriation	3,148	7,424	805	809	801
Expenses not requiring appropriation in the Budget year	21,017	24,681	25,421	26,183	26,968
<b>Total program expenses</b>	<b>24,165</b>	<b>32,105</b>	<b>26,226</b>	<b>26,992</b>	<b>27,769</b>

**Program 1.1 Deliverables**

The program deliverables for this outcome are:

- identify, analyse and target issues related to health and wellbeing and promote work ability through key messages delivered to employers and workers
- implement a psychosocial advisory service and risk assessment tool for use across the jurisdiction to contribute to improved individual and organisational resilience
- initiate surveys of employers, workers and health and safety representatives to gain insight into the level of awareness and understanding of work health and safety requirements and satisfaction with Comcare's work health and safety services
- refine Comcare's work health and safety service delivery model and principles
- implement a nationally consistent jurisdiction-wide awareness and education plan delivered via seminars, e-learning, web information and publications on new work health and safety legislation
- extend the current program of prevention audits of licensed self-insurers to premium payers to improve health and safety outcomes for workers
- establish cooperative compliance programs with employers to identify and address health and safety risks
- implement targeted campaigns addressing identified work health and safety priorities
- monitor employers who do not get the safety message through inspection, investigation, education and audit
- implement appropriate enforcement action in response to breaches of work health and safety obligations.

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**Program 1.1 Key Performance Indicators**

The key performance indicators for this outcome are:

- worker satisfaction with Comcare’s work health and safety support and guidance and the impact of Comcare’s regulatory interventions
- the success of prosecutions and civil actions for breaches of the *Occupational Health and Safety Act 1991*
- further performance indicators are described in the table below.

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget target	2012-13 Forw ard year 1	2013-14 Forw ard year 2	2014-15 Forw ard year 3
Number of compensated injury fatalities <sup>1</sup>	9	-	-	-	-
Percentage reduction in the number of claims involving one week or more lost time per 1,000 FTE employees <sup>2</sup>	25	40	41.2	42.4	43.6

<sup>1</sup> This KPI was formerly titled 'Number of compensable fatalities per 100,000 FTE employees' but is now presented in a more readily understood manner and in accordance with the National OHS Strategy target.

<sup>2</sup> This KPI was formerly titled '% reduction in the number of compensable injuries involving 1 week time off work per 1,000 FTE'. The baseline for this KPI is performance during the period 2000-01 to 2002-03.

**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 through:

- supporting workers with injuries from the time of their initial contact, through recovery and return to health, return to work and return to independence
- better understanding the experience and expectations of injured workers
- delivering services that are co-designed with the community we serve
- improving the quality, consistency and timeliness of claims decisions through better use of information, tools and expertise
- use of targeted interventions and working with our community, informed by improved performance data
- adopting premium strategies that reward and improve scheme performance
- ensuring cost recovery and premium models are robust and contemporary to be cost effective, accountable and ensure value for money
- strong balance sheet management to improve financial performance and preserve financial integrity
- supporting the SRCC to effectively regulate Comcare licensed self-insurers and drive continuous improvement targets.

## Outcome 2 Expense Statement

Table 2.1.2 provides an overview of the total expenses for Outcome 2, by program.

**Table 2.1.2: Budgeted Expenses and Resources for Outcome 2**

<b>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.</b>	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 1.2: Comcare</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	448	445
Grants received from Portfolio Department <sup>1</sup>	43,030	43,260
Revenues from industry sources	4,900	5,114
Revenues from other independent sources	246,501	269,790
Revenues from other independent sources <sup>2</sup>	181,700	12,200
<b>Total for Program 1.2</b>	<b>476,579</b>	<b>330,809</b>
<b>Outcome 2 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	448	445
Grants received from Portfolio Department <sup>1</sup>	43,030	43,260
Revenues from industry sources	4,900	5,114
Revenues from other independent sources	246,501	269,790
Revenues from other independent source <sup>2</sup>	181,700	12,200
<b>Total expenses for Outcome 2</b>	<b>476,579</b>	<b>330,809</b>
	2010-11	2011-12
<b>Average Staffing Level (number)</b>	439	453

<sup>1</sup> Refers to special appropriation under the Safety, Rehabilitation and Compensation Act 1988 s90D

<sup>2</sup> This revenue from other independent sources relates to non cash movements in workers' compensation claims liabilities.

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



## Contributions to Outcome 2

### Program 1.2: Comcare

#### Program objective

The objectives of this outcome are to:

- strengthen recovery and support services for workers with an injury to support their return to health, return to work and return to independence
- improve injury management practices and return to work performance
- improve decision making with decision support tools
- strengthen financial and business integrity for sustainability
- provide assurance that Comcare scheme employers and determining authorities have effective claims and injury management systems in place
- support the SRCC to ensure that licensed self-insurers conform with their conditions of licence and meet continuous improvement targets.

#### Program 1.2 expenses

The Special Appropriation under s90D of the *Safety, Rehabilitation and Compensation Act 1988* (Grants received from Portfolio Departments) 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 on 1 July 1989. The costs of these claims are funded from the Consolidated Revenue Fund.

Expenses for claims accepted since 1 July 1989 are funded from premium revenue paid to Comcare and do not require appropriation.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
(('000)					
Annual administered expenses:					
Annual Appropriation	448	445	436	439	435
Grants received from Portfolio Departments <sup>1</sup>	43,030	43,260	41,775	41,323	40,893
Expenses not requiring appropriation in the Budget year	251,401	274,904	290,004	294,147	298,529
Expenses not requiring appropriation in the Budget year <sup>2</sup>	181,700	12,200	21,600	30,200	36,900
<b>Total program expenses</b>	<b>476,579</b>	<b>330,809</b>	<b>353,815</b>	<b>366,109</b>	<b>376,757</b>

<sup>1</sup> Refers to special appropriation under the Safety, Rehabilitation and Compensation Act 1988.

<sup>2</sup> This revenue from other independent sources relates to non cash movements in workers' compensation claims liabilities.

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<b>Program 1.2 Components</b>					
<ul style="list-style-type: none"> <li>• Component 1.2.1 – SRC Act Regulation</li> <li>• Component 1.2.2 – Management of Premium Claims</li> <li>• Component 1.2.3 – Management of Pre-Premium Claims</li> <li>• Component 1.2.4 – Provide support to the Seafarers Safety, Rehabilitation and Compensation Commission</li> </ul>					
	2010-11 Revised budget	2011-12 Budget	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
(‘000)					
<b>SRC Act Regulation</b>					
Expenses not requiring appropriation in the budget year	11,708	9,757	10,050	10,351	10,662
<b>Total Component Expenses</b>	<b>11,708</b>	<b>9,757</b>	<b>10,050</b>	<b>10,351</b>	<b>10,662</b>
<b>Management of Premium Claims</b>					
Expenses not requiring appropriation in the budget year <sup>1</sup>	433,057	300,102	321,269	331,181	340,214
<b>Total Component Expenses</b>	<b>433,057</b>	<b>300,102</b>	<b>321,269</b>	<b>331,181</b>	<b>340,214</b>
<b>Management of Pre-Premium Claims</b>					
Grants from Portfolio Agencies <sup>2</sup>	43,030	43,260	41,775	41,323	40,893
Expenses not requiring appropriation in the budget year	(12,300)	(23,400)	(20,400)	(17,900)	(16,200)
<b>Total Component Expenses</b>	<b>30,730</b>	<b>19,860</b>	<b>21,375</b>	<b>23,423</b>	<b>24,693</b>
<b>Provide Support to the Seafarers Safety Rehabilitation and Compensation Commission</b>					
Annual Departmental Expenses:					
Annual appropriation	448	445	436	439	435
Expenses not requiring appropriation in the budget year	636	645	685	715	753
<b>Total Component Expenses</b>	<b>1,084</b>	<b>1,090</b>	<b>1,121</b>	<b>1,154</b>	<b>1,188</b>
<b>Total program 1.2 Expenses</b>	<b>476,579</b>	<b>330,809</b>	<b>353,815</b>	<b>366,109</b>	<b>376,757</b>

<sup>1</sup> Due to movement in workers' compensation claims liabilities valuation.

<sup>2</sup> These amounts were previously received as special appropriation under the *Safety, Rehabilitation and Compensation Act 1988*.

**Program 1.2 Deliverables**

The program deliverables for this outcome are:

- ensure accurate and timely determination of workers' compensation claims, with streamlined processes for death and permanent impairment claims
- ensure simple, fast and appropriate resolution of disputes
- initiate surveys of employers, injured workers and rehabilitation case managers to gain insight into:
  - the level of awareness and understanding of workers' compensation, injury management and return to work processes and requirements, and
  - the quality of Comcare's recovery and support service delivery
- provide relevant and accurate information to employers and workers under the Comcare scheme supporting effective return to work and appropriate access to compensation
- implement a co-designed service delivery model reflecting best practice, risk and needs segmentation
- employ treatment principles reflecting evidence-based clinical expertise to increase health care confidence
- provide an effective and timely response to high-risk cases guided by improved performance metrics
- improve compliance and fraud controls to ensure appropriate entitlements and services
- set clear expectations of the roles and responsibilities of employers as rehabilitation authorities
- extend the current program of rehabilitation audits of licensed self-insurers to premium payers to improve injury management and return to work outcomes for injured workers.

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**Program 1.2 Key Performance Indicators**

The performance indicators for this outcome are:

- employers' and injured workers' satisfaction with recovery and support services
- other key performance indicators described in the table below.

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget target	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
Durable return to work rate (i.e. the percentage of injured workers with two weeks lost time who were working in a paid job 7 to 9 months after lodging their claim) <sup>1</sup>	83	85	87	89	91
Funding ratio (i.e. percentage of premium-related total assets to premium-related total liabilities) <sup>2</sup>	104	95-105	100-110	100-110	100-110
Percentage of licensees compliant with licensing obligations	100	100	100	100	100
Commonwealth average premium rate	1.20	1.40	1.40	1.35	1.30

<sup>1</sup> This KPI was formerly titled 'Percentage reduction of claims that had 6 weeks or more time lost from work'.

<sup>2</sup> This KPI was formerly titled 'Percentage of premium-related total assets to premium-related total liabilities'.

**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 will achieve this outcome by:

- paying appropriate compensation to victims of asbestos related diseases in a timely manner
- managing the Commonwealth’s asbestos-related disease liabilities at common law in accordance with relevant laws and Australian Government policies
- strengthening expertise in asbestos claims management through collaboration with stakeholder and research initiatives (for example the Asbestos Innovation Fund)
- contributing to and supporting the *National Asbestos Management Review*.

**Outcome 3 Expenses Statement**

Table 2.1.3 provides an overview of the total expenses for Outcome 3, by program.

**Table 2.1.3: Budgeted Expenses for Outcome 3**

<b>Outcome 3: Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability through management of claims.</b>	2010-11	2011-12
	Estimated actual expenses \$'000	Estimated expenses \$'000
<b>Program 1.3: Comcare</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	5,213	5,190
Grants received from Portfolio Department <sup>1</sup>	22,314	23,270
Revenues from other independent sources <sup>2</sup>	16,745	9,964
<b>Total for Program 1.3</b>	<b>44,272</b>	<b>38,424</b>
<b>Outcome 3 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	5,213	5,190
Grants received from Portfolio Department <sup>1</sup>	22,314	23,270
Revenues from other independent sources <sup>2</sup>	16,745	9,964
<b>Total expenses for Outcome 3</b>	<b>44,272</b>	<b>38,424</b>
	2010-11	2011-12
<b>Average Staffing Level (number)</b>	<b>18</b>	<b>14</b>

<sup>1</sup> Refers to special appropriation Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005.

<sup>2</sup> Revenues from other independent sources are the non cash movements in asbestos-related disease claim liabilities.

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

### Contributions to Outcome 3

#### Program 1.3: Comcare

##### Program Objective

The objectives of this outcome are:

- to provide responsive and sensitive support to people suffering from an asbestos-related disease and their families and work towards the earliest possible resolution of their claim
- to recover contributions to compensation payments from third parties which, in turn, should contribute to the funds available for future compensation payments to primary claimants who have an asbestos-related disease
- to implement better approaches to the management of common law asbestos-related claims.

##### Program 1.3 Expenses

Claims administration and claims settlements costs are expected to remain relatively stable in the budget and forward years. The movement (non-cash) in outstanding claims liabilities is expected to reduce over the forward estimates.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual departmental expenses:					
Annual Appropriation	5,213	5,190	5,227	5,269	5,215
Grants received from Portfolio Departments <sup>1</sup>	22,314	23,270	22,457	22,457	22,457
Expenses not requiring appropriation in the Budget year <sup>2</sup>	16,745	9,964	4,768	1,774	79
<b>Total program expenses</b>	<b>44,272</b>	<b>38,424</b>	<b>32,452</b>	<b>29,500</b>	<b>27,751</b>

<sup>1</sup> Grants received from Portfolio agency in relation to special appropriation *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005*.

<sup>2</sup> This figure represents the amount for the non-cash movement in the asbestos-related disease claims liability.

**Program 1.3 Deliverables**

The program deliverables for this outcome are:

- manage asbestos related claims liabilities consistently and in accordance with relevant legislation or Australian Government policies
- collaborate with stakeholders to define a better approach to the management of all common law asbestos-related claims
- examine how this approach could be applied to related federal dust disease liabilities
- support Safe Work Australia to harmonise approaches to safety, statutory and common law compensation for workplace dust diseases
- maintain accurate data and other information about asbestos related liabilities to ensure accurate valuation of future projected liabilities.

**Program 1.3 Key Performance Indicators**

The performance indicators for this outcome are:

- the extent to which Comcare complies with the Commonwealth 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 accuracy and completeness of data given to the external actuaries for the purpose of the annual actuarial valuation of asbestos-related liabilities.
- other performance measures described in the table below.

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget target	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
The percentage of primary asbestos claims settled by Comcare within 180 calendar days <sup>1</sup>	53	65	65	65	65
Percentage of the value of asbestos claims settlements recovered from third parties	18	5	5	5	5

<sup>1</sup>This KPI was formerly titled 'Average number of days to settle primary claims during the financial year (% within 180 days)' but is now more accurately defined.

## 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 2011-12 budget year. 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 <b>2011-12</b> <i>2010-11</i> \$'000	Receipts <b>2011-12</b> <i>2010-11</i> \$'000	Payments <b>2011-12</b> <i>2010-11</i> \$'000	Adjustments <b>2011-12</b> <i>2010-11</i> \$'000	Closing balance <b>2011-12</b> <i>2010-11</i> \$'000
Seafarers Rehabilitation and Compensation (A) Account s20 FMA Act	<b>1,303</b>	132	132	-	<b>1,303</b>
	<i>1,303</i>	<i>132</i>	<i>132</i>	<i>-</i>	<i>1,303</i>
<b>Total Special Accounts 2011-12 Budget estimate</b>	<b>1,303</b>	132	132	-	<b>1,303</b>
<i>Total Special Accounts 2010-11 estimate actual</i>	<i>1,303</i>	<i>132</i>	<i>132</i>	<i>-</i>	<i>1,303</i>

A) = Administered



### *Comcare Budget Statements – Budgeted financial statements*

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**

Comcare has no 2011-12 Australian Government Indigenous Expenditure to report. For this reason Table 3.1.4 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 relation to the 'estimate of prior amounts available in 2011-12'. These funds relate to retained premium funds from Comcare's workers' compensation business, which are held to discharge future claims liabilities.

The significant financial assets detailed 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**

Comcare's total independent revenue is estimated to increase from \$270.4 million in 2010-11 to \$311.9 million in 2011-12.

Based on independent actuarial advice, Comcare is forecasting that the premium pool required to fund the lifetime cost of injuries expected to be incurred in 2011-12 will be \$38.4 million higher than the 2010-11 premium pool. The forecast increase is in response to a range of factors, including the impacts of wage and medical cost inflation; changes to federal law increasing the qualifying age for pensions; increasing numbers of claims for psychological illness (which on average cost much more than physical injury claims); increases in average claim costs; investment in a new claims operating model to improve the support for harmed workers in their recovery and return to work; and economic factors including future inflation and discount rates.

The total amount to be collected through premiums and the premiums for each agency will be determined by Comcare in June 2011 after consideration of the actuary's final advice, which will be based on more recent data.

The increase in regulatory contributions in 2011-12 reflects Comcare's investment in strengthened preventative programs and measures to address the deteriorating claim trends from workers affected by psychological harm at the workplace.

*Comcare Budget Statements – Budgeted financial statements*

A breakdown of revenue from independent sources for 2010-11 and 2011-12 is as follows:

	<b>2010-11 Estimated Actual \$'000</b>	<b>2011-12 Budget \$'000</b>
Workers compensation premiums	217,757	256,183
Interest	20,860	21,792
Licence fees	13,197	13,775
Goods & services		
Regulatory contributions	16,668	18,023
Other	948	1,099
Other Non tax revenue	959	987
<b>Total</b>	<b>270,389</b>	<b>311,859</b>

**Expenses**

Total expenses are budgeted to decrease from \$542.2 million in 2010-11 to \$401.4 million in 2011-12.

The main variances between 2010-11 and 2011-12 are as follows:

- a \$155.0 million reduction in workers' compensation claims expense. This is mainly driven by movements in the expected outstanding claims liabilities valuations based on Comcare's actuary's mid-year valuation report.
- this decrease is offset by additional employees and suppliers expenses relating to the \$6.2 million additional government funding for the budget measure Implementation of model work health and safety laws and increased investment in claims liability reduction strategies.

**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 after 30 June 2011.

The other major component of Other Provisions in the Balance Sheet is an actuarial assessment for asbestos-related common law liabilities. Claims liability valuations are based on the actuarial valuations.

Estimates for gross claims liabilities as at 30 June 2011 and each forward year are as follows:

	<b>2010-11 \$'000</b>	<b>2011-12 \$'000</b>	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>
Workers' compensation liabilities					
Premium	1,465,600	1,498,900	1,539,200	1,586,100	1,638,100
Pre-Premium	382,700	359,300	338,900	321,000	304,800
Asbestos-related common law	623,100	633,200	637,800	639,300	638,900

**Operating Result for 2010-11**

In 2010-11, Comcare carried out a significant amount of work in preparation for the implementation of model work health and safety laws across the Commonwealth. Comcare did not receive government funding for this work prior to March 2011 and consequently has received approval from the Finance Minister to report an operating loss to the extent of the unfunded activities.

During 2010-11, Comcare identified some system related issues, which affected its reported GST liability in the current as well as previous financial years. Adjustments to GST liabilities will be made in 2010-11, and may cause the operating result to vary from the estimated actual as stated in Table 3.2.1. Further adjustments may also be required in 2011-12.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive Income Statement (Showing Net Cost of Services)  
(for the period ended 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>EXPENSES</b>					
Employee benefits	59,900	<b>64,271</b>	65,387	67,339	69,349
Supplier expenses	30,667	<b>37,250</b>	35,938	37,009	38,113
Depreciation and amortisation	5,335	<b>5,357</b>	5,518	7,684	9,914
Claims	449,114	<b>294,460</b>	305,650	310,569	314,901
<b>Total expenses</b>	<b>545,016</b>	<b>401,338</b>	<b>412,493</b>	<b>422,601</b>	<b>432,277</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
services	17,616	<b>19,122</b>	19,696	20,287	20,895
Fees and fines	13,197	<b>13,775</b>	14,188	14,613	15,052
Interest	20,860	<b>21,792</b>	22,446	23,120	23,813
Non tax Revenue	199,259	<b>22,987</b>	27,215	32,845	37,876
Department	65,344	<b>66,530</b>	64,232	63,780	63,350
Workers Compensation Received	217,757	<b>256,183</b>	266,430	266,430	266,430
<b>Total own-source revenue</b>	<b>534,033</b>	<b>400,389</b>	<b>414,207</b>	<b>421,075</b>	<b>427,416</b>
<b>Gains</b>					
<b>Total gains</b>	-	-	-	-	-
<b>Total own-source income</b>	<b>534,033</b>	<b>400,389</b>	<b>414,207</b>	<b>421,075</b>	<b>427,416</b>
<b>Net cost of (contribution by) services</b>	<b>(10,983)</b>	<b>(949)</b>	1,714	(1,526)	(4,861)
Revenue from Government	8,809	<b>13,059</b>	6,468	6,517	6,451
<b>Surplus (Deficit)</b>	<b>(2,174)</b>	<b>12,110</b>	8,182	4,991	1,590
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(2,174)</b>	<b>12,110</b>	8,182	4,991	1,590
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive</b>	-	-	-	-	-
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(2,174)</b>	<b>12,110</b>	8,182	4,991	1,590

Comcare Budget Statements – Budgeted financial statements

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	189,077	197,020	199,302	206,760	202,300
Trade and other receivables	2,272,538	2,280,523	2,304,308	2,338,774	2,375,574
Other	2,713	2,713	2,713	2,713	2,713
<b>Total financial assets</b>	<b>2,464,328</b>	<b>2,480,256</b>	<b>2,506,323</b>	<b>2,548,247</b>	<b>2,580,587</b>
<b>Non-financial assets</b>					
Property, plant and equipment	11,896	21,419	33,705	36,837	38,656
Intangibles	3,024	10,162	10,844	10,039	9,056
Other	898	898	898	898	898
<b>Total non-financial assets</b>	<b>15,818</b>	<b>32,479</b>	<b>45,447</b>	<b>47,774</b>	<b>48,610</b>
Assets held for sale					
<b>Total assets</b>	<b>2,480,146</b>	<b>2,512,735</b>	<b>2,551,770</b>	<b>2,596,021</b>	<b>2,629,197</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,521	2,521	2,521	2,521	2,521
Other	7,462	7,462	7,462	7,462	7,462
<b>Total payables</b>	<b>9,983</b>	<b>9,983</b>	<b>9,983</b>	<b>9,983</b>	<b>9,983</b>
<b>Provisions</b>					
Employee provisions	8,871	8,758	8,629	8,629	8,629
Other	2,457,959	2,471,439	2,502,421	2,541,681	2,573,267
<b>Total provisions</b>	<b>2,466,830</b>	<b>2,480,197</b>	<b>2,511,050</b>	<b>2,550,310</b>	<b>2,581,896</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>2,476,813</b>	<b>2,490,180</b>	<b>2,521,033</b>	<b>2,560,293</b>	<b>2,591,879</b>
<b>Net assets</b>	<b>3,333</b>	<b>22,555</b>	<b>30,737</b>	<b>35,728</b>	<b>37,318</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	605	7,717	7,717	7,717	7,717
Reserves	368	368	368	368	368
Retained surplus (accumulated deficit)	2,360	14,470	22,652	27,643	29,233
<b>Total parent entity interest</b>	<b>3,333</b>	<b>22,555</b>	<b>30,737</b>	<b>35,728</b>	<b>37,318</b>
<b>Total Equity</b>	<b>3,333</b>	<b>22,555</b>	<b>30,737</b>	<b>35,728</b>	<b>37,318</b>

\* 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: Departmental statement of changes in equity — summary of movement (Budget year 2011-12)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	2,360	368	-	605	3,333
<b>Adjusted opening balance</b>	2,360	368	-	605	3,333
<b>Comprehensive income</b>					
<b>Sub-total comprehensive income</b>	-	-	-	-	-
Surplus (deficit) for the period	12,110	-	-	-	12,110
<b>Total comprehensive income recognised directly in equity</b>	12,110	-	-	-	12,110
<b>Transactions with owners</b>					
Contributions by owners					
Contribution/(Distribution) of Equity	-	-	-	7,112	7,112
<b>Sub-total transactions with owners</b>	-	-	-	7,112	7,112
<b>Estimated closing balance as at 30 June 2012</b>	14,470	368	-	7,717	22,555

Prepared on Australian Accounting Standards basis.

Comcare Budget Statements – Budgeted financial statements

**Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	32,574	34,809	35,854	36,930	38,036
Annual Appropriations	8,372	14,403	6,468	6,517	6,451
Grants received from Portfolio Department	65,344	66,530	64,232	63,780	63,350
Interest	20,860	21,792	22,446	23,120	23,813
Other	258,305	295,459	296,503	291,452	294,150
<b>Total cash received</b>	<b>385,455</b>	<b>432,993</b>	<b>425,503</b>	<b>421,799</b>	<b>425,800</b>
<b>Cash used</b>					
Employees	58,766	64,384	65,515	67,339	69,349
Suppliers	34,544	40,742	39,533	40,713	41,928
Net GST paid	20,515	23,728	25,018	24,969	24,918
Other	275,691	281,290	274,669	271,309	283,315
<b>Total cash used</b>	<b>389,516</b>	<b>410,144</b>	<b>404,735</b>	<b>404,330</b>	<b>419,510</b>
<b>Net cash from (used by) operating activities</b>	<b>(4,061)</b>	<b>22,849</b>	<b>20,768</b>	<b>17,469</b>	<b>6,290</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Purchase of property, plant and equipment	5,984	22,018	18,486	10,011	10,750
<b>Total cash used</b>	<b>5,984</b>	<b>22,018</b>	<b>18,486</b>	<b>10,011</b>	<b>10,750</b>
<b>Net cash from (used by) investing activities</b>					
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	7,112	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>7,112</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>					
<b>Net increase (decrease) in cash held</b>	<b>(10,045)</b>	<b>7,943</b>	<b>2,282</b>	<b>7,458</b>	<b>(4,460)</b>
Cash and cash equivalents at the beginning of the reporting period	199,122	189,077	197,020	199,302	206,760
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>189,077</b>	<b>197,020</b>	<b>199,302</b>	<b>206,760</b>	<b>202,300</b>

Prepared on Australian Accounting Standards basis.



Comcare Budget Statements – Budgeted financial statements

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill No. 2	-	7,112	-	-	-
<b>Total capital appropriations</b>	-	7,112	-	-	-
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	-	7,112	-	-	-
<b>Total Items</b>	-	7,112	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	7,112	-	-	-
Funded internally from departmental resources <sup>1</sup>	5,984	14,906	18,486	10,011	10,750
<b>TOTAL</b>	5,984	22,018	18,486	10,011	10,750
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	5,984	22,018	18,486	10,011	10,750
<b>Total cash used to acquire assets</b>	5,984	22,018	18,486	10,011	10,750

<sup>1</sup> Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- internally developed assets
- proceeds from the sale of assets

Comcare Budget Statements – Budgeted financial statements

**Table 3.2.6: Statement of Asset Movements (2011-12)**

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2011</b>			
Gross book value	21,462	12,817	34,279
Accumulated depreciation/amortisation and impairment	(9,566)	(9,763)	(19,359)
<b>Opening net book balance</b>	<b>11,896</b>	<b>3,054</b>	<b>14,920</b>
<b>CAPITAL ASSET ADDITIONS</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase or internally developed	13980	8038	22,018
<b>Total additions</b>	<b>13,980</b>	<b>8,038</b>	<b>22,018</b>
<b>Other movements</b>			
Depreciation/amortisation expense	(4,457)	(900)	(5,357)
Disposals - Non cash consideration	(200)	(50)	(250)
<b>As at 30 June 2012</b>			
Gross book value	35,442	20,855	56,297
Accumulated depreciation/amortisation and impairment	(14,023)	(10,663)	(24,716)
<b>Closing net book balance</b>	<b>21,419</b>	<b>10,192</b>	<b>31,581</b>

<sup>1</sup> "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2011-12, including CDABs

<sup>2</sup> "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2011-12 for depreciation / amortisation expenses, DCBs / ACBs or other operational expenses

<sup>3</sup> Proceeds may be returned to the OPA.

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation revenue</b>					
<b>Total taxation revenue</b>	-	-	-	-	-
<b>Non-taxation revenue</b>					
Other sources of non-taxation revenues	132	132	132	132	132
<b>Total non-taxation revenue</b>	132	132	132	132	132
<b>Total revenues administered on behalf of Government</b>	132	132	132	132	132
<b>Gains</b>					
<b>Total gains administered on behalf of Government</b>					
<b>Total income administered on behalf of Government</b>	132	132	132	132	132
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Supplier expenses	132	132	132	132	132
<b>Total expenses administered on behalf of Government</b>	132	132	132	132	132

Comcare Budget Statements – Budgeted financial statements

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	1,308	1,308	1,308	1,308	1,308
<b>Total financial assets</b>	<b>1,308</b>	<b>1,308</b>	<b>1,308</b>	<b>1,308</b>	<b>1,308</b>
<b>Non-financial assets</b>					
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of Government</b>	<b>1,308</b>	<b>1,308</b>	<b>1,308</b>	<b>1,308</b>	<b>1,308</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	-	-	-	-	-
Other	165	165	165	165	165
<b>Total payables</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>
<b>Provisions</b>					
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities administered on behalf of Government</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>

Prepared on Australian Accounting Standards basis.

Comcare Budget Statements – Budgeted financial statements

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000	Forw ard estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	132	132	132	132	132
<b>Total cash received</b>	132	132	132	132	132
<b>Cash used</b>					
Suppliers	132	132	132	132	132
<b>Total cash used</b>	132	132	132	132	132
<b>Net cash from (used by) operating activities</b>	-	-	-	-	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) investing activities</b>	-	-	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) financing activities</b>	-	-	-	-	-
<b>Net increase (decrease) in cash held</b>	-	-	-	-	-
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Special Accounts	132	132	132	132	132
Cash to Official Public Account for:					
- Special Accounts	132	132	132	132	132
<b>Cash and cash equivalents at end of reporting period</b>	-	-	-	-	-

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 - Administered**

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 these are levies collected under the *Seafarers Rehabilitation and Compensation Levy Collection Act 1992*.

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**Agency revenue from government**

Comcare’s special appropriation revenue is now classified as grants received from portfolio department. The special appropriation consists of two components – a cash component for the payment of claims during the financial year and a non cash component to fund the expected increase or decrease in claim liabilities which will be payable in future years. Only the cash component is reported as grants received from portfolio department and is included in the relevant Appropriation Bill under the category Agency/CAC receipts. 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 grants received from portfolio department) from Government in the 2011-12 Budget is estimated at \$66.5 million (2010-11 \$65.3 million). The non cash component of the special appropriation is \$22.0 million (2010-11 \$198.3 million) reflecting an expected increase in claim liabilities during the year based on actuarial assessments. Due to changes in the way that *Commonwealth Authorities and Companies Act 1997* (CAC Act) agencies receive their funding the special appropriation is now shown under the heading receipts from independent sources (CAC agency only) in the agency resource table.

<b>Reconciliation between Agency Resource Statement and Income Statement</b>	<b>2010-11 Revised Budget \$'000</b>	<b>2011-12 Budget \$'000</b>
<b>Agency Resource Statement</b>		
Annual Appropriation	8,372	14,403
Grants received from Portfolio Department	65,344	66,530
<b>Income Statement</b>		
Revenue from Government	8,809	13,059
Grants received from Portfolio Department	65,344	66,530
Non Tax Revenue	199,259	22,987
	(199,696)	(21,643)
less prior year (2009-10) annual appropriation	(907)	-
add 2010-11 budget measure annual appropriation	1,344	(1,344)
less other non taxation revenue	959	987
Government funding for non-cash movement in liabilities	198,300	22,000
<b>Total</b>	-	-

**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 2011-12 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) requires 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



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the estimated future cash outflows to be made for those entitlements. Attrition rates 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.

These estimates have been prepared by independent actuaries. They are based on analysis of the historical development of the relevant claims experience, with allowances for future claim escalation and administration expenses, and are discounted to a present value to allow for the time value of money. 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 have been determined as central estimate of the liabilities. The central estimate refers to an unbiased estimate of the mean, or expected value, of the liability. There is approximately a 50/50 chance that when the forecast claim liabilities have been finally discharged they will prove to be either higher or lower than the central estimate.

#### **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.