

SAFE WORK AUSTRALIA

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SAFE WORK AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Safe Work Australia was initially established as an Executive Agency on 1 July 2009 under section 65 of the *Public Service Act 1999* and was transferred from the Portfolio Department. The Executive Agency was abolished and Safe Work Australia was established as a Statutory Agency on 1 November 2009 under the *Safe Work Australia Act 2008* (the Act). The agency operates under the Commonwealth Government's accountability and governance frameworks.

Safe Work Australia was established as the principal national body to lead the development of policy and to improve work health and safety and workers' compensation arrangements across Australia. It is responsible for coordinating and developing national policy and strategies, developing model work health and safety legislation, undertaking research, and collecting, analysing and reporting data. In doing this, Safe Work Australia works collaboratively with the community, industry and worker associations and regulators to realise the national vision of Australian workplaces free from death, injury and disease.

The establishment of Safe Work Australia gives effect to the 'Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety', agreed by the Council of Australian Governments (COAG) on 3 July 2008. Safe Work Australia replaced the Australian Safety and Compensation Council which operated within the Department of Education, Employment and Workplace Relations. The Australian Government retains the functions specific to implementation of harmonised work health and safety practices within its jurisdiction.

The agency is jointly funded by the Commonwealth, state and territory governments. This funding arrangement promotes collaboration with jurisdictions on policy development, implementation, compliance and enforcement, and communication activities.

Safe Work Australia has 15 members, including an independent Chair, nine members representing the Commonwealth and each state and territory, two members representing the interests of workers, two representing the interests of employers and the Chief Executive Officer of Safe Work Australia.

Safe Work Australia Budget Statements – Overview & resources

Together, the Safe Work Australia members and the agency work to:

- achieve significant and continual reductions in the incidence of death, injury and disease in the workplace
- achieve national work health and safety laws complemented by a nationally consistent approach to compliance policy and enforcement policy, and
- improve outcomes for injured workers and their employers by delivering more equitable, effective, efficient, clearly understood and sustainable workers' compensation arrangements.

The focus of Safe Work Australia during 2011-2012 will be on:

- supporting, monitoring and evaluating the implementation of the model Work Health and Safety legislation across all jurisdictions, including the continued development of model Codes of Practice and national guidance material
- developing and gaining approval by the Ministerial Council for a nationally consistent compliance and enforcement policy
- developing a National Work Health and Safety Strategy to replace the current National OHS Strategy 2002-2012
- implementing the National Workers' Compensation Action Plan 2010 – 2013
- working with other agencies with intersecting policy responsibilities to develop consistent approaches to managing health and safety hazards and risks, and
- developing a comprehensive Research and Data Strategy.

The challenge for Safe Work Australia will be in achieving these outcomes in a changing political environment.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Safe Work Australia Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011

	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
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²				
Departmental appropriation ³	-	8,932	8,932	8,932
s31 Relevant agency receipts ⁴				
Total	-	8,932	8,932	8,932
Total ordinary annual services	A	-	8,932	8,932
Other services⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Total	-	-	-	-
Total other services	B	-	-	-
Total available annual appropriations	-	8,932	8,932	8,932
Special appropriations	-	-	-	-
Total special appropriations	C	-	-	-
Total appropriations excluding Special Accounts	-	8,932	8,932	8,932

Table 1.1: Safe Work Australia Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011 (continued)

	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
Special Accounts				
Opening balance ⁶	-	7,597	7,597	7,597
Appropriation receipts ⁷	-	8,932	8,932	8,932
Appropriation receipts - other agencies ⁸	-	-	-	-
Non-appropriation receipts to Special Accounts		9,313	9,313	9,313
Total Special Account	D -	25,842	25,842	25,842
Total resourcing				
A+B+C+D	-	34,774	34,774	34,774
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	- - - -	- - - 8,932	- - - 8,932	- - - 8,932
Total net resourcing for Safe Work Australia	-	25,842	25,842	25,842

1 Appropriation Bill (No.1) 2011-12.

2 Estimated adjusted balance carried forward from previous year.

3 Includes a nil amount in 2011-12 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts – estimate.

5 Appropriation Bill (No.2) 2011-12.

6 Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.

7 Appropriation receipts from Safe Work Australia annual for 2010-11 included above.

8 Appropriation receipts from other agencies credited to Safe Work Australia's special accounts.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

Safe Work Australia does not have any new measures since the 2010-11 Budget. For this reason Table 1.2 is not presented.

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 Safe Work Australia in achieving government outcomes.

Outcome 1: Safer and more productive Australian workplaces through harmonising national occupational health and safety and workers' compensation arrangements.

Outcome 1 Strategy

Safe Work Australia works in partnership with representatives of the Commonwealth, state and territory governments, employees and employers so that:

- the community regards work health and safety as a key community issue to be addressed
- Australia has harmonised work health and safety laws, guidance material and enforcement policies that provide a uniform, equitable and high level of protection to all workers
- national work health and safety and workers' compensation policy is developed, informed by knowledge, understanding and prioritisation of emerging and existing issues
- work health and safety is improved through understanding what influences and changes cultures in Australian workplaces
- opportunities for greater harmonisation in workers' compensation arrangements are identified and assessed:
 - for employers with workers in more than one jurisdiction
 - for the Commonwealth, states and territories through an improved understanding of the workers' compensation operational environment.

Outcome 1 Expense Statement

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

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Safer and more productive Australian workplaces through harmonising national occupational health and safety and workers' compensation arrangements.	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	8,639	8,932
Special Accounts	10,074	9,313
Expenses not requiring appropriation in the Budget year ²	602	492
Total expenses for Outcome 1	19,315	18,737
Average Staffing Level (number)	107	110

¹ Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Written Down Value of Assets Disposed of, and Audit Fees.

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 - Safer and more productive Australian workplaces through harmonising national occupational health and safety and workers' compensation arrangements.

Program 1 objective

The objective of Safe Work Australia is to coordinate and develop national policy and strategies, undertake research and collect, analyse and report data to improve work health and safety and workers' compensation arrangements in Australia.

To be able to meet its objectives, Safe Work Australia must work collaboratively with the community, industry and worker associations and regulators to realise a national vision of Australian workplaces free from death, injury and disease.

The *Safe Work Australia Act 2008* prescribes that Safe Work Australia must perform its functions in accordance with its Strategic and Operational plans. These plans are approved by Safe Work Australia members and by Workplace Relations Ministers' Council.

The key priority tasks for the agency in 2011-2012 are to:

- support, monitor and evaluate the implementation of the model work health and safety laws
- develop and gain approval for a nationally consistent approach to compliance and enforcement
- develop a National Work Health and Safety Strategy to replace the current National OHS Strategy 2002-2012
- implement the National Workers' Compensation Action Plan 2010 – 2013
- work with other agencies with intersecting policy responsibilities to develop consistent approaches to managing health and safety hazards and risks, and
- develop a comprehensive Research and Data Strategy

Program 1 expenses

The work of the Agency continues to focus on the objectives of Program 1 and as prescribed by legislation. The Agency has not identified any significant trends or variances over the forward years.

Safe Work Australia Budget Statements – Outcomes & performance

Table 2.2: Budgeted Expenses for Program 1

	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
Special Account Expenses:					
Safe Work Australia Special Account (D)	10,074	9,313	9,581	9,825	10,066
Annual departmental expenses:					
Ordinary annual services (Appropriation Bill No. 1)	8,639	8,932	9,204	9,452	9,693
Expenses not requiring appropriation in the Budget year ¹	602	492	530	503	397
Total program expenses	19,315	18,737	19,315	19,780	20,156

(D) = Departmental

¹ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Written Down Value of Assets Disposed of, and Audit Fees.

Program 1 deliverables

Together, the Safe Work Australia members and the agency work to:

- achieve significant and continual reductions in the incidence of death, injury and disease in the workplace
- achieve national work health and safety laws complemented by a nationally consistent approach to compliance policy and enforcement policy
- improve outcomes for injured workers and their employers by delivering more equitable, effective, efficient, clearly understood and sustainable workers' compensation arrangements.

Program 1 Key Performance Indicators

The Key Performance Indicators are framed around how the agency works to achieve the key deliverables in the Safe Work Australia's Strategic and Operational Plans.

Key Performance Indicators	
Quality	2011-12 Estimate
Model legislation is developed in accordance with COAG timelines.	COAG agreed timelines are met
Level of satisfaction of the Chair of Safe Work Australia with how the services of the Agency are directed at achieving the outcomes of its Strategic and Operational Plans.	Very good or above
Level of satisfaction of the members of Safe Work Australia with how the services of the Agency are directed at achieving the outcomes of its Strategic and Operational Plans.	80% of members agree the services of the agency are appropriately directed at achieving the outcomes.

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 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 FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Safe Work Australia.

Safe Work Australia Budget Statements – Budgeted financial statements

Table 3.1.1: Estimates of Special Account Flows and Balances

		Opening balance 2011-12 2010-11	Receipts 2011-12 2010-11	Payments 2011-12 2010-11	Adjustments 2011-12 2010-11	Closing balance 2011-12 2010-11
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Safe Work Australia Special Account (D)	1	7,597	19,176	(18,958)	-	7,815
		7,502	20,377	(20,282)	-	7,597
Total Special Accounts 2011-12 Budget estimate		7,597	19,176	(18,958)	-	7,815
<i>Total Special Accounts 2010-11 estimate actual</i>		7,502	20,377	(20,282)	-	7,597

D) = Departmental

3.1.2 Australian Government Indigenous Expenditure

The 2011-12 Australian Government Indigenous Statement is not applicable because Safe Work Australia has no Indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of Budgeted Financial Statements

The agency receives funds from states and territories and matched appropriation funding from the Commonwealth as provided for in the Intergovernmental Agreement.

3.2.2 Budgeted Departmental Financial Statements Tables

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	12,203	12,041	12,365	12,609	12,850
Supplier expenses	6,260	5,954	6,180	6,428	6,669
Grants	300	300	300	300	300
Depreciation and amortisation	278	442	470	443	337
Write-down and impairment of assets	274	-	-	-	-
Total expenses	19,315	18,737	19,315	19,780	20,156
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	9,505	9,313	9,581	9,825	10,066
Total own-source revenue	9,505	9,313	9,581	9,825	10,066
Gains					
Other (ANAO Resources Free of Charge)	50	50	60	60	60
Total gains	50	50	60	60	60
Total own-source income	9,555	9,363	9,641	9,885	10,126
Net cost of (contribution by) services	9,760	9,374	9,674	9,895	10,030
Revenue from Government	8,639	8,932	9,204	9,452	9,693
Surplus (Deficit) attributable to the Australian Government	(1,121)	(442)	(470)	(443)	(337)
Note: Reconciliation of comprehensive income attributable to the agency					
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) Attributable to the Australian Government	(1,121)	(442)	(470)	(443)	(337)
plus non-appropriated expenses depreciation and amortisation expenses	278	442	470	443	337
Total Comprehensive Income (loss) Attributable to the agency	(843)	-	-	-	-

Prepared on Australian Accounting Standards basis.

Safe Work Australia Budget Statements – Budgeted financial statements

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	280	280	280	280	280
Trade and other receivables	7,317	7,535	7,920	8,296	8,380
Total financial assets	7,597	7,815	8,200	8,576	8,660
Non-financial assets					
Land and buildings	1,280	979	678	377	76
Property, plant and equipment	173	97	63	0	122
Intangibles	126	211	130	51	93
Total non-financial assets	1,579	1,287	871	428	291
Total assets	9,176	9,102	9,071	9,004	8,951
LIABILITIES					
Payables					
Suppliers	812	812	812	812	812
Total payables	812	812	812	812	812
Provisions					
Employee provisions	2,692	3,060	3,436	3,812	3,812
Total provisions	2,692	3,060	3,436	3,812	3,812
Total liabilities	3,504	3,872	4,248	4,624	4,624
Net assets	5,672	5,230	4,823	4,380	4,327
EQUITY					
Contributed equity	1,296	1,296	1,359	1,359	1,643
Reserves	323	323	323	323	323
Retained surplus (accumulated deficit)	4,053	3,611	3,141	2,698	2,361
Total Equity	5,672	5,230	4,823	4,380	4,327

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

Prepared on Australian Accounting Standards basis.

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
Opening balance as at 1 July 2011					
Balance carried forward from previous period	4,053	323	-	1,296	5,672
Adjusted opening balance	4,053	323	-	1,296	5,672
Comprehensive income					
Surplus (deficit) for the period	(442)	-	-	-	(442)
Total comprehensive income	(442)	-	-	-	(442)
Transactions with owners					
<i>Contributions by owners</i>					
Departmental Capital Budget (DCBs)	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Estimated closing balance as at 30 June 2012	3,611	323	-	1,296	5,230

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	11,051	10,244	10,539	10,808	11,073
Appropriations	8,639	8,932	9,204	9,452	9,693
Total cash received	19,690	19,176	19,743	20,260	20,766
Cash used					
Employees	12,203	12,041	12,365	12,609	12,850
Suppliers	6,563	6,254	6,480	6,728	6,969
Net GST paid	348	306	310	310	310
Total cash used	19,114	18,601	19,155	19,647	20,129
Net cash from (used by) operating activities	576	575	588	613	637
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	1,171	-	54	-	150
Purchase/development of software	125	150	-	-	50
Total cash used	1,296	150	54	-	200
Net cash from (used by) investing activities	(1,296)	(150)	(54)	-	(200)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,296	-	63	-	284
Transfers from the OPA	2,209	-	-	-	-
Total cash received	3,505	-	63	-	284
Cash used					
Transfers to the OPA	2,735	425	597	613	721
Total cash used	2,735	425	597	613	721
Net cash from (used by) financing activities	770	(425)	(534)	(613)	(437)
Net increase (decrease) in cash held	50	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	230	280	280	280	280
Cash and cash equivalents at the end of the reporting period	280	280	280	280	280

Prepared on Australian Accounting Standards basis.

Safe Work Australia Budget Statements – Budgeted financial statements

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,296	-	63	-	284
Total capital appropriations	1,296	-	63	-	284
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	1,296	-	63	-	284
Total Items	1,296	-	63	-	284
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	1,296	-	54	-	200
Funded internally from departmental resources ²	-	150	-	-	-
TOTAL	1,296	150	54	-	200
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,296	150	54	-	200
Total cash used to acquire assets	1,296	150	54	-	200

(DCB) = Departmental Capital Budget

¹ Does not include annual finance lease costs. Includes purchases from current and previous years Departmental Capital Budgets.

² Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)
- proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

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

	Leasehold	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2011				
Gross book value	1,433	297	144	1,874
Accumulated depreciation/amortisation and impairment	(153)	(124)	(18)	(295)
Opening net book balance	1,280	173	126	1,579
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - other			150	150
Total additions	-	-	150	150
Other movements				
Depreciation/amortisation expense	(301)	(76)	(65)	(442)
As at 30 June 2012				
Gross book value	1,433	297	294	2,024
Accumulated depreciation/amortisation and impairment	(454)	(200)	(83)	(737)
Closing net book balance	979	97	211	1,287

Prepared on Australian Accounting Standards basis.

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

Safe Work Australia has no income and expenses administered on behalf of government. For this reason Table 3.2.7 is not presented.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

Safe Work Australia has no assets and liabilities administered on behalf of government. For this reason Table 3.2.8 is not presented.

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

Safe Work Australia has no administered cash flows. For this reason Table 3.2.9 is not presented.

Table 3.2.10: Schedule of administered capital budget

Safe Work Australia has no administered capital budget. For this reason Table 3.2.10 is not presented.

Table 3.2.11: Schedule of asset movements - administered

Safe Work Australia has no administered assets. For this reason Table 3.2.11 is not presented.

3.2.3 Notes to the financial statements

Other gains represented in the Comprehensive Income Statement are resources received free of charge from other Commonwealth agencies.