

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

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

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: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Comcare supports participation and productivity nationally through healthy and safe workplaces that minimise the impact of harm.

Comcare is focused on delivering the strategic priorities in its corporate plan – being a national regulator and insurer and an adaptable organisation demonstrating leadership in minimising harm in the workplace.

In addition to claims management and regulatory responsibilities, Comcare manages Commonwealth common law liabilities for asbestos compensation. The agency also provides secretariat and related functions to support the Safety, Rehabilitation and Compensation Commission (SRCC) and the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority).

Comcare's national strategic priorities in 2017-18 include:

- being a national regulator: working with employers, employees and other stakeholders to deliver consistent, risk-based regulation to improve work health, safety and rehabilitation outcomes. By embedding the compliance and enforcement framework, implementing the risk based regulatory model, and ensuring national consistency in service delivery
- being a leading insurer: working with employers and employees to minimise the impact of harm in workplaces, facilitate return to work and recovery at work, and deliver sustainable management of the fund. Through sustainable management of the fund's liabilities and responsive, relevant and cost effective services
- delivering excellence in scheme management and design: working with scheme participants to achieve sustainable and better practice national schemes. By engaging with scheme participants and experts to inform and improve scheme design, successfully implementing improvements across the schemes, and monitoring and reviewing scheme performance
- delivering efficient and effective operations: working together to enable the business to achieve Comcare's Outcome. By providing strategic advice to effectively enable and support the organisation to deliver business outcomes,

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streamlining business systems, processes and practices, and delivering core business systems.

Comcare will continue to:

- work with employers to deliver best practice in rehabilitation and compensation claims management to achieve early and safe return to work for employees covered by the Comcare scheme
- deliver education, assurance and enforcement to protect the health, safety and welfare of employees
- provide access to compensation for people with asbestos-related diseases where the Commonwealth has liability through the management of claims.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses for Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Comcare resource statement—Budget estimates for 2017–18 as at Budget May 2017

	2016–17 Estimated actual \$'000	2017–18 Estimate \$'000
Opening Balance/Cash Reserves at 1 July	820,339	949,189
Funds from Government		
Annual appropriations—ordinary annual services (a)		
Outcome 1	6,119	6,020
<i>Total annual appropriations</i>	<i>6,119</i>	<i>6,020</i>
Amounts Received From Related Entities		
Amounts from portfolio department (b)	64,227	66,874
<i>Total amounts received from related entities</i>	<i>64,227</i>	<i>66,874</i>
Total Funds from Government	70,346	72,894
Funds from Industry Sources		
License Fees	16,248	15,884
Total Funds from Industry Sources	16,248	15,884
Funds from Other Sources		
Interest	29,712	31,313
Sale of Goods and Services	1,561	2,770
Regulatory Contributions	19,978	19,506
Workers Compensation Premiums	408,142	289,768
Total Funds from Other Sources	459,393	343,357
Total net resourcing for Comcare	1,366,326	1,381,324
	2016–17	2017–18
Average staffing level (number)	640	652

Prepared on a resourcing (that is, appropriations available) basis.

Please note: All figures shown above are GST exclusive—these may not match figures in the cash flow statement.

(a) Appropriation Bill (No.1) 2017–18.

(b) Comcare is not directly appropriated as it is a corporate Commonwealth entity. Grants from its portfolio department include special appropriations under the *Safety, Rehabilitation and Compensation Act 1998* for the payment of pre-premium claims costs and the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* for asbestos-related claims settlements.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to Comcare are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2017–18 Budget measures

Comcare does not have any new measures since the 2016–17 MYEFO, or any other measures not previously reported in a portfolio statement. For this reason Table 1.2 is not presented.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities 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. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Comcare can be found at:
www.comcare.gov.au/about_us/comcare_2016-17_corporate_plan.

The most recent annual performance statement can be found at:
www.comcare.gov.au/annual_report_2015-16/annual_performance_statement/overview.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Support participation and productivity through health and safe workplaces that minimise the impact of harm in workplaces covered by Comcare.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Program 1.1: Comcare Departmental					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	6,104	6,020	5,983	5,989	6,016
Grants received from portfolio department	64,227	66,875	61,330	60,723	59,850
Revenues from industry sources	16,248	15,884	15,774	16,054	16,392
Revenues from other independent sources	459,393	343,357	331,962	342,135	357,993
Revenues from other independent sources (a)	(32,461)	(28,890)	(21,390)	(20,414)	(18,835)
Expenses not requiring revenue	(469,033)	(19,757)	(2,929)	-	-
Total expenses for Program 1.1	44,478	383,489	390,730	404,487	421,416
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	6,104	6,020	5,983	5,989	6,016
Payment from related entities	64,227	66,875	61,330	60,723	59,850
Revenues from industry sources	16,248	15,884	15,774	16,054	16,392
Revenues from other independent sources	459,393	343,357	331,962	342,135	357,993
Revenues from other independent sources (a)	(32,461)	(28,890)	(21,390)	(20,414)	(18,835)
Expenses not requiring revenue	(469,033)	(19,757)	(2,929)	-	-
Total expenses for Outcome 1	44,478	383,489	390,730	404,487	421,416
	2016–17	2017–18			
Average staffing level (number)	640	652			

(a) Relating to non-cash movements in workers' compensation claims liabilities and asbestos-related claims liabilities.

Table 2.1.2: Program components of Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
1.1—Work Health, Safety and Rehabilitation Regulation					
Annual departmental expenses:					
Annual Appropriation	732	722	717	718	721
Expenses not requiring appropriation in the Budget year	28,221	28,908	28,494	28,617	29,048
Total component 1.1 expenses	28,953	29,630	29,211	29,335	29,769
1.2—Comcare Workers Compensation Scheme Management					
Expenses not requiring appropriation in the Budget year	7,934	7,700	7,617	7,618	7,729
Total component 1.2 expenses	7,934	7,700	7,617	7,618	7,729
1.3—SRCC and Seacare Authority Support					
Annual departmental expenses:					
Annual Appropriation	366	361	359	360	361
Expenses not requiring appropriation in the Budget year	4,906	4,742	4,702	4,813	4,888
Total component 1.3 expenses	5,272	5,103	5,061	5,172	5,249
1.4—Premium Claims					
Annual departmental expenses:					
Annual Appropriation	207	204	203	204	205
Expenses not requiring appropriation in the Budget year	(5,821)	321,086	327,358	340,845	356,835
Total component 1.4 expenses	(5,614)	321,290	327,561	341,049	357,039
1.5—Pre-premium Claims					
Grants received from portfolio department	32,510	32,337	30,503	28,646	26,938
Expenses not requiring appropriation in the Budget year	(43,975)	(30,284)	(27,798)	(24,860)	(22,035)
Total component 1.5 expenses	(11,465)	2,053	2,705	3,786	4,903
1.6—Asbestos Claims					
Annual departmental expenses:					
Annual Appropriation	4,799	4,732	4,703	4,708	4,729
Grants received from portfolio department	31,717	34,537	30,827	32,077	32,912
Expenses not requiring appropriation in the Budget year	(17,117)	(21,555)	(16,954)	(19,258)	(20,915)
Total component 1.6 expenses	19,399	17,714	18,576	17,526	16,726
Total program expenses	44,478	383,489	390,730	404,487	421,417

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

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

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

Outcome 1—Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in workplaces covered by Comcare.		
Program Component 1.1—Work Health, Safety and Rehabilitation Regulation		
This program component contributes to the outcome by achieving compliance with the SRC Act and the WHS Act and regulations, in addition to leading continuous improvements in work health and safety and rehabilitation outcomes.		
Purpose	<i>National Regulator</i> —Working with employers, employees and other stakeholders to deliver national consistent, risk based regulation to improve work health, safety and rehabilitation outcomes	
Delivery	Comcare will undertake high quality compliance activities by creating a regulatory blue print to improve regulatory intelligence and assist in developing risk based regulation whilst providing high quality compliance activities.	
Performance information		
Year	Performance criteria	Targets
2016–17	Achievement of the Australian Work Health and Safety Strategy 2012–2020 targets and initiatives Compliance with the consistent Approval Framework for Workplace Rehabilitation Providers by workplace rehabilitation program providers approved by Comcare Achievement of Regulator Performance Framework requirements	Assessment: On track
2017–18	Our proactive regulatory reach is extended to all entities in our scheme, to further our breadth of activities both in cities and remote workplaces and ensure we have increased the number of active relationships and entities	Comcare interaction with 80% of entities in our scheme
	Our approach improves WHS outcomes in workplaces through increased knowledge, awareness and compliance to ensure regulatory intervention makes a positive difference	70% of surveyed workplaces have improved WHS outcomes following intervention
	A sustained high level of satisfaction and engagement with services provided measured by survey, to ensure regulatory actions are appropriate, responsive and relevant	Satisfaction rating of 82% or more
2018–19 and beyond	Our proactive regulatory reach is extended to all entities in our scheme, to further our breadth of activities both in cities and remote workplaces and ensure we have increased the number of active relationships and entities	Comcare interaction with 100% of entities in our scheme

Outcome 1—Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in workplaces covered by Comcare.		
Program Component 1.1—Work Health, Safety and Rehabilitation Regulation		
This program component contributes to the outcome by achieving compliance with the SRC Act and the WHS Act and regulations, in addition to leading continuous improvements in work health and safety and rehabilitation outcomes.		
	Our approach improves WHS outcomes in workplaces through increased knowledge, awareness and compliance to ensure regulatory intervention makes a positive difference	80% of surveyed workplaces have improved WHS outcomes following intervention
	A sustained high level of satisfaction and engagement with services provided measured by survey, to ensure regulatory actions are appropriate, responsive and relevant	Satisfaction rating of 85% or more
Material changes to Program Component 1.1 resulting from the following measures:		
Nil		

Program Component 1.2—Comcare Workers' Compensation Scheme Management and support to the Safety, Rehabilitation and Compensation Commission and Seafarers Safety, Rehabilitation and Compensation Authority		
National leader in the design, implementation and management of a scheme that improves work health and safety and rehabilitation outcomes.		
Purpose	<i>Excellence in Scheme Management and Design</i> —Working with scheme participants to achieve sustainable and better practice national schemes	
Delivery	Leadership of the scheme, provision of high quality advice and assistance, increase knowledge and understanding of the scheme requirements, provide quality analysis and insights that highlight emerging risks and trends. Transparent pricing of scheme management, regulatory function and develop innovative policies and programs.	
Performance information		
Year	Performance criteria	Targets
2016–17	Return to Work across scheme participants (i.e. the proportion of injured workers with 10 or more days off work for any period of time at some stage since they had their first day off work).	Assessment: On track
	Current return to work (i.e. the percentage of injured workers with 10 or more days off work, who had submitted a claim 7–9 months prior to the survey, and who are working in a paid job at the time of the survey).	Assessment: On track
	Employer satisfaction with scheme management.	Assessment: On track
2017–18	Return to work rates developed through the existing biennial Return to Work Survey indicating the rehabilitation outcomes achieved	Comcare Scheme return to work rate =95%
	Improve the financial sustainability of the scheme measured by notional premium rate	Comcare scheme notional premium rate = 1.13%

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<p>Program Component 1.2—Comcare Workers’ Compensation Scheme Management and support to the Safety, Rehabilitation and Compensation Commission and Seafarers Safety, Rehabilitation and Compensation Authority</p> <p>National leader in the design, implementation and management of a scheme that improves work health and safety and rehabilitation outcomes.</p>		
	Best practice scheme management assessed through qualitative review	Qualitative evaluation of scheme management identifies the adoption/promotion of better practice
2018–19 and beyond	Return to work rates developed through the existing biennial Return to Work Survey indicating the rehabilitation outcomes achieved	–
	Improve the financial sustainability of the scheme measured by notional premium rate	Comcare scheme notional premium rate = 1.12%
	Increased adoption of better scheme management addressed through qualitative review	Qualitative evaluation of scheme management identifies the adoption/ promotion of better practice
<p>Material changes to Program Component 1.2</p> <p>Nil</p>		
<p>Program Component 1.3—Safety, Rehabilitation and Compensation Commission and Seafarers Safety, Rehabilitation and Compensation Authority Support.</p> <p>Providing high quality advice and assistance to the SRCC and the Seacare Authority enabling their responsibilities to be met and deliver the government’s direction.</p>		
Purpose	<i>Excellence in Scheme Management and Design</i> —Working with scheme participants to achieve sustainable and better practice national schemes	
Delivery	Provide advice to the SRCC and the Seacare Authority enabling review and improvement of the framework and content of the regulatory model.	
<p>Performance information</p>		
Year	Performance criteria	Targets
2016–17	SRCC satisfaction of support provided by Comcare.	Assessment: On track
	Seacare Authority satisfaction of support provided by Comcare.	Assessment: On track
2017–18	As per 2016–17	Qualitative evaluation using structured services and feedback from the Chair
	As per 2016–17	Qualitative evaluation using structured services and feedback from the Chair
2018–19 and beyond	As per 2017–18	As per 2017–18
<p>Material changes to Program Component 1.3.</p> <p>Nil</p>		

Program Component 1.4—Premium Claims		
Purpose	<i>Leading insurer</i> —Working with employers and employees to minimise the impact of harm in workplaces, facilitate return to work and recovery at work, and deliver sustainable management of the fund	
Delivery	Responsive, relevant and cost effective services supported by the timely management of workers' compensation claims.	
Performance information		
Year	Performance criteria	Targets
2016–17	Scheme is fully funded by 1 July 2020 (i.e. the percentage of premium-related assets to premium-related liabilities)	Assessment: Target exceeded
	Scheme liability is reduced by \$1 billion by 1 July 2018	Assessment: On track
	Premiums are at an optimal level (i.e. average premiums as a percentage of payroll)	Assessment: On track
	Reduced administration costs	Assessment: On track
	Early return to work of employees (i.e. percent and number of employees on reduced income continuance. Reported by time period: 4, 13, 26 and 52 weeks)	Assessment: On track
	Satisfaction with services (i.e. percentage and number of employers and employees satisfied with the quality of services provided to case managers in agencies)	Assessment: On track
	Timely processing of claims	Assessment: On track
	Accurate processing of claims (i.e. percentage and number of sampled payments processed in accordance with agreed standards)	Assessment: On track
	Reasonable cost to process claims (i.e. average cost per claim processed)	Assessment: On track
2017–18	The insured scheme continues to be fully funded	100–110%
	The average Commonwealth premium rate reduces to 1.1 per cent of payroll (excluding GST) by 2018–19, to ensure the scheme remains financially sustainable.	Average Commonwealth premium rate = 1.3% of payroll
	Reduce the insured scheme liability to \$1.9 billion, a reduction of \$1 billion from the baseline at 30 June 2014, to ensure the scheme remains financially sustainable	Scheme liability is reduced to \$1.9 billion by 30 June 2018
	Reduce the direct administration cost ratio to 20 per cent by 2018–19, measured by Safe Work Australia's comparative performance monitoring methodology, to ensure cost effective management of the fund.	Administrative cost ratio is 20% or lower
	Increase the proportion of employees who have returned to work, measured by duration on incapacity benefits, to facilitate recovery and reduce liability	13 weeks – 73% 26 weeks – 82% 78 weeks – 91%

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Program Component 1.4—Premium Claims		
	A sustained high level of satisfaction and engagement with the services provided, measured by survey to ensure services are appropriate, responsive and relevant	Satisfaction rating of 82% or more
2018–19 and beyond	As per 2017–18	100–110%
		Average Commonwealth premium rate = 1.1% of payroll
		Scheme liability is \$1.9 billion or less
		Administrative cost ratio is 20% or lower
		13 weeks – 76% 26 weeks – 84% 78 weeks – 92%
		Satisfaction rating of 85% or more
Material changes to Program 1.4 Nil		
Program Component 1.5—Pre-premium Claims		
Proactive management of Pre-premium claims before 1 July 1989		
Purpose	<i>Leading insurer</i> —Working with employers and employees to minimise the impact of harm in workplaces, facilitate return to work and recovery at work, and deliver sustainable management of the fund	
Delivery	Deliver a better practice compensation model.	
Performance information		
Year	Performance criteria	Targets
2016–17	Timely processing of claims	Assessment: On track
	Timeliness of accurate processing of payments (i.e. percentage and number of sampled payments processed in accordance with agreed standards)	Assessment: On track
2017–18	Reduce the direct administration cost ratio to 20 per cent by 2018–19, measured by Safe Work Australia's comparative performance monitoring methodology, to ensure cost effective management of the fund.	Administrative cost ratio is 20% or lower
2018–19 and beyond	As per 2017–18	As per 2017–18
Material changes to Program 1.5 Nil		

Program Component 1.6—Asbestos Claims		
Purposes	<i>Leading insurer</i> —Working with employers and employees to minimise the impact of harm in workplaces, facilitate return to work and recovery at work, and deliver sustainable management of the fund.	
Delivery	Proactive management of asbestos claims and recoveries from third parties	
Performance information		
Year	Performance criteria	Targets
2016–17	Timeliness of claims resolution (i.e. percentage of primary asbestos claims resolved within 180 calendar days).	Assessment: On track
	Third party recovery rate (i.e. percentage of the value of asbestos claims settlements recovered from third parties)	Assessment: On track
2017–18	Timeliness of claims resolution (i.e. percentage of primary asbestos claims resolved within 180 calendar days).	Target 80%
	Third party recovery rate (i.e. percentage of the value of asbestos claims settlements recovered from third parties)	Target 10%
2018–19 and beyond	As per 2017–18	As per 2017–18
Material changes to Program 1.6		
Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017–18 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The difference between the available resources shown in Table 1.1: Comcare resource statement and Table 3.1 Comprehensive Income Statement is due to prior year amounts available in 2017–18, and non-cash movements in the value of the workers compensation claims liability and notional interest receipts. The prior year amounts relate to retained premium funds, which are held to discharge future premium claims liabilities. Table 3.2: Budgeted Departmental Balance Sheet also includes significant financial assets (appropriations receivable) which will fund claim payments over the lifetime of the outstanding claims liabilities.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Comcare's total income in 2017–18 is budgeted at \$403.2 million, compared to \$513.5 million in 2016–17 (a decrease of \$110.3 million, Table 3.1). The decrease in revenue is mainly due to a reduction in premiums following a significant improvement in Comcare's funding ratio in 2016–17 due to a favourable re-valuation of claims provisions.

Expenses

Comcare's total expenses in 2017–18 are budgeted at \$383.5 million, compared to \$44.5 million in 2016–17 (an increase of \$339.0 million) due to lower claims costs and a significant favourable movement in liabilities in 2016–17.

Comcare's administration expenses are budgeted to decrease in 2017–18 by \$2.7 million (from \$114.2 million to \$111.5 million) due to efficiencies in Comcare operations.

Operating Result

Comcare's operating result for 2017–18 is budgeted at a surplus of \$19.8 million.

Claims liability

Comcare has three separate claims liabilities:

- Premium workers' compensation claims – these relate to workers' compensation claims from premium paying agencies with a date of injury on or after 1 July 1989

- Pre-premium workers' compensation claims – these relate to workers' compensation claims with a date of injury before 1 July 1989. It is expected that pre-premium claims liabilities will decrease over time as claims are settled.
- Asbestos-related common law liabilities – these relate to asbestos related claims where the Commonwealth has a liability.

In the 2017–18 Portfolio Budget Statements, all claims liability provisions are based on independent actuarial valuations on the basis of the central estimate plus a risk margin that would achieve a 75 per cent probability of sufficiency.

Estimates for gross claims liabilities as at 30 June each year are outlined in the table below.

Table 3.1.1 Estimates for gross claims liabilities as at 30 June each year

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Workers' compensation liabilities					
Premium	2,478,429	2,504,985	2,536,286	2,576,514	2,623,974
Pre-premium	329,282	298,998	271,200	246,340	224,305
Asbestos related – common law	1,050,560	1,024,660	1,003,940	980,560	955,220

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	68,669	66,287	65,631	64,979	64,328
Suppliers	37,562	40,036	34,736	33,012	32,764
Depreciation and amortisation	6,237	5,190	5,190	5,190	5,190
Losses from asset sales	1,700	-	-	-	-
Claims Payments	303,367	297,405	298,863	305,511	314,935
Claims—Movement in liabilities	(373,057)	(25,429)	(13,690)	(4,205)	4,199
Total expenses	44,478	383,489	390,730	404,487	421,416
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,561	2,770	2,770	2,885	2,769
Licence Fees	16,248	15,884	15,774	16,054	16,392
Regulatory Contributions	19,978	19,506	19,371	19,714	20,128
Interest	29,712	31,313	32,879	34,523	36,249
Grants Received from Portfolio Department	64,227	66,875	61,330	60,723	59,850
Workers Compensation Premium	408,142	289,768	276,942	285,013	298,847
Other Non-Tax Revenue (a)	(32,461)	(28,890)	(21,390)	(20,414)	(18,835)
Total own-source revenue	507,407	397,226	387,676	398,498	415,400
Net cost of/contribution by services	(462,929)	(13,737)	3,054	5,989	6,016
Revenue from Government	6,104	6,020	5,983	5,989	6,016
Surplus/(deficit) attributable to the Australian Government	469,033	19,757	2,929	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	469,033	19,757	2,929	-	-
Total comprehensive income/(loss) attributable to the Australian Government	469,033	19,757	2,929	-	-

(a) Relates to non-cash movements in workers' compensation claims liabilities and asbestos related claims liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	949,189	974,365	989,530	1,013,315	1,042,855
Trade and other receivables	2,924,831	2,887,559	2,858,504	2,830,184	2,801,818
Other financial assets	12,442	12,442	12,442	12,442	12,442
Total financial assets	3,886,462	3,874,366	3,860,476	3,855,941	3,857,115
Non-financial assets					
Property, plant and equipment	21,488	19,913	15,938	13,743	13,868
Intangibles	2,428	7,623	12,583	12,668	11,453
Other non-financial assets	1,771	1,771	1,771	1,771	1,771
Total non-financial assets	25,687	29,307	30,292	28,182	27,092
Assets held for sale	-	-	-	-	-
Total assets	3,912,149	3,903,673	3,890,768	3,884,123	3,884,207
LIABILITIES					
Payables					
Suppliers	5,850	5,850	5,850	5,850	5,850
Other payables	10,302	10,302	10,302	10,302	10,302
Total payables	16,152	16,152	16,152	16,152	16,152
Provisions					
Employee provisions	18,361	19,756	21,139	22,506	22,506
Other provisions	3,860,693	3,831,065	3,813,848	3,805,836	3,805,920
Total provisions	3,879,054	3,850,821	3,834,987	3,828,342	3,828,426
Total liabilities	3,895,206	3,866,973	3,851,139	3,844,494	3,844,578
Net assets	16,943	36,700	39,629	39,629	39,629
EQUITY*					
Parent entity interest					
Contributed equity	7,717	7,717	7,717	7,717	7,717
Reserves	4,271	4,271	4,271	4,271	4,271
Retained surplus (accumulated deficit)	4,955	24,712	27,641	27,641	27,641
Total parent entity interest	16,943	36,700	39,629	39,629	39,629
Total equity	16,943	36,700	39,629	39,629	39,629

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity—summary of movement
(Budget year 2017–18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	4,955	4,271	7,717	16,943
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	4,955	4,271	7,717	16,943
Comprehensive income				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	19,757	-	-	19,757
Total comprehensive income	19,757	-	-	19,757
Estimated closing balance as at 30 June 2018	24,712	4,271	7,717	36,700
Less: non-controlling interests	-	-	-	-
Closing balance attributable to the Australian Government	24,712	4,271	7,717	36,700

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,104	6,020	5,983	5,989	6,016
Sale of goods and rendering of services	37,785	38,161	37,914	38,653	39,289
Interest	29,712	31,313	32,879	34,523	36,249
Grants from Portfolio Agencies	64,227	66,874	61,330	60,723	59,850
Net GST received	37,058	19,023	18,866	19,738	21,037
Other	408,142	289,768	276,942	285,013	298,847
Total cash received	583,028	451,159	433,914	444,639	461,288
Cash used					
Employees	62,892	60,709	60,109	59,512	58,912
Suppliers	37,562	40,036	34,736	33,012	32,764
Net GST paid	37,058	19,023	18,866	19,738	21,037
Cash Used—Other	303,367	297,404	298,863	305,511	314,934
Total cash used	440,879	417,172	412,574	417,773	427,647
Net cash from/(used by) operating activities	142,149	33,987	21,340	26,866	33,641
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	13,300	8,810	6,175	3,080	4,100
Total cash used	13,300	8,810	6,175	3,080	4,100
Net cash from/(used by) investing activities	(13,300)	(8,810)	(6,175)	(3,080)	(4,100)
Net increase/(decrease) in cash held	128,849	25,177	15,165	23,786	29,541
Cash and cash equivalents at the beginning of the reporting period	820,339	949,189	974,365	989,530	1,013,315
Cash and cash equivalents at the end of the reporting period	949,189	974,365	989,530	1,013,315	1,042,855

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	13,300	8,810	6,175	3,080	4,100
TOTAL	13,300	8,810	6,175	3,080	4,100
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	13,300	8,810	6,175	3,080	4,100
Total cash used to acquire assets	13,300	8,810	6,175	3,080	4,100

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2017–18)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2017			
Gross book value	39,751	22,989	62,740
Accumulated depreciation/amortisation and impairment	(20,263)	(18,561)	(38,824)
Opening net book balance	19,488	4,428	23,916
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase—other	4,160	4,650	8,810
Total additions	4,160	4,650	8,810
Other movements			
Depreciation/amortisation expense	(3,735)	(1,455)	(5,190)
Total other movements	(3,735)	(1,455)	(5,190)
As at 30 June 2018			
Gross book value	43,911	27,639	71,550
Accumulated depreciation/amortisation and impairment	(23,998)	(20,016)	(44,014)
Closing net book balance	19,913	7,623	27,536

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Suppliers	155	155	155	155	155
Total expenses administered on behalf of Government	155	155	155	155	155
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	155	155	155	155	155
Total non-taxation revenue	155	155	155	155	155
Total own-source revenue administered on behalf of Government	155	155	155	155	155
Total own-sourced income administered on behalf of Government	155	155	155	155	155
Net cost of/contribution by services	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	1,305	1,305	1,305	1,305	1,305
Total financial assets	1,305	1,305	1,305	1,305	1,305
Total assets administered on behalf of Government	1,305	1,305	1,305	1,305	1,305
LIABILITIES					
Provisions					
Other provisions	621	621	621	621	621
Total provisions	621	621	621	621	621
Total liabilities administered on behalf of Government	621	621	621	621	621
Net assets/(liabilities)	684	684	684	684	684

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	153	155	155	155	155
Total cash received	153	155	155	155	155
Cash used					
Other	156	155	155	155	155
Total cash used	156	155	155	155	155
Net cash from/(used by) operating activities	(3)	-	-	-	-
Net increase/(decrease) in cash held	(3)	-	-	-	-
Cash and cash equivalents at beginning of reporting period	3	-	-	-	-
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

Comcare has no administered capital purchases. For this reason Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2017-18)

Comcare has no administered non-financial assets. For this reason Table 3.11 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 *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, and the *Commonwealth Entities Financial Statement Preparation Guide*.

Entity items

Entity assets, liabilities, revenues and expenses are those items that are controlled by Comcare.

Administered assets, liabilities, revenues and expenses relate to the Seafarers Safety, Rehabilitation and Compensation Authority (Seafarers Authority) which collects levies under the *Seafarers Rehabilitation and Compensation Levy Collection Act 1992*. The Seafarers Authority is controlled by the Government and managed by Comcare.

Comprehensive Income Statement

Revenue from government

Comcare receives an annual appropriation for the management of asbestos-related claims, the administration of the Seacare Authority and some of Comcare's regulatory activities.

Own source revenue

Comcare receives the following own-source revenue:

- workers' compensation premiums
- grants received from portfolio department
- other non-tax revenue
- licence fees
- regulatory contributions
- interest
- sale of goods and rendering of services.

Workers' compensation premiums

The premium scheme covers employees of Commonwealth Government agencies and the ACT Government covered by the SRC Act for injuries and illnesses sustained on or after 1 July 1989. Premiums are determined to fully fund the expected scheme liabilities as advised by independent actuaries.

Premiums do not cover 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.

Grants received from portfolio department

Grants received from the portfolio department represent cash appropriation for the payment of pre-premium claims and administration costs, and asbestos claims costs.

Other non-tax revenue

'Other non-tax revenue' is a non-cash appropriation representing:

- the notional interest on retained premium funds held with the Australian Government; and
- the movement in claims liabilities payable in future years based on independent actuarial assessment.

Administration expenses

Comcare administration expenses include:

- employee expenses – includes salaries, superannuation and the net increase in employee entitlements
- suppliers – includes goods and services procured from suppliers
- depreciation and amortisation – property, plant and equipment and intangible assets are depreciated over their useful lives. Leasehold improvements are amortised over the lesser of the estimated useful life of the improvement or the unexpired period of the lease. In all cases, assets are depreciated using the straight line method.

Claims expenses

Comcare recognises two types of claims expenses:

1. Claims payments – includes workers' compensation claims payments (premium and pre-premium) and common law settlements for asbestos-related compensation cases.
2. Movement in liabilities – net movements in outstanding workers' compensation claims liabilities are recognised as expenses.

Departmental Balance Sheet

Cash and cash equivalents

Cash and cash equivalents include deposits at call and term deposits with a bank or financial institution.

Trade and other receivables

Other receivables are the combined value of:

- pre-premium and asbestos special appropriation receivable
- premiums collected by Comcare prior to 1 July 2002 held by the Australian Government plus earned notional interest, in accordance with Section 90C of the SRC Act.

Employee provisions

The provision for employee entitlements encompasses unpaid annual and long service leave. No provision is made for sick leave.

Other provisions

Provision is made for:

- outstanding workers' compensation claims liabilities
- 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.

The estimates of outstanding liabilities have been based on independent actuarial valuations on the basis of the central estimate plus the risk margin that would achieve a 75 per cent probability of sufficiency.