

**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**

SECTION 1: ENTITY OVERVIEW AND RESOURCES	91
1.1 Strategic direction statement	91
1.2 Entity resource statement	92
1.3 Budget measures	93
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	94
2.1 Budgeted expenses and performance for Outcome 1	95
SECTION 3: BUDGETED FINANCIAL STATEMENTS	104
3.1 Budgeted financial statements	104
3.2 Budgeted financial statements tables	106
3.3 Notes to the Financial Statements	112

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 is the national workers' compensation and work health and safety authority. We are committed to supporting participation and productivity through healthy and safe workplaces that minimise the impact of harm.

Comcare administers an integrated, national scheme providing work health and safety regulation, insurance, claims management, self-insurance, policy, guidance, research and innovation. These services are delivered as per the *Work Health and Safety Act 2011* (WHS Act) and the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act). Comcare also manage claims in relation to the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* (ARC Act).

The Comcare Corporate Plan 2019–2023 outlines our strategic focus in driving innovation to deliver better practice in:

- promoting healthy and safe workplaces
- reducing illness and injury in workplaces
- supporting work participation through improving recovery at and return to work
- reducing premiums and workers' compensation liabilities, and
- sharing what works nationally.

Using our partnerships, research and initiatives Comcare provides expert advice and services to a wide variety of stakeholders including the Safety, Rehabilitation and Compensation Commission and the Seafarers Safety, Rehabilitation and Compensation Authority.

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 on special accounts and special appropriations, 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 by Outcome' 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 2019–20 as at Budget April 2019

	<i>2018–19 (a)</i> <i>Estimated</i> <i>actual</i> \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	1,028,241	979,071
Funds from Government		
Annual appropriations - ordinary annual services (b) Outcome 1	5,989	5,989
Total annual appropriations	5,989	5,989
Amounts received from related entities Amounts from portfolio department (c)	60,083	55,188
Total amounts received from related entities	60,083	55,188
Total funds from Government	66,072	61,177
Funds from industry sources		
License fees	15,998	16,298
Total funds from industry sources	15,998	16,298
Funds from other sources		
Interest	30,048	25,224
Sale of goods and services	4,170	3,472
Regulatory contributions	19,462	19,706
Workers' Compensation premiums	251,689	160,999
Total funds from other sources	305,369	209,401
Total net resourcing for Comcare	1,415,680	1,265,947
	<i>2018–19</i>	<i>2019–20</i>
Average staffing level (number)	630	630

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

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–2019, as they had not been enacted at the time of publication.
- (b) Appropriation Bill (No. 1) 2019–20.
- (c) 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 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.

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 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Comcare have no measures announced since the 2018–19 MYEFO. For this reason, Part 1 of Table 1.2 is not presented.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Expense measures						
Improved Access to Health Care for Australian Civilian Surgical and Medical Team members who worked in Vietnam between 1964 and 1972 (a)	1.5					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Administered		-	-	-	-	-
Departmental		-	-	-	-	-
Total		-	-	-	-	-

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) Lead entity for this measure is the Department of Veterans' Affairs. Decision taken but not yet announced in the 2018–19 MYEFO.

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:

http://www.comcare.gov.au/Forms_and_Publications/publications/corporate_publications/comcare_2018-22_corporate_plan.

The most recent annual performance statement can be found at:

http://www.comcare.gov.au/annual_report/performance_statements.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted expenses for Outcome 1

This table shows how much Comcare intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in workplaces covered by Comcare.					
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Comcare Departmental					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	5,989	5,989	6,028	6,069	6,110
Grants received from portfolio department	60,083	55,188	54,885	54,632	53,819
Revenues from industry sources	15,998	16,298	16,955	17,217	17,508
Revenues from independent sources	298,652	204,863	226,680	229,815	236,693
Revenues from other independent sources (a)	(204,452)	(14,899)	(26,929)	(20,447)	(14,117)
Total expenses for Program 1.1	176,270	267,439	277,619	287,286	300,013
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	5,989	5,989	6,028	6,069	6,110
Grants received from portfolio department	60,083	55,188	54,885	54,632	53,819
Revenues from industry sources	15,998	16,298	16,955	17,217	17,508
Revenues from independent sources	298,652	204,863	226,680	229,815	236,693
Revenues from other independent sources (a)	(204,452)	(14,899)	(26,929)	(20,447)	(14,117)
Total expenses for Outcome 1	176,270	267,439	277,619	287,286	300,013
	2018–19	2019–20			
Average staffing level (number)	630	630			

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

Comcare Budget Statements

Table 2.1.2: Program components of Outcome 1

Program 1.1: Comcare Departmental	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
<i>1.1.1 - Work Health, Safety and Rehabilitation Regulation</i>					
Annual departmental expenses:					
Annual Appropriation	718	718	723	728	733
Expenses not requiring appropriation in the Budget year	28,875	29,402	30,034	28,770	29,444
Total component 1.1.1 expenses	29,593	30,120	30,757	29,498	30,177
<i>1.1.2 - Comcare Workers' Compensation Scheme Management</i>					
Annual departmental expenses:					
Expenses not requiring appropriation in the Budget year	7,621	8,383	8,519	8,571	8,762
Total component 1.1.2 expenses	7,621	8,383	8,519	8,571	8,762
<i>1.1.3 - SRCC and Seacare Authority Support</i>					
Annual departmental expenses:					
Annual Appropriation	360	360	362	365	367
Expenses not requiring appropriation in the Budget year	4,962	5,100	5,175	5,250	5,328
Total component 1.1.3 expenses	5,322	5,460	5,537	5,615	5,695
<i>1.1.4 - Premium Claims</i>					
Annual departmental expenses:					
Annual Appropriation	204	204	205	207	208
Expenses not requiring appropriation in the Budget year	128,708	217,653	226,283	235,653	245,553
Total component 1.1.4 expenses	128,912	217,857	226,488	235,860	245,761
<i>1.1.5 - Pre-premium Claims</i>					
Annual departmental expenses:					
Grants received from portfolio department	29,387	28,302	26,986	25,936	24,841
Expenses not requiring appropriation in the Budget year	(25,248)	(25,848)	(24,451)	(22,936)	(20,970)
Total component 1.1.5 expenses	4,139	2,454	2,535	3,000	3,871
<i>1.1.6 - Asbestos Claims</i>					
Annual departmental expenses:					
Annual Appropriation	4,707	4,707	4,737	4,770	4,802
Grants received from portfolio department	30,696	26,886	27,899	28,696	28,978
Expenses not requiring appropriation in the Budget year	(34,720)	(28,428)	(28,853)	(28,724)	(28,033)
Total component 1.1.6 expenses	683	3,165	3,783	4,742	5,747
Total program expenses	176,270	267,439	277,619	287,286	300,013

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 2019–20 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 the workplaces covered by Comcare.		
Program Component 1.1 — Work Health, Safety and Rehabilitation Regulation		
Achieving safer and healthier workplaces through promoting continuous improvements in work health, safety and rehabilitation practices and monitoring compliance with the SRC Act, WHS Act and regulations.		
Purposes	<i>Effective national regulator</i> —Increasing duty holders’ levels of compliance and commitment to best practice through regulatory oversight of work health and safety and workplace rehabilitation	
Delivery	<ul style="list-style-type: none"> • Increase the proportion of proactive regulatory activities to increase duty holders’ levels of compliance and commitment to best practice. • Drive national work health and safety compliance using a targeted, risk-based approach. • Deliver timely and effective regulatory activities by applying the Compliance and Enforcement framework. 	
Performance information		
Year	Performance criteria (a)	Targets
2018–19	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 with entities.	Assessment: On track.
	Our approach improves WHS outcomes in workplaces, measured by increased knowledge, awareness and compliance to ensure regulatory intervention makes a positive difference.	Assessment: On track.
	A sustained high level of satisfaction and engagement with services provided, measured by survey, to ensure regulatory actions are appropriate, responsive and relevant.	Assessment: On track.
2019–20	Our proactive regulatory approach is refined, and targeted proactive activities delivered increase over time.	Refine targeted proactive regulatory approach and establish a baseline of activity levels.
	Targeted regulatory activities delivered are based on identified regulatory priorities.	Deliver and evaluate at least one programme against identified regulatory priorities.
	Regulated entities report that our regulatory approach improves WHS outcomes.	85% or more evaluated entities report improved WHS outcomes as a result of Comcare’s regulatory activities.
	Regulatory activities are delivered within statutory timeframes, where applicable.	100% of WHS activities are delivered within statutory timeframes.

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.1 — Work Health, Safety and Rehabilitation Regulation		
Achieving safer and healthier workplaces through promoting continuous improvements in work health, safety and rehabilitation practices and monitoring compliance with the SRC Act, WHS Act and regulations.		
2020–21 and beyond	Our proactive regulatory approach is refined, and targeted proactive activities delivered increase over time.	Increase targeted proactive activities by 5 per cent.
	Targeted regulatory activities delivered are based on identified regulatory priorities.	Deliver and evaluate at least one programme against identified regulatory priorities.
	Regulated entities report that our regulatory approach improves WHS outcomes.	85% or more evaluated entities report improved WHS outcomes as a result of Comcare's regulatory activities.
	Regulatory activities are delivered within statutory timeframes, where applicable.	100% of WHS activities are delivered within statutory timeframes.
Material changes to Program 1.1 resulting from the following measures: Nil		

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.2 — Comcare Workers' Compensation Scheme Management		
National leader in the design, implementation and management of the national schemes that improves work health, safety and rehabilitation outcomes.		
Purposes	Excellence in scheme design and management—Excellence in scheme design and management to achieve sustainable and better practice national schemes.	
Delivery	<ul style="list-style-type: none"> • Stakeholder engagement: <ul style="list-style-type: none"> ○ supporting key stakeholders including the Safety, Rehabilitation and Compensation Commission (SRCC) and the Seacare Authority, and ○ advocating and implementing change to deliver better practice and consistency across the schemes. • Implement holistic employer engagement across Comcare using tailored and targeted service offerings including improved accessibility and digitisation. • Implement a provider framework that assures high quality services from scheme providers. • Improve scheme-wide analytics and reporting products. 	
Performance information		
Year	Performance criteria	Targets
2018–19	Return to work rates developed through the existing biennial Return to Work Survey indicating the rehabilitation outcomes achieved.	Assessment: On track.

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.2 — Comcare Workers' Compensation Scheme Management		
National leader in the design, implementation and management of the national schemes that improves work health, safety and rehabilitation outcomes.		
	Improve the financial sustainability of the scheme measured by notional premium rate.	Assessment: On track.
	Better practice scheme management assessed through qualitative review.	Assessment: On track.
2019–20	Sustainable schemes evidenced through outcomes achieved by scheme participants and providers (including financial and return to work outcomes).	Improved return to work rates and financial sustainability measured by notional premium rate.
	Schemes identify and adopt better practice as far as possible, measured by benchmarking against better practice.	Improvement in better practice scheme management measured against relevant benchmarks.
	Assurance over scheme operations under licence, approval or delegation achieved (evidence of compliance and required behaviours and practices).	CEO and SRCC satisfaction with assurance levels.
2020–21 and beyond	As per 2019–20.	As per 2019–20.
Material changes to Program 1.2 resulting from the following measures: Nil		

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.3 — Safety, Rehabilitation and Compensation Commission (SRCC), and Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) support.		
Purposes	Excellence in scheme design and management — Excellence in scheme design and management to achieve sustainable and better national schemes.	
Delivery	<ul style="list-style-type: none"> • Stakeholder engagement: <ul style="list-style-type: none"> ○ supporting key stakeholders including the Safety, Rehabilitation and Compensation Commission (SRCC) and the Seacare Authority, and ○ advocating and implementing change to deliver better practice and consistency across the schemes. • Improve scheme-wide analytics and reporting products. 	
Performance information		
Year	Performance criteria	Targets
2018–19	SRCC satisfaction of support provided by Comcare.	Assessment: On track.
	Seacare Authority satisfaction of support provided by Comcare.	Assessment: On track.

Comcare Budget Statements

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.3 — Safety, Rehabilitation and Compensation Commission (SRCC), and Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) support.		
2019–20	Satisfaction with support provided to SRCC and Seacare Authority.	Qualitative evaluation using structured services and feedback from the Chair.
2020–21 and beyond	As per 2019–20.	As per 2019–20.
Material changes to Program 1.3 resulting from the following measures: Nil		

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.4 — Premium Claims		
Purposes	Leading workers' compensation insurer—Working with employees and employers to minimise the impact of harm in workplaces, supporting optimal recovery and return to work, and delivering a viable scheme.	
Delivery	<ul style="list-style-type: none"> Utilise evidence-based best practice in claims case management to facilitate optimal recovery and return to work outcomes. Actively engage employers in prevention, return to work and claims management to minimise the impact of harm in workplaces. Measure, monitor and forecast performance to inform decision making, strengthen operations and improve outcomes. 	
Performance information		
Year	Performance criteria	Targets
2018–19	Increase the proportion of employees who have returned to work, measured by duration on incapacity benefits, to facilitate recovery and reduce liability.	Assessment: Not on track ¹ .
	A sustained high-level of satisfaction, measured by survey, and engagement with the services provided, to ensure services are appropriate, responsive and relevant.	Assessment: On track.
	That claims administration cost as a ratio of all claims expenses is 20 per cent or lower for each injury year, measured by Safe Work Australia's comparative performance monitoring methodology, to ensure cost effective management of the fund.	Assessment: On track.
	The average Commonwealth premium rate reduces to 1.1 per cent of payroll (excluding GST) to ensure the scheme remains financially sustainable.	Assessment: On track.

¹ Comcare is working with rehabilitation authorities on strategies to improve return to work rates.

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.4 — Premium Claims		
	Reduce the insured scheme liability to ensure the scheme remains financially sustainable.	Assessment: On track.
	The insured workers' compensation scheme continues to be fully funded.	Assessment: On track.
2019–20	Increase the proportion of employees who have returned to work, measured by duration on incapacity benefits.	Measured as the proportion of employees whose accrued incapacity duration is less than 4, 13, 26, 52 and 78 weeks.
	Deliver appropriate, responsive and relevant services shown in sustained high levels of satisfaction and engagement with services offered.	A stakeholder satisfaction rating of 85% or more.
	Claims administration cost as a ratio of all claims expenses is 17 per cent or lower for each injury year.	Administrative cost ratio is 17% or lower.
	The annual average Commonwealth premium rate is set to ensure the workers' compensation scheme remains financially sustainable.	Average Commonwealth premium rate = 1% of payroll.
	Ensure the scheme financial sustainability by reducing workers' compensation liabilities.	Scheme liability is \$1.71 billion or less 30 June 2020.
	The insured workers' compensation scheme continues to be fully funded.	100–125%
2020–21 and beyond	Increase the proportion of employees who have returned to work, measured by duration on incapacity benefits.	Measured as the proportion of employees whose accrued incapacity duration is less than 4, 13, 26, 52 and 78 weeks.
	Deliver appropriate, responsive and relevant services shown in sustained high levels of satisfaction and engagement with services offered.	A stakeholder satisfaction rating of 87–92% or more.
	Claims administration cost as a ratio of all claims expenses is 17 per cent or lower for each injury year.	Administrative cost ratio is 17% or lower.
	The annual average Commonwealth premium rate is set to ensure the workers' compensation scheme remains financially sustainable.	Average Commonwealth premium rate = 1% of payroll.
	Ensure the scheme financial sustainability by reducing workers' compensation liabilities.	Scheme liability is \$1.54–1.39 billion or less.
	The insured workers' compensation scheme continues to be fully funded.	100–125%
Material changes to Program 1.4 resulting from the following measures: Nil		

Comcare Budget Statements

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.5 — Pre-premium claims		
Purposes	Leading workers' compensation insurer—Working with employees and employers to minimise the impact of harm in workplaces, supporting optimal recovery and return to work, and delivering a viable scheme.	
Delivery	<ul style="list-style-type: none"> • Utilise evidence-based best practice in claims case management to facilitate optimal recovery and return to work outcomes. • Actively engage employers in prevention return to work and claims management to minimise the impact of harm in workplaces. • Measure, monitor and forecast performance to inform decision-making, strengthen operations and improve outcomes. 	
Performance information		
Year	Performance criteria	Targets
2018–19	That claims administration cost as a ratio of all claims expenses is 20 per cent or lower for each injury year, measured by Safe Work Australia's comparative performance monitoring methodology, to ensure cost effective management of the fund.	Assessment: On track.
2019–20	Claims administration cost as a ratio of all claims expenses is 17 per cent or lower for each injury year.	Administrative cost ratio is 17% or lower.
2020–21 and beyond	As per 2019–20.	As per 2019–20.
Material changes to Program 1.5 resulting from the following measures: Nil		

Outcome 1 — Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in the workplaces covered by Comcare.		
Program Component 1.6 — Asbestos Claims		
Purposes	Leading workers' compensation insurer—Working with employees and employers to minimise the impact of harm in workplaces, supporting optimal recovery and return to work, and delivering a viable scheme.	
Delivery	Proactive management of asbestos-related claims and recoveries from third parties.	
Performance information		
Year	Performance criteria	Targets
2018–19	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.
2019–20	Timeliness of claims resolution (i.e. percentage of primary asbestos claims resolved within 180 calendar days).	80%
	Third party recovery rate (i.e. percentage of the value of asbestos claims settlements recovered from third parties).	10%
2020–21 and beyond	As per 2019–20.	As per 2019–20.
Material changes to Program 1.6 resulting from the following measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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 2019–20, 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 2019–20 is \$267.4 million, compared to \$176.3 million in 2018–19 (an increase of \$91.1 million, Table 3.1). Total income was higher in 2019–20 due to a significant favourable movement in premium liabilities in 2018–19 leading to a lower liability offset.

Premium revenue has decreased from \$245.0 million in 2018–19 to \$156.5 million in 2019–20 (i.e. by \$88.5 million) due to the exit of the ACT Government from Comcare's premium scheme and other favourable movements in claims experience.

Expenses

Comcare's total expenses in 2019–20 are \$267.4 million compared to \$176.3 million in 2018–19, mainly due to the favourable movement in premium liabilities.

Claims Payments have decreased from \$253.9 million to \$211.8 million (i.e. by \$42.1 million) as the ACT Government will take responsibility for claims payments after their exit from Comcare's premium scheme.

Operating Result

Comcare has budgeted for a break-even operating result for 2019–20.

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 2019–20 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Workers' compensation liabilities					
Premium	1,657,710	1,656,806	1,661,665	1,674,999	1,694,435
Pre-premium	314,434	288,571	264,106	241,155	220,185
Asbestos related— common law	822,640	789,880	756,560	723,660	691,460

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	68,925	70,188	71,991	71,387	73,610
Suppliers	34,630	34,982	34,975	34,980	34,970
Depreciation and amortisation	5,041	4,873	4,873	4,873	4,873
Claims Payments	253,879	211,771	213,639	213,774	215,508
Claims - Movement in liabilities	(186,205)	(54,375)	(47,859)	(37,728)	(28,948)
Total expenses	176,270	267,439	277,619	287,286	300,013
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,170	3,472	4,307	1,331	1,941
Licence Fees	15,998	16,298	16,955	17,217	17,508
Regulatory Contributions	19,462	19,706	20,489	20,811	21,168
Interest	30,048	25,224	25,224	25,224	25,224
Grants Received from Portfolio Department	60,083	55,188	54,885	54,632	53,819
Workers' Compensation Premium	244,972	156,461	176,660	182,449	188,360
Other Non-Tax Revenue (a)	(204,452)	(14,899)	(26,929)	(20,447)	(14,117)
Total own-source revenue	170,281	261,450	271,591	281,217	293,903
Total own-source income	170,281	261,450	271,591	281,217	293,903
Net (cost of)/contribution by services	(5,989)	(5,989)	(6,028)	(6,069)	(6,110)
Revenue from Government	5,989	5,989	6,028	6,069	6,110
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

(a) This 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)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	979,071	939,092	917,267	898,428	884,891
Trade and other receivables	2,196,077	2,176,640	2,144,532	2,119,298	2,100,394
Other financial assets	11,833	11,833	11,833	11,833	11,833
Total financial assets	3,186,981	3,127,565	3,073,632	3,029,559	2,997,118
Non-financial assets					
Property, plant and equipment	11,096	8,579	6,142	5,215	2,298
Intangibles	8,580	12,354	15,798	18,282	19,906
Other non-financial assets	1,463	1,463	1,463	1,463	1,463
Total non-financial assets	21,139	22,396	23,403	24,960	23,667
Total assets	3,208,120	3,149,961	3,097,035	3,054,519	3,020,785
LIABILITIES					
Payables					
Suppliers	5,535	5,535	5,535	5,535	5,535
Other payables	5,772	5,773	5,773	5,773	5,773
Total payables	11,307	11,308	11,308	11,308	11,308
Provisions					
Employee provisions	18,597	19,964	19,964	19,964	19,964
Other provisions	3,155,274	3,095,747	3,042,821	3,000,305	2,966,571
Total provisions	3,173,871	3,115,711	3,062,785	3,020,269	2,986,535
Total liabilities	3,185,178	3,127,019	3,074,093	3,031,577	2,997,843
Net assets	22,942	22,942	22,942	22,942	22,942
EQUITY*					
Parent entity interest					
Contributed equity	7,717	7,717	7,717	7,717	7,717
Reserves	3,961	3,961	3,961	3,961	3,961
Retained surplus (accumulated deficit)	11,264	11,264	11,264	11,264	11,264
Total parent entity interest	22,942	22,942	22,942	22,942	22,942
Total equity	22,942	22,942	22,942	22,942	22,942

*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 2019–20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	11,264	3,961	7,717	22,942
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	11,264	3,961	7,717	22,942
Comprehensive income				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-
Total comprehensive income	-	-	-	-
Estimated closing balance as at 30 June 2020	11,264	3,961	7,717	22,942
Less: non-controlling interests	-	-	-	-
Closing balance attributable to the Australian Government	11,264	3,961	7,717	22,942

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,989	5,989	6,028	6,069	6,110
Sale of goods and rendering of services	39,575	38,862	41,864	39,360	40,618
Interest	30,048	25,224	25,224	25,224	25,224
Grants from Portfolio Agencies	60,083	55,188	54,885	54,632	53,819
GST receipts from customers	24,914	15,993	18,097	18,378	19,030
Other	244,972	156,460	176,660	182,450	188,360
Total cash received	405,581	297,716	322,758	326,113	333,161
Cash used					
Employees	67,541	68,820	71,991	71,387	73,610
Suppliers	34,629	34,982	34,976	34,982	34,970
GST Payments to Suppliers	9,687	8,692	8,738	8,741	8,784
Net GST paid	15,227	7,301	9,359	9,637	10,246
Other	320,580	211,770	213,639	213,775	215,508
Total cash used	447,664	331,565	338,703	338,522	343,118
Net cash from/(used by) operating activities	(42,083)	(33,849)	(15,945)	(12,409)	(9,957)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	7,087	6,130	5,880	6,430	3,580
Total cash used	7,087	6,130	5,880	6,430	3,580
Net cash from/(used by) investing activities	(7,087)	(6,130)	(5,880)	(6,430)	(3,580)
Net increase/(decrease) in cash held	(49,170)	(39,979)	(21,825)	(18,839)	(13,537)
Cash and cash equivalents at the beginning of the reporting period	1,028,241	979,071	939,092	917,267	898,428
Cash and cash equivalents at the end of the reporting period	979,071	939,092	917,267	898,428	884,891

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	7,087	6,130	5,880	6,430	3,580
TOTAL	7,087	6,130	5,880	6,430	3,580
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,087	6,130	5,880	6,430	3,580
Total cash used to acquire assets	7,087	6,130	5,880	6,430	3,580

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	34,958	27,002	61,960
Accumulated depreciation/ amortisation and impairment	(23,862)	(18,422)	(42,284)
Opening net book balance	11,096	8,580	19,676
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase — other	1,370	4,760	6,130
Total additions	1,370	4,760	6,130
Other movements			
Depreciation/amortisation expense	(3,887)	(986)	(4,873)
Total other movements	(3,887)	(986)	(4,873)
As at 30 June 2020			
Gross book value	36,328	31,762	68,090
Accumulated depreciation/ amortisation and impairment	(27,749)	(19,408)	(47,157)
Closing net book balance	8,579	12,354	20,933

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)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Suppliers	160	143	169	151	177
Total expenses administered on behalf of Government	160	143	169	151	177
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Other revenue	179	179	179	179	179
Total non-taxation revenue	179	179	179	179	179
Total own-source revenue administered on behalf of Government	179	179	179	179	179
Total own-sourced income administered on behalf of Government	179	179	179	179	179
Net (cost of)/contribution by services	19	36	10	28	2

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimate d actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash held in the OPA — Special Accounts	306	219	106	107	109
Trade and other receivables	2,063	2,063	2,063	1,967	1,844
Total financial assets	2,369	2,282	2,169	2,074	1,953
Total assets administered on behalf of Government	2,369	2,282	2,169	2,074	1,953
LIABILITIES					
Provisions					
Other provisions	2,604	2,481	2,358	2,235	2,112
Total provisions	2,604	2,481	2,358	2,235	2,112
Total liabilities administered on behalf of Government	2,604	2,481	2,358	2,235	2,112
Net assets/(liabilities)	(235)	(199)	(189)	(161)	(159)

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	188	179	179	275	302
Total cash received	188	179	179	275	302
Cash used					
Other	1,093	266	292	274	300
Total cash used	1,093	266	292	274	300
Net cash from/(used by) operating activities	(905)	(87)	(113)	1	2
Net increase/(decrease) in cash held					
	(905)	(87)	(113)	1	2
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
— Special accounts	1,211	306	219	106	107
Cash and cash equivalents at end of reporting period	306	219	106	107	109

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 2018–19)

Comcare has no administered non-financial assets. For this reason, Table 3.11 is not presented.

3.3 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 Parliamentary Injury Compensation Scheme, 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, and
- sale of goods and rendering of services.

Workers' compensation premiums

The premium scheme covers employees of Commonwealth Government agencies 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.

In 2018-19, the ACT Government exited the premium scheme and was granted a licence to become a self-insured licensee under the SRC Act.

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, and
- 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, and
- 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, 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.

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.