

SAFE WORK AUSTRALIA

ENTITY RESOURCES AND PLANNED PERFORMANCE

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SAFE WORK AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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 is the body leading the development of national policy to improve work health and safety and workers' compensation across Australia. The establishment of Safe Work Australia was provided for in the *Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety (IGA)*, agreed by the Council of Australian Governments (COAG) on 3 July 2008.

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 employers, two representing the interests of employees, and the Chief Executive Officer of Safe Work Australia (CEO).

The CEO manages the agency under section 45 of the Act and is the Accountable Authority in accordance with the *Public Governance, Performance and Accountability Act 2013*.

Safe Work Australia works collaboratively with regulators, industry and worker associations and the community, to realise the national vision of *healthy, safe and productive working lives*.

On behalf of Safe Work Australia Members, the agency delivers the strategies articulated through the Corporate Plan so Australia can become a world leader in the delivery of work health and safety and workers' compensation outcomes.

During 2017-18, Safe Work Australia will continue to be a model for the innovative development of multi-stakeholder policy. We will do this by:

- bringing together and recognising varying views and interests to develop effective national policy to improve work health and safety and workers' compensation outcomes

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- using our influence and innovative technologies to increase health and safety knowledge and capability and to integrate work health and safety, including leadership and culture, into normal business practices
- being a key source of work health and safety and workers' compensation research and data
- improving workers' compensation arrangements with a particular focus on return to work and strengthening the connection with enhanced health and safety outcomes
- finalising policy proposals that will lead to nationally consistent explosives regulation
- working with other countries or international organisations and representing Australia at relevant forums to share data, information and/or knowledge on work health and safety and workers' compensation matters to improve Australian outcomes.

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 by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Safe Work Australia resource statement—Budget estimates for 2017–18 as at Budget May 2017

	<i>2016–17 Estimated actual \$'000</i>	2017–18 Estimate \$'000
Departmental		
Annual appropriations—ordinary annual services (a)		
Departmental appropriation (b)	9,740	10,007
Departmental capital budget (c)	81	88
<i>Total departmental annual appropriations</i>	<i>9,821</i>	<i>10,095</i>
Special accounts (d)		
Opening balance	11,912	11,912
Appropriation receipts (e)	9,821	10,095
Non-appropriation receipts	10,137	10,044
<i>Total special accounts</i>	<i>31,870</i>	<i>32,051</i>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>9,821</i>	<i>10,095</i>
Total departmental resourcing	31,870	32,051
Total resourcing for Safe Work Australia	31,870	32,051
	<i>2016–17</i>	<i>2017–18</i>
Average staffing level (number)	101	101

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) Excludes departmental capital budget (DCB).
- (c) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (d) Excludes '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 accounts (SOETM)). For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4—Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, for example, annual appropriations, special appropriations and special accounts.
- (e) Amounts credited to the special account from Safe Work Australia's annual and special appropriations.

1.3 BUDGET MEASURES

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

Table 1.2: Entity 2017–18 Budget measures

Safe Work Australia 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 of 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 Safe Work Australia can be found at:
www.safeworkaustralia.gov.au/about-us/corporate-plan.

The most recent annual performance statement can be found at:
www.safeworkaustralia.gov.au/book/safe-work-australia-annual-report-2015-16.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Healthier, safer and more productive workplaces through improvements to Australian work health and safety and workers' compensation arrangements.

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
Outcome 1: Healthier, safer and more productive workplaces through improvements to Australian work health and safety and workers' compensation arrangements.					
Program 1.1: Reform of and improvements to Australian work health and safety and workers' compensation arrangements					
Departmental expenses					
Departmental appropriation	9,740	10,007	10,230	10,478	10,743
Special accounts	10,137	10,044	10,267	10,484	10,743
Expenses not requiring appropriation in the Budget year (a)	586	608	577	562	564
Departmental total	20,463	20,659	21,074	21,524	22,050
Total expenses for Program 1.1	20,463	20,659	21,074	21,524	22,050
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	9,740	10,007	10,230	10,478	10,743
Special accounts	10,137	10,044	10,267	10,484	10,743
Expenses not requiring appropriation in the Budget year (a)	586	608	577	562	564
Departmental total	20,463	20,659	21,074	21,524	22,050
Total expenses for Outcome 1	20,463	20,659	21,074	21,524	22,050
	2016–17	2017–18			
Average staffing level (number)	101	101			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, 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.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered.

<p>Outcome 1—Healthier, safer and more productive workplaces through improvements to Australian work health and safety and workers’ compensation arrangements.</p>	
<p>Program 1.1—Reform of and improvements to Australian work health and safety and workers compensation arrangements</p> <p>This program contributes to Outcome 1 by the innovative development of multi-stakeholder policy and being central to Australia becoming a world leader in the delivery of improved safety and compensation outcomes.</p>	
<p>Purpose</p>	<p>Safe Work Australia has an important national role to achieve significant and continual reductions in the incidence of work-related death, injury and illness and to improve outcomes for injured workers and their employers.</p> <p>To be able to meet its objectives Safe Work Australia works collaboratively with regulators, industry and employee associations and the community to achieve healthy, safe and productive working lives for all Australians.</p>
<p>Delivery</p>	<p>The deliverables for Safe Work Australia are highlighted in its annual operational plan:</p> <ul style="list-style-type: none"> • Review and if necessary revise the <i>Australian Work Health and Safety Strategy 2012–2022</i> and coordinate and report on the progress of national activities being implemented to assist in the achievement of the outcomes and targets outlined in the Strategy. • Build community awareness and knowledge of work health and safety and workers’ compensation through engagement and communication that is tailored, integrated, high quality, innovative and strategic. Safe Work Australia will undertake activities to: <ul style="list-style-type: none"> – improve work health and safety capability – integrate work health and safety, including leadership and culture, into normal business practices – provide accessible, effective and practical information to aid understanding and compliance particularly for individuals and small business. • Collect, maintain, improve and report on national work health and safety and workers’ compensation data. • Undertake and disseminate research and analysis on work health and safety and workers’ compensation issues to identify new priorities and provide evidence for policy and program development. • Monitor, evaluate and review the model work health and safety (WHS) laws to address issues impeding the effective and efficient operation of the laws and improve safety outcomes. • Improve workers’ compensation arrangements with a particular focus on return to work and strengthening the connection with enhanced health and safety outcomes. • Finalise policy proposals for nationally consistent explosives regulation. • Work with other countries or international organisations and represent Australia at relevant forums (as appropriate) to share data, information and/or knowledge and harness international learnings on work health and safety and workers’ compensation matters.

<p>Outcome 1—Healthier, safer and more productive workplaces through improvements to Australian work health and safety and workers’ compensation arrangements.</p>		
<p>Program 1.1—Reform of and improvements to Australian work health and safety and workers compensation arrangements</p> <p>This program contributes to Outcome 1 by the innovative development of multi-stakeholder policy and being central to Australia becoming a world leader in the delivery of improved safety and compensation outcomes.</p>		
<p>Performance information</p>		
Year	Performance criteria	Targets
2016–17	The work health and safety framework continues to be developed, implemented and reviewed in accordance with COAG requirements.	COAG requirements are met. Assessment: On target.
	Level of satisfaction of the Chair of Safe Work Australia with how the agency is achieving the deliverables of its operational plan.	Chair rates the performance of the agency as very good or above. Assessment: On target.
	Level of satisfaction of the Members of Safe Work Australia with how the agency is achieving the deliverables of its operational plan.	80% of Members agree the agency is achieving the deliverables of its operational plan. Assessment: On target.
2017–18	<p>Activities in the Operational Plan are delivered to the expected quality, on time and within budget</p> <p>Reductions in the incidence of work-related death, injury and illness through:</p> <ul style="list-style-type: none"> – an improved and reformed work health and safety framework – increased work health and safety awareness and skills – developing and maintaining an evidence base which informs policy and practice – reduced exposure to work-related hazards causing injury and illness, and improved quality of workplace controls. 	<p>80% of Members and the Chair are satisfied with the agency achievements</p> <p>By 2022:</p> <ul style="list-style-type: none"> – reduce workplace fatalities due to injury by 20 per cent or more – reduce the incidence rate of serious workers’ compensation claims by 30 per cent or more, and – reduce the incidence rate of serious workers’ compensation claims for musculoskeletal claims by 30 per cent or more.
2018–19 and beyond	As per 2017–18.	As per 2017–18.
<p>Material changes to Program 1.1 resulting from the following measures:</p> <p>Nil</p>		

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

Safe Work Australia receives funds from states and territories and matched appropriation funding from the Commonwealth as provided for in the IGA.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The agency is not expecting any major changes in its operations from a financial perspective. Funding arrangements are provided for in the IGA.

Safe Work Australia is budgeting for an operating loss equal to the unappropriated depreciation and amortisation expense of \$0.5 million for the 2017–18 financial year.

Total revenues are estimated to be \$20.1 million and total expenses \$20.7 million.

Total assets at the end of the 2017–18 financial year are estimated to be \$14.5 million. The majority of the assets represent receivables (appropriations receivable).

Total liabilities for 2017–18 are estimated at \$4.9 million. The largest liability item is accrued employee entitlements.

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	13,008	13,078	13,504	14,358	15,675
Suppliers	6,829	6,933	6,953	6,564	5,771
Grants	100	100	100	100	100
Depreciation and amortisation	526	548	517	502	504
Total expenses	20,463	20,659	21,074	21,524	22,050
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10,137	10,044	10,267	10,484	10,743
Total own-source revenue	10,137	10,044	10,267	10,484	10,743
Gains					
Other	60	60	60	60	60
Total gains	60	60	60	60	60
Total own-source income	10,197	10,104	10,327	10,544	10,803
Net cost of/contribution by services	10,266	10,555	10,747	10,980	11,247
Revenue from Government	9,740	10,007	10,230	10,478	10,743
Surplus/(deficit) attributable to the Australian Government	(526)	(548)	(517)	(502)	(504)
Total comprehensive income/(loss)	(526)	(548)	(517)	(502)	(504)
Total comprehensive income/(loss) attributable to the Australian Government	(526)	(548)	(517)	(502)	(504)

Note: Impact of net cash appropriation arrangements

	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	526	548	517	502	504
Total comprehensive income/(loss) —as per the statement of comprehensive income	(526)	(548)	(517)	(502)	(504)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

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	280	280	280	280	280
Trade and other receivables	11,886	11,886	11,886	11,886	11,886
Total financial assets	12,166	12,166	12,166	12,166	12,166
Non-financial assets					
Land and buildings	2,633	2,198	1,783	1,348	1,063
Property, plant and equipment	134	99	106	131	147
Intangibles	36	46	29	36	56
Other non-financial assets	40	40	40	40	40
Total non-financial assets	2,843	2,383	1,958	1,555	1,306
Total assets	15,009	14,549	14,124	13,721	13,472
LIABILITIES					
Payables					
Suppliers	1,217	1,217	1,217	1,217	1,217
Grants	19	19	19	19	19
Other payables	38	38	38	38	38
Total payables	1,274	1,274	1,274	1,274	1,274
Provisions					
Employee provisions	3,603	3,603	3,603	3,603	3,603
Total provisions	3,603	3,603	3,603	3,603	3,603
Total liabilities	4,877	4,877	4,877	4,877	4,877
Net assets	10,132	9,672	9,247	8,844	8,595
EQUITY*					
Parent entity interest					
Contributed equity	5,029	5,117	5,209	5,308	5,563
Reserves	3,381	3,381	3,381	3,381	3,381
Retained surplus (accumulated deficit)	1,722	1,174	657	155	(349)
Total parent entity interest	10,132	9,672	9,247	8,844	8,595
Total equity	10,132	9,672	9,247	8,844	8,595

* '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 \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	1,722	3,381	5,029	10,132
Adjusted opening balance	1,722	3,381	5,029	10,132
Comprehensive income				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	(548)	-	-	(548)
Total comprehensive income	(548)	-	-	(548)
of which:				
Attributable to the Australian Government	(548)	-	-	(548)
Transactions with owners				
Contributions by owners				
Departmental capital budget (DCB)	-	-	88	88
Sub-total transactions with owners	-	-	88	88
Transfers between equity				
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2018	1,174	3,381	5,117	9,672
Less: non-controlling interests	-	-	-	-
Closing balance attributable to the Australian Government	1,174	3,381	5,117	9,672

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	9,740	10,007	10,230	10,478	10,743
Sale of goods and rendering of services	10,138	10,044	10,267	10,484	10,743
Net GST received	1,014	1,004	1,027	1,049	1,074
Other	-	-	-	-	-
Total cash received	20,892	21,055	21,524	22,011	22,560
Cash used					
Employees	13,008	13,078	13,504	14,358	15,675
Suppliers	7,192	7,179	7,220	6,891	6,203
Grants	100	100	100	100	100
Net GST paid	687	698	700	662	582
Total cash used	20,987	21,055	21,524	22,011	22,560
Net cash from/(used by) operating activities	(95)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	81	88	92	99	255
Total cash used	81	88	92	99	255
Net cash from/(used by) investing activities	(81)	(88)	(92)	(99)	(255)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	81	88	92	99	255
Total cash received	81	88	92	99	255
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	81	88	92	99	255
Net increase/(decrease) in cash held	(95)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	375	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.

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
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	81	88	92	99	255
Total new capital appropriations	81	88	92	99	255
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	81	88	92	99	255
Total items	81	88	92	99	255
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB (a)	81	88	92	99	255
TOTAL	81	88	92	99	255
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	81	88	92	99	255
Total cash used to acquire assets	81	88	92	99	255

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2017				
Gross book value	4,308	348	381	5,037
Accumulated depreciation/amortisation and impairment	(1,675)	(214)	(345)	(2,234)
Opening net book balance	2,633	134	36	2,803
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services (a)	-	48	40	88
Total additions	-	48	40	88
Other movements				
Depreciation/amortisation expense	(435)	(83)	(30)	(548)
Total other movements	(435)	(83)	(30)	(548)
As at 30 June 2018				
Gross book value	4,308	396	421	5,125
Accumulated depreciation/amortisation and impairment	(2,110)	(297)	(375)	(2,782)
Closing net book balance	2,198	99	46	2,343

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2017–18 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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Table 3.7: 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 3.7 is not presented.

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

Safe Work Australia has no administered assets and liabilities. For this reason Table 3.8 is not presented.

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

Safe Work Australia has no administered cash flows. For this reason Table 3.9 is not presented.

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

Safe Work Australia has no administered capital budget. For this reason Table 3.10 is not presented.

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

Safe Work Australia has no administered non-financial assets. For this reason Table 3.11 is not presented.