

SAFE WORK AUSTRALIA

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

SAFE WORK AUSTRALIA

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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 *Public Governance, Performance and Accountability Act 2013* (PGPA Act) framework.

Safe Work Australia leads the development of national policy to improve work health and safety (WHS) 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 evidence collection and distribution, policy and strategy development and communication and education initiatives.

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 (CEO) of Safe Work Australia.

The CEO manages the agency under section 45 of the Act and is the Accountable Authority in accordance with the PGPA Act.

During 2019–20, and across the forward years, Safe Work Australia will continue to be an inclusive tripartite forum for the innovative development of evidence based national policy and supporting strategies. We will do this by:

- bringing together and recognising varying views and interests to ensure effective national policy which improves WHS and workers' compensation outcomes
- implementing the agreed recommendations of the independent review of the model WHS laws
- using our influence to increase knowledge and awareness of WHS and workers' compensation
- being a key source of WHS and workers' compensation research, evaluation and data
- developing policy proposals and supporting strategies to improve workers' compensation arrangements, with a particular focus on return to work, and
- working with other national and international bodies to share data, information and/or knowledge on WHS 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 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: Safe Work Australia resource statement — Budget estimates for 2019–20 as at Budget April 2019

	2018–19 (a) <i>Estimated actual</i> \$'000	2019–20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	56	-
Departmental appropriation (c)	10,231	10,422
Departmental capital budget (d)	92	99
Total departmental annual appropriations	<u>10,379</u>	<u>10,521</u>
Special accounts (e)		
Opening balance	14,454	14,175
Appropriation receipts (f)	10,379	10,521
Non-appropriation receipts	10,267	10,520
Total special accounts	<u>35,100</u>	<u>35,216</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>10,379</u>	<u>10,521</u>
Total departmental resourcing	35,100	35,216
Total resourcing for Safe Work Australia	35,100	35,216
	<u>2018–19</u>	<u>2019–20</u>
Average staffing level (number)	101	101

All figures shown above are GST exclusive — these may not match figures in the cash flow statement. Prepared on a resourcing (that is, appropriations available) basis.

- (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) Excludes Departmental Capital Budget (DCB).
- (d) The DCB is not separately identified in Appropriation Bill (No. 1) and forms 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'.
- (e) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on 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, e.g. annual appropriations, special appropriations and special accounts.
- (f) Amounts credited to the special account from Safe Work Australia's annual appropriation.

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 2019–20 Budget measures

Safe Work Australia does not have any new measures since the 2018–19 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 Safe Work Australia can be found at:
<https://www.safeworkaustralia.gov.au/about-us/corporate-plan>.

The most recent annual performance statements can be found at:
<https://www.safeworkaustralia.gov.au/book/part-3-our-performance-2017-2018>.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 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	10,231	10,422	10,584	10,807	11,077
Special accounts					
Safe Work Australia Special Account	10,267	10,520	10,839	11,066	11,342
Expenses not requiring appropriation in the Budget year (a)	646	680	685	693	694
Departmental total	21,144	21,622	22,108	22,566	23,113
Total expenses for Program 1.1	21,144	21,622	22,108	22,566	23,113
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	10,231	10,422	10,584	10,807	11,077
Special accounts	10,267	10,520	10,839	11,066	11,342
Expenses not requiring appropriation in the Budget year (a)	646	680	685	693	694
Departmental total	21,144	21,622	22,108	22,566	23,113
Total expenses for Outcome 1	21,144	21,622	22,108	22,566	23,113
	2018–19	2019–20			
Average staffing level (number)	101	101			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation 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 and where 2019–20 Budget measures have created new programs or materially changed existing programs.

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		
This program contributes to Outcome 1 by ensuring the innovative development of evidence based policy which is central to Australia becoming a world leader in the delivery of improved safety and compensation outcomes.		
Purpose	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. To be able to meet its objectives Safe Work Australia works collaboratively with WHS regulators, industry and employee associations and the community to achieve healthy, safe and productive working lives for all Australians.	
Delivery	The deliverables for Safe Work Australia support healthier and safer workplaces for all Australians, and have been developed with reference to the functions set out in the Act. These deliverables include to: <ul style="list-style-type: none"> • continue to implement the Members' response to the findings of the mid-term review of the Australian Work Health and Safety Strategy 2012–2022 and coordinate and report on activities undertaken to assist in the achievement of the Strategy's outcomes and targets • implement the agreed recommendations of the review of the model WHS laws, and continue to develop policy to support the effective and efficient operation of the laws and improvements to safety outcomes • develop policy proposals and supporting strategies to improve workers' compensation arrangements, with a particular focus on return to work • collect, analyse and report on relevant data and undertake and disseminate research to identify new priorities and provide evidence for the development or evaluation of policies and supporting strategies • develop and implement national education and communication strategies and initiatives to build awareness and knowledge of work health and safety and workers' compensation and promote consistency in arrangements, and • work with other national and international bodies to share data, information and/or knowledge, and represent Australia as appropriate, to improve Australian outcomes. Safe Work Australia's corporate and operational plans provide further information on the strategies for achieving the outcome.	
Performance information		
Year	Performance criteria	Targets
2018–19	Activities in the Operational Plan are delivered to the expected quality, on time and within budget. Reductions in the incidence of work-related death, injury and illness through: <ul style="list-style-type: none"> • an improved and reformed work health and safety framework 	80% of Members and the Chair are satisfied with the agency's achievements. By 2022: <ul style="list-style-type: none"> • reduce workplace fatalities due to injury by 20 per cent or more

<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 ensuring the innovative development of evidence based policy which is central to Australia becoming a world leader in the delivery of improved safety and compensation outcomes.</p>		
	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. <p>Assessment: On track.</p>
2019–20	<ul style="list-style-type: none"> • Activities in the Operational Plan are delivered to the expected quality, on time and within budget. • Reductions in the incidence of work-related death, injury and illness through: <ul style="list-style-type: none"> – an improved and reformed work health and safety framework – increased work health and safety awareness – 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>70 - 80% of Members and the Chair are satisfied the activities in the Operational Plan are met.</p> <p>By 2022:</p> <ul style="list-style-type: none"> • a reduction in the number of worker fatalities due to injury of at least 20 per cent • a reduction in the incidence rate of claims resulting in one or more weeks off work of at least 30 per cent, and • a reduction in the incidence rate of claims for musculoskeletal disorders resulting in one or more weeks off work of at least 30 per cent.
2020–21 and beyond	As per 2019–20.	<p>As per 2019–20 for the duration of the current Australian Work Health and Safety Strategy.</p> <p>Targets beyond 2022 will be determined as part of the formulation of the next strategy.</p>

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

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

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

The Agency Resource Statement (Table 1.1) details the total appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2019–20 Budget year, including amounts related to meeting future employee entitlement obligations.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Safe Work Australia is not expecting any major changes in its financial operations during 2019–20 or over the forward estimates. The agency's funding arrangements are provided in the IGA.

For 2019–20, Safe Work Australia is budgeting for an operating loss equal to the unappropriated depreciation and amortisation expense of \$0.6 million.

Total revenues are budgeted to be \$21.0 million and total expenses \$21.6 million.

Total assets at the end of 2019–20 are estimated to be \$16.2 million, including cash held by the Official Public Account (OPA) in the Safe Work Australia Special Account.

Total liabilities at the end of 2019–20 are estimated at \$4.8 million. The largest liability component 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

	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	12,740	13,041	13,301	13,632	13,972
Suppliers	7,668	7,811	8,032	8,151	8,357
Grants	140	140	140	140	140
Depreciation and amortisation (a)	596	630	635	643	644
Total expenses	21,144	21,622	22,108	22,566	23,113
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10,267	10,520	10,839	11,066	11,342
Other	50	50	50	50	50
Total own-source revenue	10,317	10,570	10,889	11,116	11,392
Total own-source income	10,317	10,570	10,889	11,116	11,392
Net cost of services	(10,827)	(11,052)	(11,219)	(11,450)	(11,721)
Revenue from Government	10,231	10,422	10,584	10,807	11,077
Deficit attributable to the Australian Government	(596)	(630)	(635)	(643)	(644)
Total comprehensive loss	(596)	(630)	(635)	(643)	(644)
Total comprehensive loss attributable to the Australian Government	(596)	(630)	(635)	(643)	(644)
Note: Impact of net cash appropriation arrangements					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive loss excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	596	630	635	643	644
Total comprehensive loss — as per the statement of comprehensive income	(596)	(630)	(635)	(643)	(644)

(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)

	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	14,175	14,175	14,175	14,170	14,060
Trade and other receivables	456	456	690	690	456
Total financial assets	14,631	14,631	14,865	14,860	14,516
Non-financial assets					
Land and buildings	1,617	1,106	595	318	36
Property, plant and equipment	365	345	241	139	386
Other non-financial assets	157	157	157	157	157
Total non-financial assets	2,139	1,608	993	614	579
Assets held for sale					
Total assets	16,770	16,239	15,858	15,474	15,095
LIABILITIES					
Payables					
Suppliers	1,378	1,325	1,270	1,212	1,150
Other payables	257	257	257	257	257
Total payables	1,635	1,582	1,527	1,469	1,407
Provisions					
Employee provisions	3,182	3,235	3,290	3,348	3,410
Total provisions	3,182	3,235	3,290	3,348	3,410
Total liabilities	4,817	4,817	4,817	4,817	4,817
Net assets	11,953	11,422	11,041	10,657	10,278
EQUITY*					
Parent entity interest					
Contributed equity	5,209	5,308	5,562	5,821	6,086
Reserves	776	776	776	776	776
Retained surplus	5,968	5,338	4,703	4,060	3,416
Total parent entity interest	11,953	11,422	11,041	10,657	10,278
Total equity	11,953	11,422	11,041	10,657	10,278

*Equity is the residual interest in assets after the 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	5,968	776	5,209	11,953
Adjusted opening balance	5,968	776	5,209	11,953
Comprehensive income				
Other comprehensive income	-	-	-	-
Deficit for the period	(630)	-	-	(630)
Total comprehensive income	(630)	-	-	(630)
of which:				
Attributable to the Australian Government	(630)	-	-	(630)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	99	99
Sub-total transactions with owners	-	-	99	99
Estimated closing balance as at 30 June 2020	5,338	776	5,308	11,422
Closing balance attributable to the Australian Government	5,338	776	5,308	11,422

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	10,231	10,422	10,584	10,807	11,077
Sale of goods and rendering of services	11,294	11,572	11,923	12,173	12,477
Total cash received	21,525	21,994	22,507	22,980	23,554
Cash used					
Employees	13,281	12,988	13,246	13,574	13,910
Suppliers	7,871	8,634	8,877	9,027	9,133
Grants	154	154	154	154	154
Net GST paid	219	218	230	225	357
Total cash used	21,525	21,994	22,507	22,980	23,554
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	427	99	20	264	609
Total cash used	427	99	20	264	609
Net cash from/(used by) investing activities	(427)	(99)	(20)	(264)	(609)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	148	99	20	259	499
Total cash received	148	99	20	259	499
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	148	99	20	259	499
Net increase/(decrease) in cash held	(279)	-	-	(5)	(110)
Cash and cash equivalents at the beginning of the reporting period	14,454	14,175	14,175	14,175	14,170
Cash and cash equivalents at the end of the reporting period	14,175	14,175	14,175	14,170	14,060

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
NEW CAPITAL APPROPRIATIONS					
Capital budget — Bill 1 (DCB)	92	99	254	259	265
Total new capital appropriations	92	99	254	259	265
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	92	99	254	259	265
Total items	92	99	254	259	265
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation — DCB (a)	148	99	20	259	499
Funded internally from departmental resources	279	-	-	5	110
TOTAL	427	99	20	264	609
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	427	99	20	264	609
Total cash used to acquire assets	427	99	20	264	609

(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 2019–20)

	Buildings	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2019			
Gross book value	3,114	600	3,714
Accumulated depreciation/amortisation and impairment	(1,497)	(235)	(1,732)
Opening net book balance	1,617	365	1,982
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase — appropriation ordinary annual services (a)	-	99	99
Total additions	-	99	99
Other movements			
Depreciation/amortisation expense	(511)	(119)	(630)
Total other movements	(511)	(119)	(630)
As at 30 June 2020			
Gross book value	3,114	699	3,813
Accumulated depreciation/amortisation and impairment	(2,008)	(354)	(2,362)
Closing net book balance	1,106	345	1,451

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019–20 depreciation/amortisation expenses, DCBs or other operational expenses.

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)

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 2019–20)

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