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# Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers Safety, Rehabilitation and Compensation Authority

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

Comcare supports participation and productivity by working with employers and employees to keep workers healthy and safe by minimising harm in the workplaces it covers.

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

Comcare has consolidated its strategic functions into a single outcome:

* Supporting participation and productivity through healthy and safe workplaces that minimise the impact of harm in workplaces covered by Comcare.

The outcome statement provides better strategic alignment of the insurance and regulatory functions and focuses on Comcare’s contribution in supporting productivity and participation.

Comcare is ensuring that delivery of its strategic priorities, articulated through its Corporate Plan, will ensure Comcare continues to be an efficient and effective regulator, a cost effective insurer, and an adaptable organisation that shows leadership in identifying and delivering strategies to minimise harm in the workplace.

Comcare’s strategic priorities in 2015–16 include:

* Work, health and safety leadership – developing a policy narrative with a focus on productivity and participation, and influencing the workplace wellbeing dialogue through closer engagement with employers, employees, policy makers and researchers
* Targeted regulation – maintaining a focus on harm prevention using a modern model of regulation
* Leading insurer – delivering robust and transparent premium setting policies and engaging with employers to achieve better outcomes in claims management
* Fresh approaches – generating and understanding business intelligence to guide better policy and operations
* Successful business – ensuring Comcare’s capability supports the vision and obligations of the organisation.

Comcare will continue to:

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

Comcare’s strategic direction ensures that our priority actions are clear and in alignment with our strategic focus and ensure the coherence, capability and adaptability of the organisation going forward.

### 1.2 Entity resource statement

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

Table 1.1: Comcare resource statement — Budget estimates for 2015–16 as at Budget May 2015



Comcare is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Employment which are then paid to Comcare and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2015–16.

2 Outcome 2 and 3 have been consolidated into Outcome 1 from 1 July 2015.

3 Grants from Portfolio Department includes 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.

All figures are GST exclusive.

### 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 2015–16 Budget measures

Part 1: Measures announced since the 2014–15 Mid-Year Economic and Fiscal Outlook (MYEFO)



Prepared on a Government Finance Statistics (fiscal) basis

## Section 2: Outcomes and planned performance

### 2.1 Outcomes and performance information

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of Comcare in achieving government outcomes.

#### Outcome and programme changes

The following figure shows the consolidation of the three outcomes in 2014–15 to a single outcome in 2015–16 and the changes in the programme components.

Figure 2 Changes to Comcare’s outcome structure

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2014–15 Financial year | | | | |
| **Outcome 1:** The protection of the health, safety and welfare at work of workers covered by the Comcare scheme through education, assurance and enforcement. |  | **Outcome 2:** An early and safe return to work and access to compensation for injured workers covered by the Comcare scheme through working in partnership with employers to create best practice in rehabilitation and quick and accurate management of workers’ compensation claims. |  | **Outcome 3:** Access to compensation for people with asbestos-related diseases where the Commonwealth has a liability, through management of claims. |
| Programme 1: Comcare | Programme 2: Comcare   * Component 2.1—SRC Act Regulation * Component 2.2—Management of Premium Claims * Component 2.3—Management of   Pre-premium Claims   * Component 2.4—Provide support to the Seafarers Safety Rehabilitation and Compensation Authority | Programme 2: Comcare |
|  | | | | |
| 2015–16 Financial year | | | | |
| **Outcome 1:** Support participation and productivity through healthy and safe workplaces that minimise the impact of harm in workplaces covered by Comcare.  Programme 1: Comcare   * Component 1.1—Work Health, Safety and Rehabilitation Regulation * Component 1.2—Comcare Workers’ Compensation Scheme Management * Component 1.3— Component 1.3—Safety, Rehabilitation and Compensation Commission and Seafarers Safety, Rehabilitation and Compensation Authority Support * Component 1.4—Premium Claims * Component 1.5—Pre-premium Claims * Component 1.6—Asbestos Claims | | | | |

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

#### Outcome 1 strategy

Comcare works with employers, employees and their representatives, state and territory bodies and other organisations to contribute to national goals in improving work health and safety and minimising the impact of harm in workplaces.

It does this through:

* supporting employers, employees and other duty holders to create and maintain healthy and safe workplaces through the regulation of work health, safety and rehabilitation in workplaces covered by Comcare
* minimising the impact of harm in workplaces through effective and efficient management of the Comcare workers’ compensation scheme
* improving the quality and effectiveness of compensation delivery, including improving return to work and health outcomes
* maintaining the sustainability and accountability of the scheme
* supporting the SRCC and the Seacare Authority in their statutory roles.

In 2015–16, Comcare will continue to strengthen its position as a leader in work health and safety by identifying and communicating best practice, and promoting a broad understanding of our role and responsibilities.

Effective work health and safety regulation remains a priority for Comcare. Regulatory activities will continue to be targeted and focussed on harm prevention, with annual campaigns focused on minimising the drivers of illness and injury in the Comcare Scheme. Comcare is committed to delivering regulation consistent with the Australian Government’s Regulator Performance Framework. Comcare engages in a national approach for scheme efficiency and sustainability and will strengthen cost recovery arrangements in order to increase transparency and accountability.

To ensure improved return to work outcomes, Comcare will engage with employers and employees to support workers through a targeted approach using our Active Management Model and continuing work on the Health Benefits of Work initiative.

Further measures that will support a collaborative culture and ensure a successful business into the future include ensuring all roles have a clear link to the delivery of Comcare’s outcome, effective management of strategic and operational risks and ensuring stronger alignment of corporate planning and budgeting.

##### Outcome expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by programme for 2015–16.

Table 2.1: Budgeted expenses for Outcome 1



1 Figures for 2014–15 are aggregates of the previous three outcomes.

2 This relates to non-cash movements in workers' compensation claims liabilities and asbestos-related claims liabilities.

#### Contributions to Outcome 1

Programme 1.1: Comcare Departmental Outcome 1

##### Programme objective

* To promote healthy and safe workplaces and prevent harm in workplaces covered by Comcare through regulation of health, safety and rehabilitation.
* To implement and maintain Comcare workers’ compensation scheme policies and guidance and report of scheme effectiveness.
* To enable the SRCC management and regulation of self-insured licensees in the Comcare scheme under the *Safety Rehabilitation and Compensation Act 1988* (SRC Act) and the Seacare Authority operations under the *Seafarers Safety, Rehabilitation and Compensation Act 1992* (Seafarers Act) and relevant legislation.
* To deliver timely and appropriate management of premium claims.
* To support stakeholders in achieving return to work and health outcomes.
* To deliver value for money and financial sustainability across claim management operations and services.
* To deliver timely and appropriate management of pre-premium claims.
* To deliver timely and appropriate management of claims under the *Asbestos-Related Claims (Management of Commonwealth Liabilities) Act 2005* (ARC Act).

##### Programme expenses

* Comcare is maintaining resourcing to match the government’s expectations about the level of regulatory intervention and the need to continue the positive trend in injury prevention.
* The Special Appropriation under s90D of the SRC Act (Grants received from portfolio departments) relates to workers’ compensation claims that were accepted prior to the establishment of the Comcare premium scheme on 1 July 1989. The costs of these claims are funded from the Consolidated Revenue Fund.
* Expenses for claims accepted since 1 July 1989 are funded from premium revenue paid to Comcare and do not require appropriation.

Table 2.1.1 Programme expenses



1 Figures for 2014-15 are aggregates of the previous three outcomes.

2 This relates to non-cash movements in workers' compensation claims liabilities and asbestos-related claims liabilities.

##### Programme components

* Component 1.1—Work Health, Safety and Rehabilitation Regulation
* Component 1.2—Comcare Workers’ Compensation Scheme Management
* Component 1.3—SRCC and Seacare Authority Support
* Component 1.4—Premium Claims
* Component 1.5—Pre-premium Claims
* Component 1.6—Asbestos Claims

Table 2.2 Programme components



1 2014–15 expenses for components 1.1, 1.2 and 1.3 have been reclassified to align with the new programme components in 2015–16.

##### Programme 1.1 Deliverables

Component 1.1 – Work Health, Safety and Rehabilitation Regulation

* Perform the functions of the regulator under the *Work Health and Safety Act (Cth) 2012* (WHS Act).
* Perform the rehabilitation regulatory functions set out in the SRC Act.
* Contribute to the delivery of the Australian Work Health and Safety Strategy 2012–2022.

Component 1.2 – Comcare Workers’ Compensation Scheme Management

* Perform the scheme management functions set out in the SRC Act.
* Co-operate with other bodies or persons with the aim of reducing the incidence of injury to employees.
* Research and promote the adoption of effective strategies and procedures for the rehabilitation of injured workers pursuant to the SRC Act.

Component 1.3 – SRCC and Seacare Authority Support

* Provide the SRCC with such secretarial and other assistance, and make available to it the services of such members of Comcare’s staff and such other resources, as the SRCC reasonably requires from time to time for the proper performance of its functions or exercise of its powers.
* Provide the Seacare Authority such secretarial and other assistance, and make available to it the services of such members of Comcare’s staff and such other resources as the Seacare Authority reasonably requires from time to time for the proper performance of its functions or exercise of its powers.

Component 1.4 – Premium Claims

* Deliver a better practice compensation model.
* Enhance effective partnerships with employers.
* Influence rehabilitation and clinical stakeholders.
* Influence, prepare for and respond to legislative change.
* Identify and address opportunities for improved performance.
* Deliver a premium model that is robust, transparent and contemporary.

Component 1.5 – Pre-premium Claims

* Deliver a better practice compensation model.
* Identify and address opportunities for improved performance.

Component 1.6 – Asbestos Claims

* Deliver a better practice compensation model.
* Identify and address opportunities for improved performance.

#### Programme 1.1 Key performance indicators

The key performance indicators for this outcome are in Tables 2.2.A to 2.2.G.

Table 2.2.A Component 1.1 – Work Health Safety and Rehabilitation Regulation

| Key performance indicators | 2014–15  Revised budget | 2015–16 Budget | 2016–17 Forward Estimate | 2017–18  Forward Estimate | 2018–19  Forward Estimate |
| --- | --- | --- | --- | --- | --- |
| Achievement of the Australian Work Health and Safety Strategy 2012–2020 targets and initiatives | Yes | Yes | Yes | Yes | Yes |
| Compliance with the Nationally Consistent Approval Framework for Workplace Rehabilitation Providers by workplace rehabilitation programme providers approved by Comcare | Yes | Yes | Yes | Yes | Yes |
| Achievement of Regulator Performance Framework requirements | Yes | Yes | Yes | Yes | Yes |

Table 2.2.B Component 1.2 Comcare Workers’ Compensation Scheme Management

| Key performance indicators | 2014–15  Revised budget | 2015–16 Budget | 2016–17 Forward Estimate | 2017–18  Forward Estimate | 2018–19  Forward Estimate |
| --- | --- | --- | --- | --- | --- |
| Returned to Work across scheme participants(i.e. the proportion of injured workers with 10 or more days off work, who returned to work for any period of time at some stage since they had their first day off work) | 90% | 90% | 90% | 90% | 90% |
| Current Return to Work (CRTW) (i.e. the percentage of injured workers with 10 or more days off work, who had submitted a claim 7–9 months prior to the survey, and who are working in a paid job at the time of the survey) | 90% | 90% | 90% | 90% | 90% |
| Employer satisfaction with scheme management | N/A | 90% | 90% | 90% | 90% |

Table 2.2.C Component 1.3 SRCC and Seacare Authority Support

| Key performance indicators | 2014–15  Revised budget | 2015–16 Budget | 2016–17 Forward Estimate | 2017–18  Forward Estimate | 2018–19  Forward Estimate |
| --- | --- | --- | --- | --- | --- |
| SRCC satisfaction with support provided by Comcare | Satisfied | Satisfied | Satisfied | Satisfied | Satisfied |
| Seacare Authority satisfaction of support provided by Comcare | Satisfied | Satisfied | Satisfied | Satisfied | Satisfied |

Table 2.2.D Component 1.4 – Premium claims

| Key performance indicators | 2014–15  Revised budget | 2015–16 Budget | 2016–17 Forward Estimate | 2017–18  Forward Estimate | 2018–19  Forward Estimate |
| --- | --- | --- | --- | --- | --- |
| Funding ratio (i.e. the percentage of premium-related total assets to premium-related liabilities ) | 71% | 75% | 79% | 84% | 88% |
| Commonwealth average premium rate | 2.12% | 2.04% | 1.98% | 1.93% | 1.87% |
| Claims continuance rate (i.e. the percentage of claims with 4 weeks of incapacity that continued to 13 weeks or more of incapacity) | 58% | 57% | 56% | 55% | 54% |
| Current return to work rate (i.e the percentage of injured workers from premium payers with 10 or more days off work, who had submitted a claim 7–9 months prior to the survey, and who are working in a paid job at the time of the survey) | 90% | 90% | 90% | 90% | 90% |
| Injured worker satisfaction with recovery and support service | 81% | N/A | N/A | N/A | N/A |
| Injured worker satisfaction with services as part of the Comcare index | N/A | 85% | 87% | 90% | 90% |

Table 2.2.E Component 1.4 – Premium claims (continued)

| Key performance indicators | 2014–15  Revised budget | 2015–16 Budget | 2016–17 Forward Estimate | 2017–18  Forward Estimate | 2018–19  Forward Estimate |
| --- | --- | --- | --- | --- | --- |
| Timeliness of claims determination (i.e. percentage of new claims determined within 20 calendar days for injury claims and 60 days for disease claims) | 85% | 100% | 100% | 100% | 100% |
| Timeliness of determined claims payment (i.e. percentage of non-incapacity items paid or rejected within 7 calendar days for reimbursement to employees or trustees, and 28 calendar days for other payments) | 90% | 100% | 100% | 100% | 100% |

Table 2.2.F Component 1.5 Pre-premium claims

| Key performance indicators | 2014–15  Revised budget | 2015–16 Budget | 2016–17 Forward Estimate | 2017–18  Forward Estimate | 2018–19  Forward Estimate |
| --- | --- | --- | --- | --- | --- |
| Timeliness of determined claims payment (i.e. percentage of non-incapacity items paid or rejected within 7 calendar days for reimbursement to employees or trustees, and 28 calendar days for other payments) | 90% | 100% | 100% | 100% | 100% |

Table 2.2.G Component 1.6 Asbestos Claims

| Key performance indicators | 2014–15  Revised budget | 2015–16 Budget | 2016–17 Forward Estimate | 2017–18  Forward Estimate | 2018–19  Forward Estimate |
| --- | --- | --- | --- | --- | --- |
| Timeliness of claims resolution (i.e. percentage of primary asbestos claims resolved within 180 calendar days) | 65% | 80% | 80% | 80% | 80% |
| Third party recovery rate (i.e. percentage of the value of asbestos claims settlements recovered from third parties) | 5% | 10% | 10% | 10% | 10% |

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015–16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

### 3.1 Explanatory tables

#### 3.1.1 Movement of administered funds between years

Comcare has no movement of administered funds to report. For this reason Table 3.1.1 is not presented.

#### 3.1.2 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister’s determination under section 78 of the PGPA Actor under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for the special account for which the Seacare Authority is responsible.

Table 3.1.2: Estimates of special account flows and balances



(A) = Administered.

\*In 2015–16 Comcare has streamlined its outcome structure to improve the alignment of its programmes in accordance with its vision and revised organisation structure. Previously the work associated with the Seafarers Rehabilitation and Compensation Account formed part of Outcome 2.

The Special Account was established for the purpose of providing a safety net under section 96 of the Seafarers Act for the compensation and rehabilitation of injured seafarers not otherwise covered by an employer.

Transactions against this special account reflect:

* Levy collections from maritime operators;
* Expenses incurred in the administration of the Seafarers Safety Net fund and claim payments (if any).

#### 3.1.3 Australian Government Indigenous expenditure

Comcare has no Australian Government Indigenous expenditure to report. For this reason Table 3.1.3 is not presented.

### 3.2 Budgeted financial statements

#### 3.2.1 Differences in entity resourcing and financial statements

The difference between the available resources shown in Table 1.1: Comcare resource statement and Table 3.2.1: Comprehensive Income Statement is due to prior year amounts available in 2015–16. The prior year amounts relate to retained premium funds, which are held to discharge future premium claims liabilities. Table 3.2.2: Budgeted Departmental Balance Sheet also includes significant financial assets (appropriations receivable) which will fund claim payments over the lifetime of the outstanding claims liabilities.

#### 3.2.2 Analysis of budgeted financial statements

**Income**

Comcare’s total income in 2015–16 is budgeted at $581.9 million, compared to $627.6 million in 2014–15 (a decrease of $45.7 million).

Revenue from independent sources, which excludes annual appropriations and other cash and non-cash appropriations received from the portfolio department, is budgeted at $514.5 million (refer to table below).

Table 3.2.2.A Revenue from independent sources



The decrease in revenue is mainly due to expected reduction in premium revenue. The key factors contributing to a lower level of premium in 2015–16 include a notable reduction in employee numbers and a lower additional margin in response to improved funding ratio of the scheme.

**Expenses**

Comcare’s total expenses in 2015–16 are budgeted at $512.9 million, compared to $618.4 million in 2014–15 (a decrease of $105.6 million).

Claims expenses are budgeted to decrease by $103.9 million based on projections provided by independent actuarial assessment. While benefits payments is expected to increase by $18.8 million, movement in outstanding claims liabilities is expected to be significantly less in 2015–16 ($65.0 million in 2015–16 compared to $187.7 million in 2014–15). Movement in outstanding claims liabilities for 2014–15 has been revised to reflect a significant increase in claims provisions due primarily to unfavourable economic assumptions in valuing long term liabilities. This increases the claims expenses in 2014–15 despite the fact that outstanding claims liabilities before economic adjustments have been reducing in the past two years. Economic assumptions used in the 2015–16 budget represent less volatile economic conditions in the next financial year.

Comcare’s administration expenses are budgeted to reduce in 2015–16 by $1.6 million (i.e. from $111.8 million to $110.2 million), reflecting Comcare’s ongoing commitment to improve administration efficiency.

**Operating Result**

Comcare’s operating result in 2015–16 is budgeted at a surplus of $69.0 million. This, along with budgeted surpluses over forward years will contribute to restoring the premium scheme’s financial health.

Comcare’s expected operating result in 2014-15 has reduced significantly since the publishing of the 2014–15 Portfolio Budget Statements. This is in line with the mid-year valuation of outstanding claims liabilities by Comcare’s independent actuaries and is mainly due to unfavourable movements in economic assumptions used in the valuation of long term liabilities. It is important to note, however, that the final operating result is subject to a further assessment of the outstanding claims liabilities as at 30 June 2015.

**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 2015–16 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 3.2.2.B Estimates for gross claims liabilities as at 30 June each year



#### 3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June



1 This relates to non-cash movements in workers' compensation claims liabilities and  
asbestos-related claims liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2015–16)



Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (Budget year 2015–16)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

Table 3.2.10: Administered capital budget statement (for the period ended 30 June)

Comcare has no administered capital purchases. For this reason Table 3.2.10 is not presented.

Table 3.2.11: Statement of administered asset movements (Budget year 2015–16)

Comcare has no administered non-financial assets. For this reason Table 3.2.11 is not presented.

#### 3.2.4 Notes to the financial statements

##### Accounting policy

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister’s Orders issued by the Minister for Finance.

The statements have been prepared:

* on an accrual accounting basis
* in compliance with Australian Accounting Standards and Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other authoritative pronouncements of the Australian Accounting Standards Boards and the Consensus Views of the Urgent Issues Group
* having regard to Statements of Accounting Concepts.

##### Entity items

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

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

#### Comprehensive Income Statement

##### Revenue from government

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

##### Own source revenue

Comcare receives the following own-source revenue:

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

##### Workers’ compensation premiums

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

Premiums do not cover liabilities for injuries or illness sustained prior to 1 July 1989. These liabilities are funded by Parliamentary appropriation and are referred to as ‘pre‑premium’ liabilities.

##### Grants received from portfolio department

‘Grants received from 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
* the movement in claims liabilities payable in future years based on independent actuarial assessment.

##### Administration expenses

Comcare administration expenses include:

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

##### Claims expenses

Comcare recognises two types of claims expenses:

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

#### Departmental Balance Sheet

##### Cash and cash equivalents

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

##### Trade and other receivables

Other receivables are the combined value of:

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

##### Employee provisions

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

##### Other provisions

Provision is made for:

* outstanding workers’ compensation claims liabilities
* asbestos-related common law liabilities.

These estimates have been prepared by independent actuaries. They are based on analysis of the historical development of the relevant claims experience, with allowances for future claim escalation and administration expenses, and are discounted to a present value to allow for the time value of money.

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