

SAFE WORK AUSTRALIA

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SAFE WORK AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Safe Work Australia was initially established as an Executive Agency on 1 July 2009 under section 65 of the *Public Service Act 1999* and was transferred from the Portfolio Department. The Executive Agency was abolished and 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 was established as the principal national body to lead the development of policy and to improve work health and safety and workers' compensation arrangements across Australia. It is responsible for coordinating and developing national policy and strategies, developing model work health and safety legislation, undertaking research, and collecting, analysing and reporting data. In doing this, Safe Work Australia works collaboratively with the community, industry and worker associations and regulators to realise the national vision of Australian workplaces free from death, injury and disease.

The establishment of Safe Work Australia gives effect to the *Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety*, agreed by the Council of Australian Governments (COAG) on 3 July 2008. Safe Work Australia replaced the Australian Safety and Compensation Council which operated within the Department of Education, Employment and Workplace Relations. The Australian Government retains the functions specific to implementation of harmonised work health and safety practices within its jurisdiction.

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 workers, two representing the interests of employers and the Chief Executive Officer of Safe Work Australia.

Safe Work Australia Budget Statements – Overview & resources

Together, the Safe Work Australia members and the agency work to:

- achieve significant and continual reductions in the incidence of death, injury and disease in the workplace
- achieve national work health and safety laws complemented by a nationally consistent approach to compliance policy and enforcement policy
- improve national workers' compensation arrangements.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Safe Work Australia Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010

	Estimate of prior year amounts available in 2010-11 \$'000	+ Proposed at Budget 2010-11 \$'000	= Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	-	-	-	-
Departmental appropriation ³	-	9,935	9,935	7,654
s31 Relevant agency receipts ⁴	-	-	-	-
Total	-	9,935	9,935	7,654
Total ordinary annual services A	-	9,935	9,935	7,654
Other services⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Previous years' programs	-	-	-	-
Total	-	-	-	-
Total other services B	-	-	-	-
Total available annual appropriations	-	9,935	9,935	7,654
Total appropriations excluding Special Accounts	-	9,935	9,935	7,654

Table 1.1: Safe Work Australia Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010 (continued)

	Estimate of prior year amounts available in 2010-11 \$'000	+	Proposed at Budget 2010-11 \$'000	=	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Special Accounts						
Opening balance ⁶	-		3,922		3,922	-
Appropriation receipts ⁷	-		9,935		9,935	7,654
Appropriation receipts - other agencies ⁸	-		-		-	-
Non-appropriation receipts to Special Accounts	-		9,008		9,008	11,994
Total Special Account	C		22,865		22,865	19,648
Total resourcing						
A+B+C	-		32,800		32,800	27,302
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-		-		-	-
	-		9,935		9,935	7,654
Total net resourcing for Safe Work Australia	-		22,865		22,865	19,648

¹ Appropriation Bill (No.1) 2010-11

² Estimated adjusted balance carried from previous year for annual appropriations

³ Includes an amount of \$1.296m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'

⁴ s31 Relevant Agency receipts - estimate

⁵ Appropriation Bill (No.2) 2010-11

⁶ Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies (OTM) and Services for other Government and Non-agency Bodies (SOG) accounts). For further information on special accounts see Table 3.1.2.

⁷ Appropriation receipts from the Department of Finance and Deregulation

⁸ Appropriation receipts from other agencies credited to Safe Work Australia special accounts

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

Safe Work Australia does not have any new measures since the 2009-10 Budget. For this reason Table 1.2 is not presented.

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 programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies 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, specifying the performance indicators and targets used to assess and monitor the performance of Safe Work Australia in achieving government outcomes.

Outcome 1: Safer and more productive Australian workplaces through harmonising national occupational health and safety and workers' compensation arrangements.

Outcome 1 Strategy

Safe Work Australia works in partnership with representatives of the Commonwealth, state and territory governments, employees and employers so that:

- The community regards work health and safety as a key community issue to be addressed.
- Australia has harmonised work health and safety laws, guidance material and enforcement policies that provide a uniform, equitable and high level of protection to all workers.
- National work health and safety and workers' compensation policy is developed, informed by knowledge, understanding and prioritisation of emerging and existing issues.
- Work health and safety is improved through understanding what influences and changes cultures in Australian workplaces.
- Opportunities for greater harmonisation in workers' compensation arrangements are identified and assessed:
 - for employers with workers in more than one jurisdiction
 - for the Commonwealth, states and territories through an improved understanding of the workers' compensation operational environment.

Outcome 1 Expense and Resource Statement

Table 2.1 provides an overview of the total expenses for Outcome 1.

Table 2.1: Budgeted Departmental Expenses and Resources for Outcome 1

Outcome 1: Safer and more productive Australian workplaces through harmonising national occupational health and safety and workers' compensation arrangements.	2009-10	2010-11
	Estimated actual expenses \$'000	Estimated expenses \$'000
Outcome 1 Totals by appropriation type		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	8,157	8,639
Special Accounts	6,763	9,008
Expenses not requiring appropriation in the Budget year	757	469
Total expenses for Outcome 1	15,677	18,116
	2009-10	2010-11
Average Staffing Level (number)	91	110

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

Program 1 - Safer and more productive Australian workplaces through harmonising national occupational health and safety and workers' compensation arrangements.

Program 1 objective

The objective of Safe Work Australia is to coordinate and develop national policy and strategies, undertake research and collect, analyse and report data to improve work health and safety and workers' compensation arrangements in Australia.

The key priority task for the new agency is to develop model work health and safety laws which will then be able to be uniformly adopted by all jurisdictions. Model laws will comprise a principal model Act, supported by model regulations and model codes of practice. These laws will be complemented by nationally consistent approaches to compliance and enforcement.

To be able to meet its objectives, Safe Work Australia must work collaboratively with the community, industry and worker associations and regulators to realise a national vision of Australian workplaces free from death, injury and disease.

The Act prescribes that Safe Work Australia must perform its functions in accordance with its Strategic and Operational plans. These plans are approved by Safe Work Australia members and by Workplace Relations Ministers' Council.

Safe Work Australia Budget Statements – Outcomes & performance

Program 1 expenses

2010-11 will be the second year of operation of Safe Work Australia. The functions of Safe Work Australia are prescribed by legislation. The Agency has not identified any significant trends or variances in expenditure over the forward years.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(‘000)					
Special Account Expenses:					
Safe Work Australia Special Account (D)	6,763	9,008	9,215	9,426	9,648
Annual departmental expenses:					
Ordinary annual services (Appropriation Bill No. 1)	8,157	8,639	8,835	9,050	9,275
Expenses not requiring appropriation in the Budget year	757	469	480	476	473
Total program expenses	15,677	18,116	18,530	18,952	19,396

(D) = Departmental

Program 1 deliverables

Together, the Safe Work Australia members and the agency work to:

- achieve significant and continual reductions in the incidence of death, injury and disease in the workplace
- achieve national work health and safety laws complemented by a nationally consistent approach to compliance policy and enforcement policy
- improve national workers' compensation arrangements.

Program 1 Key Performance Indicators

The Key Performance Indicators are framed around how the agency works to achieve the key deliverables in the Safe Work Australia's Strategic and Operational Plans.

Key Performance Indicators	
Quality	2010-11 Estimate
Model legislation is developed in accordance with COAG timelines.	COAG agreed timelines are met
Level of satisfaction of the Chair of Safe Work Australia with how the services of the Agency are directed at achieving the outcomes of its Strategic and Operational Plans.	Very good or above
Level of satisfaction of the members of Safe Work Australia with how the services of the Agency are directed at achieving the outcomes of its Strategic and Operational Plans.	80% of members agree the services of the agency are appropriately directed at achieving the outcomes.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses and the special accounts.

3.1 EXPLANATORY TABLES

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 the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by Safe Work Australia.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2010-11 <i>2009-10</i>	Receipts 2010-11 <i>2009-10</i>	Payments 2010-11 <i>2009-10</i>	Adjustments 2010-11 <i>2009-10</i>	Closing balance 2010-11 <i>2009-10</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Safe Work Australia Special Account (D)	1	3,922	19,844	(19,825)	-	3,941
		-	20,414	(16,492)	-	3,922
Total Special Accounts 2010-11 Budget estimate		3,922	19,844	(19,825)	-	3,941
<i>Total Special Accounts 2009-10 estimate actual</i>		-	20,414	(16,492)	-	3,922

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of Budgeted Financial Statements

The agency receives funds from states and territories and matched appropriation funding from the Commonwealth as provided for in the Intergovernmental Agreement.

3.2.2 Budgeted Departmental Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	9,834	11,675	11,943	12,210	12,432
Supplier expenses	5,186	6,072	6,207	6,366	6,591
Depreciation and amortisation	657	369	380	376	373
Total expenses	15,677	18,116	18,530	18,952	19,396
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	9,380	9,008	9,215	9,426	9,648
Total revenue	9,380	9,008	9,215	9,426	9,648
Gains					
Other	100	100	100	100	100
Total gains	100	100	100	100	100
Total own-source income	9,480	9,108	9,315	9,526	9,748
Net cost of (contribution by) services	6,197	9,008	9,215	9,426	9,648
Revenue from Government	7,653	8,639	8,835	9,050	9,275
Surplus (Deficit) attributable to the Australian Government	1,456	(369)	(380)	(376)	(373)
Note: Reconciliation of operating result attributable to the agency					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
Operating result attributable to the Australian Government	1,456	(369)	(380)	(376)	(373)
plus non-appropriated expenses depreciation and amortisation expenses	657	369	380	376	373
Operating result attributable to the Agency	2,113	-	-	-	-

Prepared on Australian Accounting Standards basis.

Safe Work Australia Budget Statements – Budgeted financial statements

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	230	230	230	230	230
Trade and other receivables	6,309	3,711	4,079	4,455	4,831
Total financial assets	6,539	3,941	4,309	4,685	5,061
Non-financial assets					
Land and buildings	50	812	549	286	23
Property, plant and equipment	81	265	167	135	39
Intangibles	71	52	33	14	-
Total non-financial assets	202	1,129	749	435	62
Total assets	6,741	5,070	5,058	5,120	5,123
LIABILITIES					
Payables					
Suppliers	450	450	450	450	450
Other	174	-	-	-	-
Total payables	624	450	450	450	450
Provisions					
Employee provisions	2,152	2,522	2,890	3,266	3,642
Other	177	-	-	-	-
Total provisions	2,329	2,522	2,890	3,266	3,642
Total liabilities	2,953	2,972	3,340	3,716	4,092
Net assets	3,788	2,098	1,718	1,404	1,031
EQUITY*					
Parent entity interest					
Contributed equity	-	1,296	1,296	1,358	1,358
Retained surplus (accumulated deficit)	3,788	802	422	46	(327)
Total equity	3,788	2,098	1,718	1,404	1,031

* 'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2010-11)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	1,171	-	-	-	1,171
Adjusted opening balance	1,171	-	-	-	1,171
Comprehensive income					
Comprehensive income recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	(369)	-	-	-	(369)
Total comprehensive income recognised directly in equity	(369)	-	-	-	(369)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (departmental capital budget)	-	-	-	1,296	1,296
Sub-total transactions with owners	-	-	-	1,296	1,296
Estimated closing balance as at 30 June 2011	802	-	-	1,296	2,098

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	10,147	9,909	10,137	10,369	10,613
Appropriations	10,267	8,639	8,835	9,050	9,275
Total cash received	20,414	18,548	18,972	19,419	19,888
Cash used					
Employees	9,834	11,675	11,943	12,210	12,432
Suppliers	5,030	6,072	6,207	6,366	6,591
Net GST paid	374	294	301	306	306
Total cash used	15,238	18,041	18,451	18,882	19,329
Net cash from (used by) operating activities	5,176	507	521	537	559
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	-	1,296	-	62	-
Purchase/development of intangibles	76	-	-	-	-
Total cash used	76	1,296	-	62	-
Net cash from (used by) investing activities	(76)	(1,296)	-	(62)	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	1,296	-	62	-
Total cash received	-	1,296	-	62	-
Cash used					
Transfers to OPA	4,870	507	521	537	559
Total cash used	4,870	507	521	537	559
Net cash from (used by) financing activities	(4,870)	789	(521)	(475)	(559)
Net increase (decrease) in cash held	230	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	230	230	230	230
Cash and cash equivalents at the end of the reporting period	230	230	230	230	230

Prepared on Australian Accounting Standards basis.

Safe Work Australia Budget Statements – Budgeted financial statements

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	1,296	-	62	-
Total capital appropriations	-	1,296	-	62	-
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	-	1,296	-	62	-
Total Items	-	1,296	-	62	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	-	1,296	-	62	-
Funded internally from departmental resources ²	76	-	-	-	-
TOTAL	76	1,296	-	62	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	76	1,296	-	62	-
Total cash used to acquire assets	76	1,296	-	62	-

(DCB) = Departmental Capital Budget

¹ Does not include annual finance lease costs. Include purchase from current and previous years Departmental Capital Budgets.

² Includes the following sources of funding: annual and prior year appropriations
Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Departmental Asset Movements (2010-11)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010				
Gross book value	639	144	76	859
Accumulated depreciation/amortisation and impairment	589	63	5	657
Opening net book balance	50	81	71	202
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	1,053	243	-	1,296
Total additions	1,053	243	-	1,296
Other movements				
Depreciation/amortisation expense	291	59	19	369
As at 30 June 2011				
Gross book value	1,692	387	76	2,155
Accumulated depreciation/amortisation and impairment	880	122	24	1,026
Closing net book balance	812	265	52	1,129

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)

Safe Work Australia has no income and expenses administered on behalf of government. For this reason Table 3.2.7 is not presented.

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

Safe Work Australia has no assets and liabilities administered on behalf of government. For this reason Table 3.2.8 is not presented.

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

Safe Work Australia has no administered cash flows. For this reason Table 3.2.9 is not presented.

Table 3.2.10: Schedule of administered capital budget

Safe Work Australia has no administered capital budget. For this reason Table 3.2.10 is not presented.

Table 3.2.11: Schedule of asset movements - administered

Safe Work Australia has no administered assets. For this reason Table 3.2.11 is not presented.

3.2.3 Notes to the financial statements

Other gains represented in the Comprehensive Income Statement are resources received free of charge from other Commonwealth agencies.