

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 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 *Public Governance, Performance and Accountability Act 2013*.

During 2018-19, 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
- supporting the review of the model WHS laws
- using our influence and innovative technologies to increase knowledge and awareness of health and safety 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 2018–19 as at Budget, May 2018

	<i>2017–18 Estimated actual \$'000</i>	2018–19 Estimate \$'000
Departmental		
Annual appropriations—ordinary annual services (a)		
Departmental appropriation (b)	10,007	10,231
Departmental Capital Budget (c)	88	92
Total departmental annual appropriations	<u>10,095</u>	<u>10,323</u>
Special accounts (d)		
Opening balance	13,217	13,217
Appropriation receipts (e)	10,095	10,323
Non-appropriation receipts	10,044	10,267
<i>Total special accounts</i>	<u>33,356</u>	<u>33,807</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>10,095</u>	<u>10,323</u>
Total departmental resourcing	<u>33,356</u>	<u>33,807</u>
Total resourcing for Safe Work Australia	<u>33,356</u>	<u>33,807</u>
	<i>2017–18</i>	2018–19
Average staffing level (number)	<u>96</u>	<u>101</u>

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) 2018–19.
- (b) Excludes Departmental Capital Budget (DCB).
- (c) DCBs 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 trust money and 'other CRF 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 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 2018–19 Budget measures

Safe Work Australia does not have any new measures since the 2017–18 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 statement can be found at:

<https://www.safeworkaustralia.gov.au/book/safe-work-australia-annual-report-2016-17>.

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

Outcome 1: Healthier, safer and more productive workplaces through improvements to Australian work health and safety and workers' compensation arrangements.					
	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
Program 1.1: Reform of and improvements to Australian work health and safety and workers' compensation arrangements.					
Departmental expenses					
Departmental appropriation	10,007	10,231	10,509	10,743	11,012
Special accounts	10,044	10,267	10,515	10,743	11,011
Expenses not requiring appropriation in the Budget year (a)	644	650	664	680	702
Departmental total	20,695	21,148	21,688	22,166	22,725
Total expenses for Program 1.1	20,695	21,148	21,688	22,166	22,725
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	10,007	10,231	10,509	10,743	11,012
Special accounts	10,044	10,267	10,515	10,743	11,011
Expenses not requiring appropriation in the Budget year (a)	644	650	664	680	702
Departmental total	20,695	21,148	21,688	22,166	22,725
Total expenses for Outcome 1	20,695	21,148	21,688	22,166	22,725
<hr/>					
	2017–18	2018–19			
Average staffing level (number)	96	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 and where 2018–19 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 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 have been developed with reference to the Act and are highlighted in its annual operational plan and corporate plan and include: <ul style="list-style-type: none"> • review, evaluate and if necessary, revise the model WHS laws to address issues impeding the effective and efficient operation of the laws and improve safety outcomes • 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 • 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 • 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 policy proposals and supporting strategies to improve workers’ compensation arrangements, with a particular focus on return to work, and • work with other national and international bodies to share data, information and/or knowledge, and represent Australia as appropriate, to improve Australian outcomes. 	
Performance information		
Year	Performance criteria	Targets
2017–18	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 and skills 	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 • reduce the incidence rate of serious workers’ compensation claims by 30 per cent or more, and

<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"> 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 for musculoskeletal claims by 30 per cent or more <p>Assessment: On target</p>
2018–19	<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
2019–20 and beyond	As per 2018–19	As per 2018–19
<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 2018–19 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 *Intergovernmental Agreement for Regulatory Operational Reform in Occupational Health and Safety* (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 \$0.6 million for the 2018–19 financial year.

Total revenues are estimated to be \$20.5 million and total expenses \$21.1 million.

Total assets at the end of the 2018–19 financial year are estimated to be \$15.3 million. The majority of the assets represent cash held by the OPA, in the special account. This was previously reported as appropriation receivable.

Total liabilities for 2018–19 are estimated at \$4.7 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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
EXPENSES					
Employee benefits	12,196	12,440	12,689	12,942	13,201
Suppliers	7,805	8,008	8,285	8,494	8,772
Grants	110	110	110	110	110
Depreciation and amortisation (a)	584	590	604	620	642
Total expenses	20,695	21,148	21,688	22,166	22,725
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	10,044	10,267	10,515	10,743	11,011
Total own-source revenue	10,044	10,267	10,515	10,743	11,011
Gains					
Other	60	60	60	60	60
Total gains	60	60	60	60	60
Total own-source income	10,104	10,327	10,575	10,803	11,071
Net (cost of)/contribution by services	(10,591)	(10,821)	(11,113)	(11,363)	(11,654)
Revenue from Government	10,007	10,231	10,509	10,743	11,012
Surplus/(deficit) attributable to the Australian Government	(584)	(590)	(604)	(620)	(642)
Total comprehensive income/(loss)	(584)	(590)	(604)	(620)	(642)
Total comprehensive income/(loss) attributable to the Australian Government	(584)	(590)	(604)	(620)	(642)

Note: Impact of net cash appropriation arrangements

	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	584	590	604	620	642
Total comprehensive income/(loss)—as per the statement of comprehensive income	(584)	(590)	(604)	(620)	(642)

(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)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,217	13,217	13,217	13,217	13,217
Trade and other receivables	320	320	320	320	320
Total financial assets	13,537	13,537	13,537	13,537	13,537
Non-financial assets					
Land and buildings	2,078	1,573	1,048	665	241
Property, plant and equipment	124	132	143	156	192
Intangibles	23	22	31	36	43
Other non-financial assets	71	71	71	71	71
Total non-financial assets	2,296	1,798	1,293	928	547
Total assets	15,833	15,335	14,830	14,465	14,084
LIABILITIES					
Payables					
Suppliers	769	769	769	769	769
Other payables	203	203	203	203	203
Total payables	972	972	972	972	972
Provisions					
Employee provisions	3,691	3,691	3,691	3,691	3,691
Total provisions	3,691	3,691	3,691	3,691	3,691
Total liabilities	4,663	4,663	4,663	4,663	4,663
Net assets	11,170	10,672	10,167	9,802	9,421
EQUITY*					
Parent entity interest					
Contributed equity	5,117	5,209	5,308	5,563	5,824
Reserves	776	776	776	776	776
Retained surplus (accumulated deficit)	5,277	4,687	4,083	3,463	2,821
Total parent entity interest	11,170	10,672	10,167	9,802	9,421
Total equity	11,170	10,672	10,167	9,802	9,421

*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 2018–19)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	5,277	776	5,117	11,170
Adjusted opening balance	5,277	776	5,117	11,170
Comprehensive income				
Other comprehensive income	-	-	-	-
Surplus/(deficit) for the period	(590)	-	-	(590)
Total comprehensive income	(590)	-	-	(590)
of which:				
Attributable to the Australian Government	(590)	-	-	(590)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	92	92
Sub-total transactions with owners	-	-	92	92
Transfers between equity				
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2019	4,687	776	5,209	10,672
Closing balance attributable to the Australian Government	4,687	776	5,209	10,672

Prepared on Australian Accounting Standards basis.

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,007	10,231	10,509	10,743	11,012
Sale of goods and rendering of services	10,044	10,267	10,515	10,743	11,011
Net GST received	1,004	1,027	1,051	1,074	1,101
Total cash received	21,055	21,525	22,075	22,560	23,124
Cash used					
Employees	12,196	12,440	12,689	12,942	13,201
Suppliers	7,745	7,948	8,225	8,434	8,712
Grants	110	110	110	110	110
Net GST paid	1,004	1,027	1,051	1,074	1,101
Total cash used	21,055	21,525	22,075	22,560	23,124
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	88	92	99	255	261
Total cash used	88	92	99	255	261
Net cash from/(used by) investing activities	(88)	(92)	(99)	(255)	(261)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	88	92	99	255	261
Total cash received	88	92	99	255	261
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	88	92	99	255	261
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	13,217	13,217	13,217	13,217	13,217
Cash and cash equivalents at the end of the reporting period	13,217	13,217	13,217	13,217	13,217

Prepared on Australian Accounting Standards basis.

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	88	92	99	255	261
Total new capital appropriations	88	92	99	255	261
<i>Provided for:</i>					
Purchase of non-financial assets	88	92	99	255	261
Total items	88	92	99	255	261
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB (a)	88	92	99	255	261
TOTAL	88	92	99	255	261
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	88	92	99	255	261
Total cash used to acquire assets	88	92	99	255	261

(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 2018–19)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2018				
Gross book value	4,334	374	426	5,134
Accumulated depreciation/amortisation and impairment	(2,256)	(250)	(403)	(2,909)
Opening net book balance	2,078	124	23	2,225
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services (a)	20	52	20	92
Total additions	20	52	20	92
Other movements				
Depreciation/amortisation expense	(525)	(44)	(21)	(590)
Total other movements	(525)	(44)	(21)	(590)
As at 30 June 2019				
Gross book value	4,354	426	446	5,226
Accumulated depreciation/amortisation and impairment	(2,781)	(294)	(424)	(3,499)
Closing net book balance	1,573	132	22	1,727

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018–19 for 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 2018–19)

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