



Australian Government

Comcare

ANNUAL REPORT 2018-19

Publication details

Published by Comcare

© Commonwealth of Australia 2019

PUB 001—Comcare and SRCC Annual Reports
2018–19

ISSN 1325-1031 (hard copy)

ISSN 1832-0260 (online)

ABN 41 640 788 304 (Comcare)

All material presented in this publication is provided under a Creative Commons Attribution 4.0 Australia (<https://creativecommons.org/licenses/by/4.0/>) licence.

For the avoidance of doubt, this means this licence only applies to material as set out in this document.



The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the CC BY 4.0 AU licence (<https://creativecommons.org/licenses/by/4.0/legalcode>).

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are detailed on the Department of the Prime Minister and Cabinet website: <https://www.pmc.gov.au/government/commonwealth-coat-arms>

Acknowledgements

Design and print publication—Instant Colour Press

Australasian Reporting Awards—Critique of 2017–18 Annual Report

Online access

Online access is available at https://www.comcare.gov.au/Forms_and_Publications/publications/corporate_publications/comcare_annual_reports or alternatively through the Forms and Publications link on the Comcare website.

Annual report contact

To obtain further information contact:

Corporate Strategy
Comcare, GPO Box 9905
CANBERRA ACT 2601 or
Phone 1300 366 979



Australian Government

Comcare

**Safety, Rehabilitation and
Compensation Commission**

**COMCARE
AND
SAFETY, REHABILITATION
AND COMPENSATION
COMMISSION**

**ANNUAL REPORTS
2018–19**

ABOUT THESE REPORTS

The Comcare and Safety, Rehabilitation and Compensation Commission (SRCC) annual reports document the activities of Comcare and the SRCC, and the performance of the Comcare scheme from 1 July 2018 to 30 June 2019.

These annual reports have been prepared in accordance with section 46 of the *Public, Governance, Performance and Accountability Act 2013* (PGPA Act) and Subdivision B of Division 3A of the *Public Governance, Performance and Accountability Amendment (Corporate Commonwealth Entity Annual Reporting) Rule 2014*.

PART ONE—

Comcare Annual Report 2018–19

The *Comcare Annual Report 2018–19* complies with the requirements contained in the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act), the *Work Health and Safety Act 2011* (WHS Act), and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Overview

This section of the report provides an overview of Comcare. It details the objectives, functions, roles and responsibilities of Comcare and Comcare Executive. This section also highlights the overall performance of the Comcare scheme.

Annual Performance Statements

The annual performance statements provide information about Comcare's performance in 2018–19.

Management and accountability

The management and accountability section details Comcare's corporate governance, human resources and business capability. It includes information about Comcare's Committees, financial review, internal and external scrutiny.

Financial statements

The financial statements provide detailed information about Comcare's financial performance.

Appendices

The appendices contain further information addressing mandatory reporting requirements under respective legislations. This section includes the legislative compliance index.

PART TWO—

Safety, Rehabilitation and Compensation Commission Annual Report 2018–19

The *SRCC Annual Report 2018–19* complies with the requirements of the SRC Act and the WHS Act.

This report details the objectives, roles, functions, membership and operations of the SRCC. It also provides details about the performance of the SRCC.

The SRCC does not have staff or a budget, so financial statements are only prepared and reported for Comcare.

CONTENTS

PART ONE:

Comcare Annual Report 2018–19	1
Ministers serving 2018–19	2
Letter of transmittal—Comcare	3
Comcare CEO’s review	4
<hr/>	
Chapter 1: Overview	9
Performance highlights	10
About Comcare	12
<hr/>	
Chapter 2: Annual Performance Statements 2018–19	33
Overview	34
Strategic priority—Leading workers’ compensation insurer	42
Strategic priority—Effective national regulator	48
Strategic priority—Excellence in scheme design and management	56
Strategic priority—Efficient and effective operations	60
Strategic priority—Drive innovation and better practice for the schemes	66
<hr/>	
Chapter 3: Management and accountability	71
Our governance	72
External scrutiny	82
Our people	84
Work health and safety management	94
Financial review	98
<hr/>	
Chapter 4: Financial statements	101
<hr/>	
Chapter 5: Appendices	165
Appendix A—Procurement and Comcover	166
Appendix B—Ecologically sustainable development and environmental performance	168
Appendix C—Compliance index	172
Appendix D—Corrections to previous annual report	175

PART TWO

**Safety, Rehabilitation and Compensation Commission
Annual Report 2018–19**

177

About this report

178

Ministers serving 2018–19

178

Letter of transmittal—Safety, Rehabilitation and Compensation Commission Annual Report
2018–19

179

Chairperson’s review

180

About the SRCC

182

Licensing

188

Glossary and Index

197

An aerial night photograph of a city, likely Sydney, Australia, showing the city lights and the harbor. The image is used as a background for the report cover.

PART ONE: COMCARE ANNUAL REPORT 2018–19

Ministers serving 2018–19	2
Letter of transmittal - Comcare	3
Comcare CEO's review	4

MINISTERS SERVING 2018–19

Responsible minister at 30 June 2019

The Hon Christian Porter MP

Attorney-General for Australia
Minister for Industrial Relations
Member for Pearce

Responsible minister from 28 August 2018 to 29 May 2019

The Hon Kelly O'Dwyer MP

Minister for Jobs, Industrial Relations and Women
Member for Higgins

Responsible minister from 20 December 2017 to 28 August 2018

The Hon Craig Laundy MP

Minister for Small and Family Business,
the Workplace and Deregulation
Member for Reid

LETTER OF TRANSMITTAL



Australian Government

Comcare

CHIEF EXECUTIVE OFFICER

25 September 2019

The Hon Christian Porter MP
Attorney-General
Minister for Industrial Relations
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present Comcare's Annual Report for the financial year ended 30 June 2019.

The report meets the requirements of federal law including:

- section 46 of the *Public Governance, Performance and Accountability Act 2013*
- schedule 2, parts 3 and 4 of the *Work Health and Safety Act 2011*
- section 85 of the *Safety, Rehabilitation and Compensation Act 1988*.

Following its tabling in Parliament, the report will be available on the Comcare website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Susan Weston'.

Susan Weston

GPO BOX 9905
CANBERRA ACT 2601
P 1300 366 979
COMCARE.GOV.AU

COMCARE CEO'S REVIEW



As the CEO and sole director of Comcare, I am pleased to present Comcare's Annual Report to the Minister for Industrial Relations, the Hon Christian Porter MP, and the Australian Parliament on the performance of Comcare for the year ended 30 June 2019.

Since joining Comcare in April 2019 and considering the agency's work in the 2018–19 financial year, several key themes have emerged.

Changing environment

Comcare performs its role as the national workers' compensation and work health and safety authority in an environment of constant change. Workplaces are changing, and community expectations are shifting. We are developing strategies that position us to navigate social, cultural and technological challenges that lie ahead.

This year, five new public sector agencies joined the Comcare scheme under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) and the Australian National University and the ACT Government became self-insured licensees. DHL Express (Australia) Pty Ltd has also joined the scheme as a new self-insured licensee. These changes have resulted in the SRC Act workers' compensation scheme profile shifting to over half of the 396,440 full-time equivalent employees (FTE) covered by the scheme being in licensee organisations (214,166) at the end of 2018–19.

Comcare is delivering a national scheme which is demonstrating that it is not only outcome focused and cost effective but also committed to reducing administrative burden and making it easier for employees and employers working nationally.

As the federal work health and safety (WHS) regulator, Comcare has engaged with Safe Work Australia's review of the model WHS Laws and we have closely monitored reviews of comparable WHS regulators in other jurisdictions. At the end of 2018–19, FTE employees covered under the federal Work Health and Safety Act 2011 (WHS Act) had grown to 416,556, with over half (248,053) in public sector organisations.

As part of the Australian Government's decentralisation agenda, Comcare will add to its regional footprint and welcomes the opportunity to establish a presence in both Launceston and Darwin in the next financial year.

Service improvement

Comcare has made significant improvements in recent years and our scheme remains financially sound. We have delivered average premium rates at 0.85 per cent, representing one of the most affordable schemes in the country, while maintaining compensation and rehabilitation benefits to support injured employees. The scheme funding ratio of 131 per cent is above our target range of 100–110 per cent. We are now focused on ensuring longer term scheme viability and sustainability.

Comcare's WHS regulatory response to fatalities and serious incidents remains the key priority for our regulatory and leadership teams. Our focus has been on building our regulatory intelligence and increasing our proactive regulatory presence working with employers to target areas of greatest risk to safe and healthy workplaces.

Through much of this year, Comcare has also been looking at ways to improve its claims management service, including considering how we can better engage with employers and employees and by conducting pilots in key areas which are informed by contemporary research. An example of this has been the operation of delegated claims arrangements for two non-corporate Commonwealth entities with good results. In this model, employees of these agencies are delegated Comcare powers with support from third-party claims management providers contracted by Comcare.

Comcare has also been working to strengthen our research and innovation capability through a strategy to enhance knowledge of current and emerging trends that could influence the future of workers' compensation and health and safety regulation. We have been partnering with industry experts like Beyond Blue and a number of universities and industry specialists to pilot initiatives in the areas of early intervention, mental health and workplace lead indicators relating to psychological injury. We have progressed our involvement in the *Collaborative Partnership to improve work participation* which sees Comcare working with partners across multiple Australian disability and injury income systems.

Opportunity

The make-up of the Comcare scheme and the variety of work undertaken by both premium payers and self-insured licensees is significant and affirms the importance for Comcare to engage widely and further review and innovate our practices.

This year has been a time for Comcare to consider how best to work with our clients and stakeholders so that we can realise the opportunity to improve workplace outcomes.

Significant work has progressed in developing a digital strategy and roadmap to enhance our data and analytics capability. Implementation of the strategy will begin over the next year, initially focusing on

WHS inspections and licensing. Enhancing our education and engagement approach and services to our jurisdiction is another area where we have been building our capability and increasing our reach by developing digital and evidenced-based education products.

Outlook

In the coming year Comcare will be exploring new and innovative approaches to preventing harm and building physically and mentally safe and healthy workplaces. We will look to expand and evaluate pilots and other proactive initiatives that support workers' timely, safe and durable return to work from injury or illness.

Comcare will continue to collaborate with our stakeholders to improve our service offering and streamline our processes and ways of operating to achieve progressively higher standards of work health and safety.







CHAPTER ONE: OVERVIEW

Performance highlights 10

About Comcare 12

PERFORMANCE HIGHLIGHTS

SRC Act



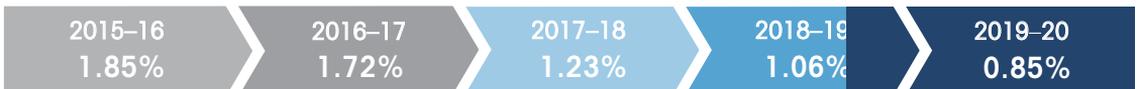
WHS Act



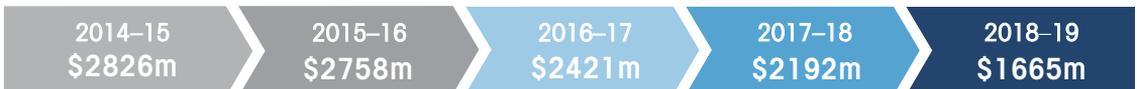
Commonwealth average premiums **down by 54%** (over 5 years) equating to approximately **\$190 million savings** for agencies.

approximately
\$190
million savings
for agencies

Commonwealth average premium rates



Scheme liability



Surveyed workplaces with improved WHS outcomes following regulatory services



Comcare's Work Health and Safety Awards

2018
award
Winners

Comcare's Work Health and Safety Awards **recognise and reward excellence** in workplace health and safety, recovery at and return to work achieved by **individuals and organisations** covered under the Comcare scheme.

www.comcare.gov.au/conference

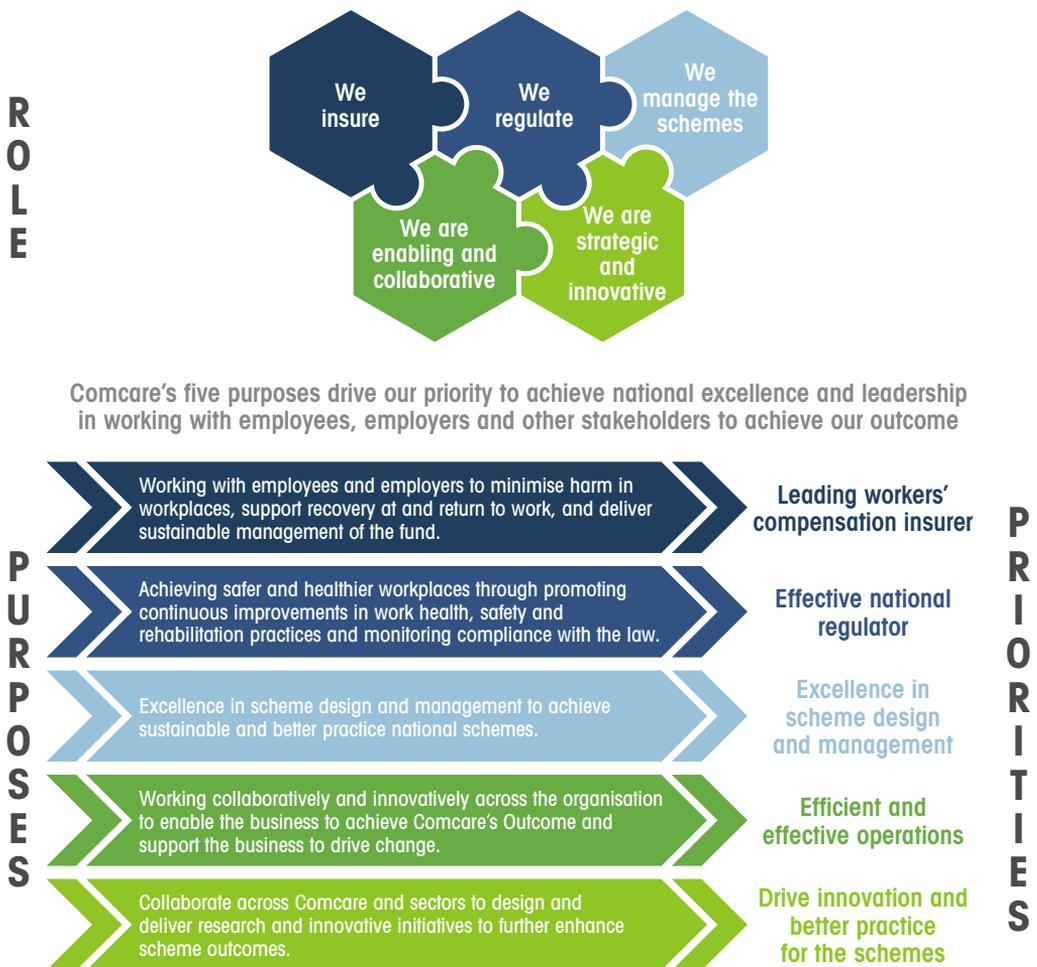
ABOUT COMCARE

Comcare is the national work health and safety regulator and workers’ compensation authority.

We work with employees and employers to minimise the impact of harm in the workplace, improve recovery at and return to work, and promote the health benefits of work through good work design.

Figure 1 below details the purposes and priorities which we are focussed on to achieve our outcome of supporting participation and productivity through healthy and safe workplaces that minimise the impact of harm.

Figure 1: Comcare’s outcome statement and strategic focus



How we work

Comcare’s cultural priorities are embedded in our business and focus our efforts to achieve our outcome. Our four cultural priorities support the Australian Public Service (APS) values. Our focus has been to embed these priorities in our business through the leadership behaviours of every individual.

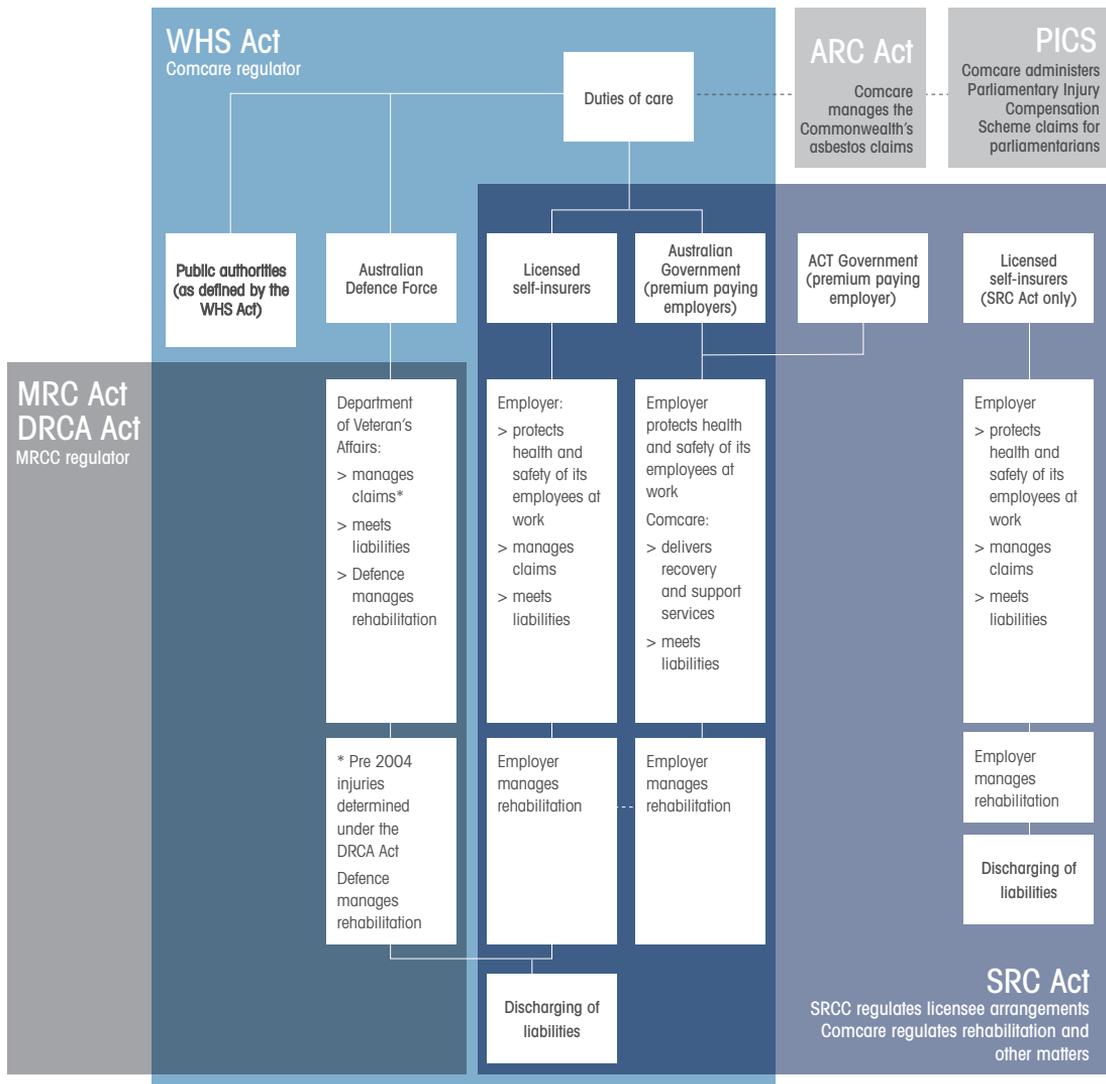
Figure 2: Comcare’s cultural priorities and how we work



Our governing legislation

The Safety, Rehabilitation and Compensation Act 1988 (SRC Act) establishes Comcare and sets out its functions and powers. The SRC Act also establishes the Safety Rehabilitation and Compensation Commission (SRCC) which has powers in relation to the self-insured licensees operating under the SRC Act. Comcare has functions and responsibilities under both the SRC Act and the *Work Health and Safety Act 2011* (WHS Act), which include regulatory functions and powers for compliance and enforcement. Comcare manages the Commonwealth asbestos claims under the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* (ARC Act). Comcare also administers compensation claims for members of parliament and the Prime Minister's spouse under the Parliamentary Injury Compensation Scheme (PICS) which was established under the *Parliamentary Entitlements Act 1990*.

Figure 3: Responsibilities under the Commonwealth legislation



at 30 June 2019

WHS Act - Scheme coverage

SRC Act - Scheme coverage

MRC Act - Military Rehabilitation and Compensation Act 2004

MRCC - Military Rehabilitation and Compensation Commission

DRCA - Safety, Rehabilitation and Compensation (Defence-Related) Act 1988

Roles and responsibilities

The SRC Act establishes a national workers' compensation scheme (the Comcare scheme) that applies to certain employees and employers in both the public and private sectors around the country.

Comcare is the national work health and safety regulator under the WHS Act. Comcare has regulatory functions and powers in relation to workplace rehabilitation under the SRC Act.

The Comcare scheme supports participation and productivity through healthy and safe workplaces by:

- > designing and delivering initiatives informed by research to prevent harm, promote work health and safety and improve rehabilitation outcomes
- > working in partnership with employers and their employees to prevent workplace injuries
- > appropriately using regulatory sanctions for any demonstrable failure of the employer's duty of care
- > empowering employers to support their employees with a workplace injury to safely recover at and return to work
- > providing those employees with a workplace injury with a statutory package of economic and non-economic benefits.

Insurer role

Comcare is the claims and liability manager for premium paying employers (Commonwealth departments and agencies, and until recently the ACT Government) in the workers' compensation scheme.

This role includes the setting and collecting of premiums for the premium paying scheme, including premiums specific to each agency. Comcare's role as an insurer and fund manager has the power under the SRC Act to apply premiums to meet Comcare's liability and claims administration costs in order to maintain a financially viable scheme.

Regulator role

Comcare is the national work health and safety regulator. This role also has some functions and powers in relation to workplace rehabilitation. Our compliance and enforcement activities are based on finding the right balance between:

- > fulfilling our responsibilities as a regulatory agency, being firm but fair
- > making full use of intelligence and data so that our activities are based on analysis of risk
- > enabling regulated entities to take responsibility for their own compliance, aiming to increase their levels of capability and commitment
- > being aware of the financial and other burdens that regulatory activities impose on regulated entities' operations.

Specific compliance and enforcement activities range across a spectrum from proactively providing information and advice, making authorisation and approval decisions and monitoring the extent of compliance in the jurisdiction, to investigating contraventions. We weigh up many factors depending on the circumstances of each particular case to arrive at the most appropriate response for each situation.

Scheme manager role

Comcare manages the Comcare scheme which covers premium paying employers and self-insured licensees. As the scheme manager we develop, monitor and maintain legislation, policy and guidance that:

- > sets clear expectations of roles and obligations
- > promotes better practice for national schemes
- > creates effective early intervention and return to work practices and outcomes.

As scheme manager we provide quality assurance of 'whole-of-scheme' data, identifying trends to ensure we achieve sustainable and better practice national schemes. We also provide oversight advice to the Minister on the operation and effectiveness of the SRC Act.

We manage and monitor self-insured licensees and outsourced claims management providers (used by the licensees). This includes the setting of annual cost-recovered licence fees and regulatory contributions under the SRC Act and the WHS Act.

We provide support through expert advice and services to the SRCC and the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority).

The Seafarers Safety, Rehabilitation and Compensation Authority

The Seacare Authority is responsible for overseeing the Seacare scheme. The Seacare scheme is a national scheme of occupational health and safety (OH&S)¹, and rehabilitation and workers' compensation arrangements which applies to defined seafaring employees.

The Seacare Authority is not a body corporate and does not employ its own staff. Under section 72A of the SRC Act, Comcare must provide the Seacare Authority with secretariat support and other assistance for the proper performance of its functions or exercise of its powers.

On behalf of the Seacare Authority, Comcare:

- > provides secretariat, policy and strategic support to the Seacare Authority, and assistance in implementing its decisions
- > administers Seacare scheme legislation and monitors the operation of such legislation
- > manages the annual appropriation for supporting the Seacare function
- > monitors and reports on Seacare scheme performance
- > prepares an annual report to the Parliament
- > reports to the Minister
- > liaises and communicates with Seacare scheme stakeholders
- > promotes the objectives of the Seacare scheme, particularly the reduction of the human and financial costs of workplace injury in the Australian maritime industry.

The Safety, Rehabilitation and Compensation Commission

The Safety, Rehabilitation and Compensation Commission (SRCC) administers functions under the SRC Act and WHS Act, other than those functions attributed to Comcare.

For more information on its role and functions refer to Part Two of this report—*The Safety, Rehabilitation and Compensation Commission Annual Report 2018–19*. The SRCC annual report is supplied in accordance with section 89S of the SRC Act.

¹ In accordance with the *Occupational Health and Safety (Maritime Industry) Act 1993*.

Who we cover

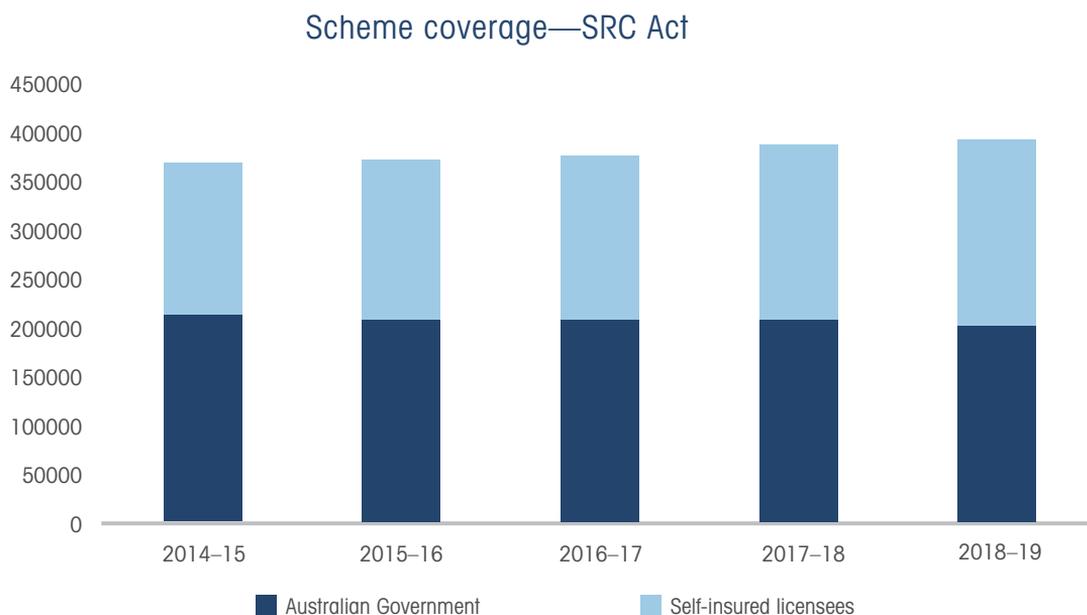
The Comcare scheme is diverse covering a broad range of occupations and industries including government services, defence, law enforcement, transport, logistics, financial, banking services, manufacturing, construction, telecommunications and postal services.

During the year our programmes and services were used by:

- > Australian Government agencies, authorities and their employees
- > national companies licensed by the SRCC and their employees
- > members of the Australian Defence Force including reservists and cadets¹
- > the ACT Government and their employees
- > individuals making claims against the Commonwealth for asbestos-related conditions.

At 30 June 2019, Comcare’s scheme comprised of 396,440 full-time equivalent (FTE) employees covered under the SRC Act, and 416,556 FTE under the WHS Act. Figures 4 and 5 represent the five-year trend of Comcare’s scheme responsibility and correlate with Figure 3.

Figure 4: Comcare scheme coverage under the SRC Act

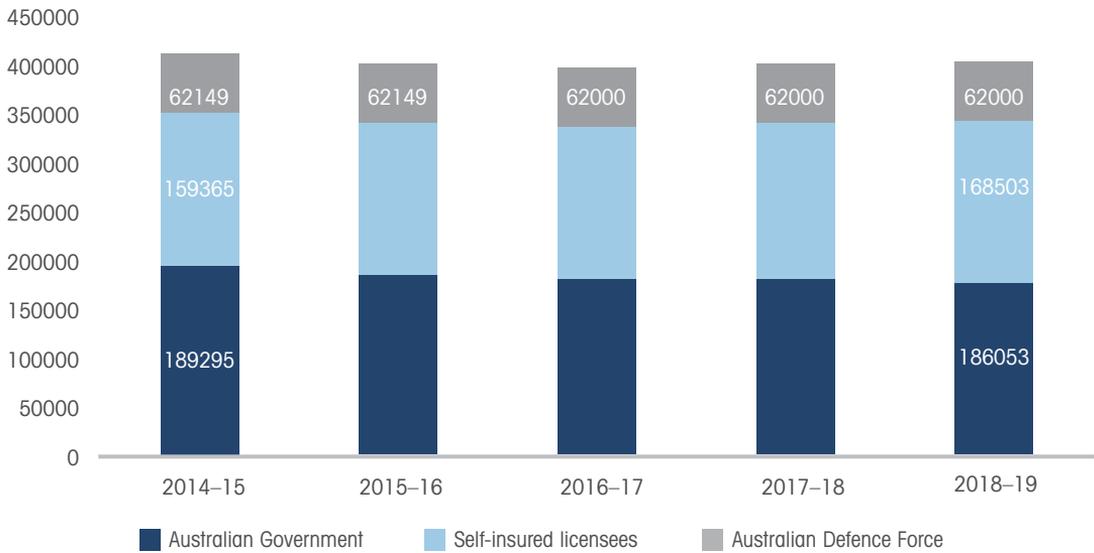


Note: Australian National University (1 July 2018) and ACT Government (1 March 2019) became self-insured licensees in 2018–19. The FTE for these two employers is counted against the self-insured licensee sector for 2018–19.

¹ Covered under the WHS Act but not the SRC Act

Figure 5: Comcare scheme coverage under the WHS Act

Scheme coverage—WHS Act



Note: ACT Government is not covered under the WHS Act (as per Figure 3).

Our scheme’s performance

Workers’ compensation

The overall scheme premium rate is decreasing, with a significant contributing factor being the reductions in the incidence of claims received and accepted and serious claims.

Table 1 shows between 2014–15 and 2018–19 these reductions are approximately:

- > 24 per cent for claims received
- > 30 per cent for claims accepted
- > 15 per cent for serious claims.

Table 1: Comcare scheme workers' compensation data

	Under the SRC Act	Incidence of claims received*	Incidence of accepted claims*	Incidence of serious claims* ¹	Total number of compensable deaths
2014–15	Premium paying employers	13.6	10.5	6.3	18
	Self-insured licensees	24.8	19.6	8.1	6
	Scheme total	19.3	15.2	7.2	24
2015–16	Premium paying employers	12.7	8.7	5.3	10
	Self-insured licensees	20.6	15.8	7.1	5
	Scheme total	16.8	12.4	6.2	15
2016–17	Premium paying employers	11.3	7.2	4.2	18
	Self-insured licensees	20.1	15.6	7.2	8
	Scheme total	16.0	11.7	5.8	26
2017–18	Premium paying employers	11.1	6.5	3.7	9
	Self-insured licensees	19.0	15.0	7.2	9
	Scheme total	15.3	11.0	5.6	18
2018–19	Premium paying employers	9.5	5.7	3.6	13
	Self-insured licensees	19.2	14.9	8.2	1
	Scheme total	14.7	10.7	6.1	14

Data extracted on 11 July 2019

Note: Australian National University (1 July 2018) and ACT Government (1 March 2019) became self-insured licensees in 2018–19. Claims data for these employers are recorded against the self-insured licensees sector for all financial years in the above table.

¹ Serious claims are those claims that reach one week or more of time lost during the reporting period

* All incidence rates are per 1000 FTE employees

Return to work

Despite the decline in claims, improving return to work outcomes remains a key challenge, noting time off work equates to 53 per cent of the total cost of claims (excluding claims management costs). Comcare is working to enhance our partnerships with employers, and we are expanding and evaluating pilots and other proactive initiatives that aim to ensure there are strong processes in place to support workers' timely, safe and durable to work across the scheme. This includes the development of revised *Guidelines for Rehabilitation Authorities* this year.

Table 2: Rehabilitation and return to work—median lost time in weeks

	Under the SRC Act	Median lost time	Injury claims Median lost time	Disease claims Median lost time
2014–15	Premium paying employers	7.7	6.0	9.3
	Self-insured licensees	4.5	4.1	5.5
	Scheme total	5.5	4.6	7.1
2015–16	Premium paying employers	7.4	5.1	9.1
	Self-insured licensees	4.8	4.5	5.3
	Scheme total	5.4	4.7	7.2
2016–17	Premium paying employers	7.0	5.2	9.3
	Self-insured licensees	5.2	4.7	6.2
	Scheme total	5.6	4.9	7.0
2017–18	Premium paying employers	7.0	5.1	9.9
	Self-insured licensees	5.0	4.8	5.3
	Scheme total	5.4	4.8	6.5
2018–19	Premium paying employers	8.5	6.9	11.8
	Self-insured licensees	4.8	4.5	5.3
	Scheme total	5.5	4.9	6.5

Data extracted on 11 July 2019

Note: Australian National University (1 July 2018) and ACT Government (1 March 2019) became self-insured licensees in 2018–19. Claims data for these employers are recorded against the self-insured licensees sector for all financial years in the above table.

Disputed claims

An employee or employer, who is dissatisfied with a decision made under the SRC Act, may ask for that decision to be reviewed through a reconsideration request. The decision is reviewed by an officer not involved in the disputed decision.

If an employee or employer is dissatisfied with the reconsideration outcome, they may apply to the Administrative Appeals Tribunal (AAT) requesting an independent review.

Comcare works to resolve these reviews as quickly as possible and monitors their outcomes to inform continuous improvement and effective claims management.

Table 3: Claim disputation rates

	Under the SRC Act	Number of reconsideration requests received	Reconsideration affirmation rate ¹	Number of applications to the AAT	AAT affirmation rate ²
2014–15	Premium paying employers	1300	77%	507	59%
	Self-insured licensees	1447	79%	703	74%
	Scheme total	2747	78%	1210	68%
2015–16	Premium paying employers	1562	83%	624	50%
	Self-insured licensees	1609	81%	795	77%
	Scheme total	3171	82%	1419	67%
2016–17	Premium paying employers	1824	81%	803	57%
	Self-insured licensees	1344	83%	755	72%
	Scheme total	3168	82%	1558	66%
2017–18	Premium paying employers	1565	88%	840	69%
	Self-insured licensees	1167	83%	543	74%
	Scheme total	2732	86%	1383	72%
2018–19	Premium paying employers	1267	84%	656	64%
	Self-insured licensees	1107	85%	464	66%
	Scheme total	2374	84%	1120	65%

Data extracted on 11 July 2019.

Note: Australian National University (1 July 2018) and ACT Government (1 March 2019) became self-insured licensees in 2018–19. Claims data for these employers are recorded against the self-insured licensees sector for all financial years in the above table.

¹ Reconsideration affirmation rate is the percentage of reviewable decisions that affirmed the original determination with a decision in the reporting period. Excludes initiated by own motion and withdrawn.

² AAT affirmation rate is the percentage of AAT decisions that affirmed the reviewable decision. Note that applications withdrawn by the applicant or that have been dismissed are considered to have been affirmed. Excludes initiated by own motion.

Workplace incidents

The WHS Act defines certain events as notifiable. This requires persons conducting a business or undertaking to notify Comcare of incidents that result in the death, serious injury or illness of a person, or that are dangerous in nature.

Table 4: Notifiable work health and safety incidents—as the national regulator

	WHS Jurisdiction	Serious injury or illness	Dangerous incidents	Notifiable worker fatalities
2014–15	Australian Government	247	473	2
	Self-insured licensees	127	296	3
	Australian Defence Force	149	241	4
	WHS jurisdiction total	523	1010	9
2015–16	Australian Government	195	391	5
	Self-insured licensees	148	270	6
	Australian Defence Force	180	191	3
	WHS jurisdiction total	523	852	14
2016–17	Australian Government	195	395	5
	Self-insured licensees	164	234	5
	Australian Defence Force	180	152	5
	WHS jurisdiction total	539	781	15
2017–18	Australian Government	170	458	7
	Self-insured licensees	168	229	7
	Australian Defence Force	154	174	0
	WHS jurisdiction total	492	861	14
2018–19	Australian Government	223	393	4
	Self-insured licensees	183	268	5
	Australian Defence Force	140	129	2
	WHS jurisdiction total	546	790	11

Notification data extracted on 5 August 2019.

Comcare’s Executive team



Names left to right clockwise: Susan (Sue) Weston, Lynette MacLean, Natalie Bekis, Aaron Hughes, Matthew Swainson, Kim Ward, Justin Napier

Susan Weston PSM—Chief Executive Officer

Susan (Sue) Weston PSM was appointed Chief Executive Officer of Comcare in April 2019.

Before joining Comcare Sue was a Deputy Secretary at the Department of Industry, Innovation and Science working across many areas and providing policy advice and support to portfolio Ministers. Most recently this included working with the portfolio’s science groups and the Corporate Division. Sue has held the role of Head of the Office of Small Business and has had an extensive career in the Australian Taxation Office covering a broad range of areas including tax objections and appeals and business education and training in implementing the Goods and Services Tax and Pay As You Go reforms.

Sue holds a Bachelor of Science degree, a post graduate diploma in accounting, is a Graduate of the Institute of Company Directors, a Fellow of CPA Australia and a Chartered Accountant.

Lynette MacLean—General Manager Corporate Management Group (Deputy CEO)

Lynette MacLean joined Comcare on 16 November 2015 and retired on 28 June 2019. She has over 30 years’ experience in the Commonwealth Public Sector as the head of Human Resources and corporate areas and has worked in a variety of service delivery, policy and oversight agencies. Lynette has been a senior executive since 2007. She is passionate about understanding the business to build more effective workplaces and implementing good change management practices.

Lynette holds a Graduate Certificate in Public Sector Leadership from Macquarie University.

Aaron Hughes—General Manager Scheme Management Group

Aaron Hughes joined Comcare on 24 February 2014. He has held a variety of Director and Assistant Secretary roles in a number of Australian Government agencies including the Department of the Environment and the Department of Agriculture. Aaron is a qualified lawyer with experience across corporate governance, finance, procurement, policy and program management roles.

Aaron holds a Master of Business Administration from the University of Canberra and a Bachelor of Laws and Bachelor of Creative Arts from the University of Wollongong.

Justin Napier—General Manager Regulatory Operations Group

Justin Napier joined Comcare on 1 June 2015. He has oversight of Comcare’s inspectorate function, regulatory policy, WHS and rehabilitation audits, WHS authorisations, regulatory intelligence and regulatory education and stakeholder engagement.

Prior to joining Comcare, Justin was General Manager Corporate and Operations at the Australian Skills Quality Authority (ASQA) and an Executive member of the Establishment Taskforce responsible for implementation of the Fair Work Act, including the establishment of Fair Work Australia and the Fair Work Ombudsman.

Justin holds a Graduate Diploma in Business and Administration from the Latrobe Graduate School of Management and a Bachelor of Arts from Deakin University.

Natalie Bekis—General Manager Strategic Partnerships and Engagement Group

Natalie Bekis joined Comcare on 29 May 2017. With over a decade of experience working across various state and national personal injury compensation systems, including with one of Australia’s largest self-insured employers and more recently within the e-Health sector, she has lead the design and implementation of a range of strategic projects and policy changes to improve the health and recovery outcomes for injured employees nationally.

Natalie’s experience across clinical, operational and executive roles has enabled her to build deep insights and a broad network of relationships and partnerships across government, industry and medical associations within the health and disability sectors. This experience is further underpinned by a Bachelor of Nursing and a Master of Business Management and she is a member of the Australian Institute of Company Directors.

Kim Ward—General Manager Claims Management Group

Kim Ward joined Comcare on 12 November 2018. She has extensive experience in the management of complex and chronic injuries across compensable injury schemes. Her work has ranged across claims, workplace wellbeing and clinical injury management.

Prior to moving into the insurance sector, Kim worked extensively as a sports physiotherapist for many years. She has taught at several universities at both undergraduate and post-graduate levels. Kim worked at MLC Life and was an Associate Director with KPMG's Insurance Claims and Workplace Health Team prior to joining Comcare.

Kim holds a Bachelor of Applied Science (Physiotherapy) and a Masters of Health Science (Sports Physiotherapy).

Matthew Swainson—General Manager Legal Group

Matthew Swainson joined Comcare on 15 June 2015 as the Chief Legal Officer, Scheme Management and Regulation Legal. In October 2018, Matthew was appointed General Manager of Comcare's newly established Legal Group and has successfully centralised Comcare's diverse legal services to create a cohesive Legal Group that is committed to providing consistent legal services and assurances that legal risk in Comcare's operations is effectively managed.

Matthew holds a Bachelor of Law (Honours), a Bachelor of Arts and is admitted to practice law in Australia, New Zealand and the Solomon Islands. He has a broad range of legal experience in the public sector, private sector and international aid consulting.

Additional Chief Executive Officer and General Managers during 2018–19

The table below provides details of acting appointments to Executive positions during 2018–19

Table 5: Additional Chief Executive Officer and General Managers during 2018–19

Role	Name	Dates
Chief Executive Officer	Lynette MacLean	25 January 2019–5 April 2019
General Manager, Claims Management Group	James McKenzie	2 May 2018–9 November 2019
General Manager, Corporate Management Group	Lyndall Moore	1 August 2018–31 August 2018 1 November 2018–7 November 2018 25 January 2019–5 April 2019
General Manager, Regulatory Operations Group	Anthony Blucher	24 September 2018–5 October 2018 14 January 2019–1 February 2019
General Manager, Scheme Management Group	Michael Duke	17 December 2018–13 January 2019 27 June 2019–7 July 2019
General Manager, Insurance Group	Michele Hamilton	2 January 2019–1 March 2019
General Manager, Legal Group	Louise Close	21 January 2019–29 January 2019

Departed Comcare

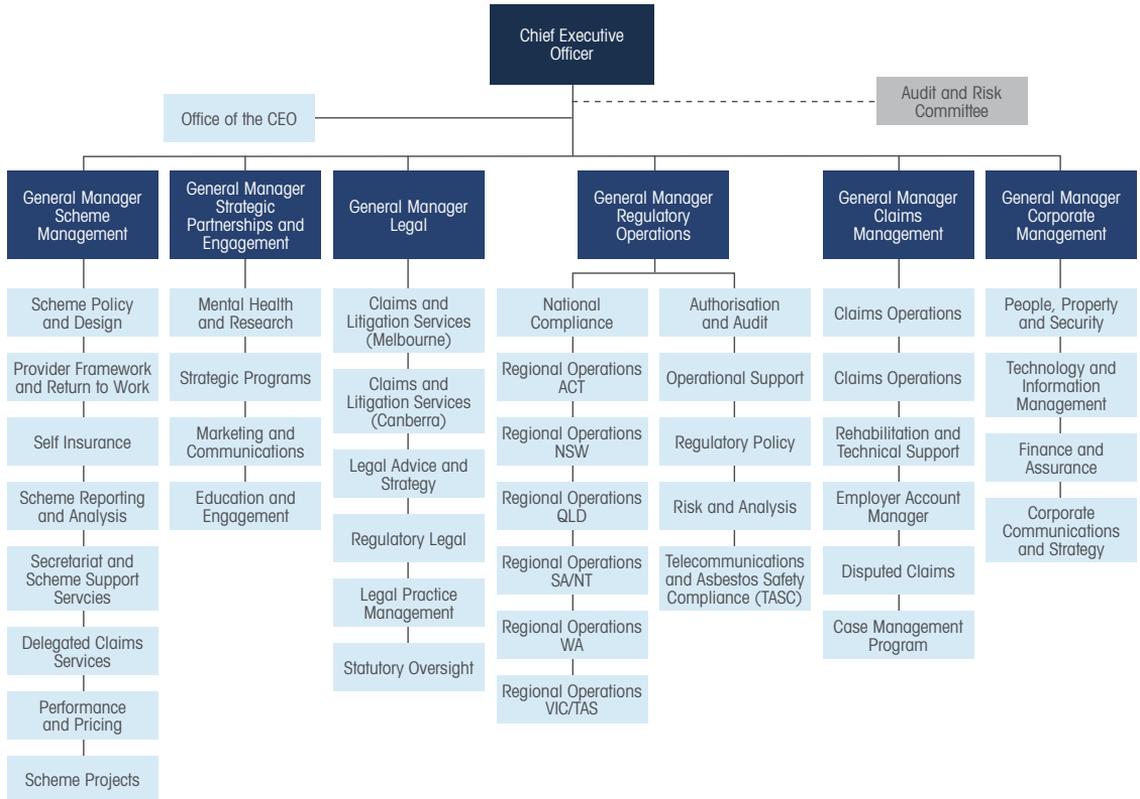
The table below provides details of Executive members who departed during 2018–19.

Table 6: Departed Comcare Executive team members during 2018–19

Role	Name	Dates
Chief Executive Officer	Jennifer Taylor	24 August 2014–24 January 2019
General Manager, Insurance Group	Tony Middlebrook	4 May 2015–31 May 2019
Deputy Chief Executive Officer and General Manager, Corporate Management Group	Lynette MacLean	4 May 2015–28 June 2019

Organisational structure

Figure 6: Comcare’s organisation chart as at 30 June 2019



Comcare's locations

Figure 7: Comcare's office locations



National office

- 1 Australian Capital Territory**
Level 4, 121 Marcus Clarke Street
Canberra ACT 2600

Regional offices

- 2 Sydney office**
Level 30, Sydney Central Building
477 Pitt Street
Sydney NSW 2000
- 3 Newcastle office**
Suite 1, 47 Bolton Street
Newcastle NSW 2300
- 4 Victoria office**
Level 6, 535 Bourke Street
Melbourne VIC 3000
- 5 South Australia office**
Level 6, 26 Flinders Street
Adelaide SA 5000
- 6 Queensland office**
Level 13, 410 Queen Street
Brisbane QLD 4000
- 7 Western Australia office**
Level 3, 233 Adelaide Terrace
Perth WA 6000



Allianz 

 GALLAGHER BASSETT
GUIDE. GUARD. GO BEYOND.


MORAY & AGNEW
LAWYERS



Welcome to the
2018 COMCARE
NATIONAL
CONFERENCE

FOR THE FUTURE: COLLABORATE | INNOVATE | ACHIEVE



Welcome to the

2018 COMCARE

2018 NATIONAL
CONFERENCE

FOR THE FUTURE: COLLABORATE | INNOVATE | ACHIEVE

#Comcare2018

@comcare_gov_au

CHAPTER TWO: ANNUAL PERFORMANCE STATEMENTS 2018–19

Overview	34
Strategic priority: Leading workers' compensation insurer	42
Strategic priority: Effective national regulator	48
Strategic priority: Excellence in scheme design and management	56
Strategic priority: Efficient and effective operations	60
Strategic priority: Drive innovation and better practice for the schemes	66

OVERVIEW

Introductory statement

I, Susan Weston, as the Chief Executive Officer of Comcare (sole director), present the 2018–19 annual performance statements of Comcare, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of Comcare and comply with subsection 39(2) of the PGPA Act.



Susan Weston

Our performance

Comcare's efforts are driven to achieve our strategic outcome—*support participation and productivity through healthy and safe workplaces that minimise the impact of harm.*

The performance results in this chapter convey how Comcare measures our success against our five strategic priorities and purposes. We are committed to improving our performance and set ambitious targets to achieve our outcome. An overview of our 2018–19 Corporate Plan results is provided in the table below. We achieved 78 per cent of the performance targets that we set for the year. Further details are provided in the following sections, including actions taken to address the five performance measures where we did not achieve the set targets.

Table 7: 2018–19 Corporate Plan results summary

Performance criterion	Target	Result	Status
Leading workers' compensation insurer			
The insured scheme continues to be fully funded	100–110 per cent	131 per cent	Achieved
The average Commonwealth premium rate reduces to 1.1 per cent of payroll (excluding GST) by 2018–19	Average Commonwealth premium rate = 1.1 per cent of payroll	0.85 per cent	Achieved
Reduce the insured scheme liability to ensure the scheme remains financially sustainable	Scheme liability is \$1.9 billion or less by 30 June 2019	\$1.665 billion at 30 June 2019	Achieved
Claims administration cost as a ratio of all claims expenses is 20 per cent or lower for each injury year	Administrative cost ratio is 20 per cent or lower	19.8 per cent at 30 June 2019	Achieved
Increase the proportion of employees who have returned to work, measured by duration of incapacity benefits, to facilitate recovery and reduce liability	13 wks: 76 per cent 26 wks: 84 per cent 78 wks: 92 per cent	13 weeks: 64 per cent 26 weeks: 77 per cent 78 weeks: 89 per cent	Not achieved—refer p43
A sustained high level of satisfaction and engagement with the services provided, measured by survey, to ensure services are appropriate, responsive and relevant	A stakeholder rating of 82 per cent or more for services provided to the Fund	70 per cent from employers and 72 per cent from employees	Not achieved—refer p43
Timeliness of claims resolution (i.e. percentage of primary asbestos claims resolved within 180 calendar days)	80 per cent	58 per cent	Not achieved—refer p44
Third party recovery rate (i.e. percentage of the value of asbestos claims settlements recovered from third parties)	10 per cent	37 per cent	Achieved

Performance criterion	Target	Result	Status
Effective national regulator			
Our proactive regulatory reach is extended to all entities in our scheme, to further our breadth of activities both in cities and remote workplaces, and ensure we have increased the number of active relationships and entities	Regulator interaction with 100 per cent of entities in our scheme	100 per cent	Achieved
Our approach improves WHS outcomes in workplaces, measured by increased knowledge, awareness and compliance to ensure regulatory intervention makes a positive difference	80 per cent of surveyed workplaces have improved WHS outcomes following regulatory intervention	86 per cent	Achieved
A sustained high level of satisfaction and engagement with services provided, measured by survey, to ensure regulatory actions are appropriate, responsive and relevant	Satisfaction rating of 85 per cent or more	95 per cent	Achieved
Excellence in scheme design and management			
Return to work rates developed through the existing biennial <i>National Return to Work Survey</i> indicating the rehabilitation outcomes achieved	Comcare scheme return to work rate = 95 per cent	94 per cent (2017–18 result)	Not achieved—refer p56
Improve the financial sustainability of the scheme measured by notional premium rate	Comcare scheme notional premium rate = 1.12 per cent	0.87 per cent	Achieved
Better practice scheme management assessed through qualitative review	Qualitative evaluation of scheme management identifies the adoption/promotion of better practice	Achieved	Achieved

Performance criterion	Target	Result	Status
SRCC satisfaction of support provided by Comcare	Qualitative evaluation using structured services and feedback from the Chair	Achieved	Achieved
Seacare Authority satisfaction of support provided by Comcare	Qualitative evaluation using structured services and feedback from the Chair	Achieved	Achieved
Efficient and effective operations			
Increased satisfaction with corporate services measured through responses to a survey conducted annually	85 per cent satisfaction rate	Two internal corporate services satisfaction surveys were held in 2018–19 with the first meeting the target of 85 per cent satisfaction and the second exceeding the target with a 96 per cent satisfaction rate	Achieved
Maintain employee levels of engagement which are higher than those in similar sized agencies, measured through ratings on the leadership category questions in the <i>Australian Public Service (APS) employee census</i>	Comcare employees rate their: <ul style="list-style-type: none"> > job engagement at higher than 7.5 > team engagement at higher than 7.2 > supervisor engagement at higher than 7.9 > agency engagement at higher than 6.4 > collaboration between groups at higher than 55 per cent > agency innovation at higher than 70 per cent 	Comcare employees rated their: <ul style="list-style-type: none"> > job engagement at 7.4 > team engagement at 7.1 > supervisor engagement at 7.8 > agency engagement at 6.1 > collaboration between groups at 56 per cent > agency innovation at 66 per cent 	Not achieved—refer pp60-61

Performance criterion	Target	Result	Status
Comcare employees have the knowledge and skills to meet operational needs, measured through results of the <i>APS employee census</i>	90 per cent of employees indicate that they have the skills and knowledge to undertake their job	95 per cent	Achieved
Comcare's workers' compensation premium is maintained, achieved through improving: injury and harm levels recovery and early return to work rates of Comcare employees	Comcare's workers' compensation premium is 2.1 per cent or less	1.67 per cent	Achieved

Drive innovation and better practice for the schemes

Evidence-based new or improved programmes, services and/or products introduced for Comcare and scheme participants	Six active initiatives that address scheme challenges and emerging issues	<ol style="list-style-type: none"> 1. NewAccess program 2. Early intervention service provider pilot 3. Mental health community of practice 4. Clinical guidelines for work-related mental health conditions in general practice 5. National mentally healthy workplace alliance 6. Lead indicators 7. Comcare e-certificate of capacity 8. National certificate of capacity 	Achieved
Demonstrated cross-sector national collaboration	Four active cross-sector initiatives co-designed and established	<ol style="list-style-type: none"> 1. Collaborative partnership cross-sector project 2. Employer mobilisation report 3. GP support project 4. Employee awareness project 	Achieved

Performance criterion	Target	Result	Status
Comcare has a strategic research plan that informs better practice across the scheme	Strategic research plan established to support the scheme needs	Executive approved <i>Comcare Research Plan 2018–2022</i>	Achieved

The following table demonstrates the links between the Comcare 2018–19 Portfolio Budget Statements and the Comcare 2018–2022 Corporate Plan. This performance information provides the basis for Comcare’s performance framework.

Table 8: Links between the Corporate Plan and the PBS components 2018–19

Corporate Plan performance measure	PBS component
The leading workers’ compensation insurer	
The insured scheme continues to be fully funded.	
The average Commonwealth premium rate reduces to 1.1 per cent of payroll (excluding GST) for the 2018–19 premium year, to ensure the scheme remains financially sustainable.	
Reduce the insured scheme liability to ensure the scheme remains financially sustainable.	1.4—Premium claims 1.5—Pre-premium claims
That claims administration cost as a ratio of all claims expenses is 20 per cent or lower for each injury year, measured by Safe Work Australia’s comparative performance monitoring methodology, to ensure cost effective management of the fund.	1.6—Asbestos claims
Increase the proportion of employees who have returned to work, measured by duration on incapacity benefits, to facilitate recovery and reduce liability.	
A sustained high level of satisfaction and engagement with the services provided, measured by survey, to ensure services are appropriate, responsive and relevant.	

Corporate Plan performance measure	PBS component
Effective national regulator	<p>1.1—Work health, safety and rehabilitation regulation</p> <p>1.2—Comcare workers’ compensation scheme management</p> <p>1.3—SRCC and Seacare</p>
<p>Our proactive regulatory reach is extended to all entities in our scheme, to further our breadth of activities both in cities and remote workplaces and ensure we have increased the number of active relationships with entities.</p>	
<p>Our approach improves work health and safety outcomes in workplaces, measured by increased knowledge, awareness and compliance to ensure regulatory intervention makes a positive difference.</p>	
<p>A sustained high level of satisfaction and engagement with services provided, measured by survey, to ensure regulatory actions are appropriate, responsive and relevant.</p>	
Excellence in scheme design and management	
<p>Return to work rates developed through the existing biennial <i>Return to Work Survey</i> indicating the rehabilitation outcomes achieved.</p>	
<p>Improve the financial sustainability of the scheme measured by notional premium rate.</p>	
<p>Better practice scheme management assessed through qualitative review.</p>	
Efficient and effective operations	<p>Supports and contributes to the outcomes of all components</p>
<p>Increased satisfaction with corporate services measured through responses to a survey conducted annually.</p>	
<p>Maintain employee levels of engagement which are higher than those in similar sized agencies, measured through ratings on the leadership category questions in the <i>APSC employee census</i>.</p>	
<p>Comcare employees have the knowledge and skills to meet operational needs, measured through the <i>APSC employee census</i> results.</p>	
<p>Comcare’s workers’ compensation premium is maintained, achieved through improving:</p> <ul style="list-style-type: none"> > injury and harm levels > recovery and early return to work rates of Comcare employees. 	

Corporate Plan performance measure	PBS component
Drive innovation and better practice for the schemes	Supports and contributes to the outcomes of all components
Evidence-based new or improved programs, services and/or products introduced for Comcare and scheme participants.	
Demonstrated cross-sector national collaboration.	
Comcare has a strategic research plan that informs better practice across the scheme.	

STRATEGIC PRIORITY: Leading workers' compensation insurer

Purpose: Working with employees and employers to minimise the impact of harm in workplaces, support recovery at and return to work, and deliver sustainable management of the fund.

Performance criterion	Target	Source
The insured scheme continues to be fully funded	100-110 per cent	PBS component 1.4 Corporate Plan
Result—131 per cent (2017–18 result—116 per cent)		
The improved funding ratio is driven by a \$111.5 million (6 per cent) reduction in liabilities reflecting an ongoing lower volume of new claims and reduced duration of incapacity and medical payments.		
The average Commonwealth premium rate reduces to 1.1 per cent of payroll (excluding GST) by 2018–19, to ensure the scheme remains financially sustainable	Average Commonwealth premium rate = 1.1 per cent of payroll	PBS component 1.4 Corporate Plan
Result—0.85 per cent (2017–18 result—1.06 per cent)		
The decrease in the premium rate since 2018–19 is driven by an ongoing lower volume of new claims and reduced duration of incapacity and medical payments, and improvements in the scheme's funding position.		
Reduce the insured scheme liability to ensure the scheme remains financially sustainable	Scheme liability is \$1.9 billion or less by 30 June 2019	PBS component 1.4 Corporate Plan
Result—\$1.665 billion at 30 June 2019 (2017–18 result—\$2.192 billion)		
The reduction in the liability since 30 June 2018 is due to two employers exiting the Comcare insured scheme and commencing self-insurance arrangements and a reduction in liabilities for the remaining claim portfolio reflecting favourable ongoing claims experience.		
That claims administration cost as a ratio of all claims expenses is 20 per cent or lower for each injury year, measured by Safe Work Australia's comparative performance monitoring methodology, to ensure cost effective management of the fund.	Administrative cost ratio is 20 per cent or lower	PBS component 1.4 and 1.5 Corporate Plan
Result—19.8 per cent at 30 June 2019 (2017–18 result—18.5 per cent)		

The result continued to be less than Comcare's target of twenty per cent.

Increase the proportion of employees who have returned to work, measured by duration of incapacity benefits, to facilitate recovery and reduce liability	13 wks: 76 per cent 26 wks: 84 per cent 78 wks: 92 per cent	PBS component 1.4 Corporate Plan
--	---	-------------------------------------

Result—Did not achieve targets

13 weeks: **64 per cent**; 12 per cent below target (2017–18 result—66 per cent)

26 weeks: **77 per cent**; 7 per cent below target (2017–18 result—76 per cent)

78 weeks: **89 per cent**; 3 per cent below target (2017–18 result—91 per cent)

The proportion of employees who have returned to work, measured by duration of incapacity benefits, has not achieved the Corporate Plan targets across the 13, 26 and 78 weeks measures 2018–19.

A sustained high level of satisfaction and engagement with the services provided, measured by survey, to ensure services are appropriate, responsive and relevant	A stakeholder rating of 82 per cent or more for services provided to the Fund	PBS component 1.4 Corporate Plan
---	---	-------------------------------------

Results—70 per cent from employers and 72 per cent from employees
(2017–18 results—68 per cent from employers and 72 per cent from employees)

Comcare's mechanisms for measuring the service provided to stakeholders are via an online survey with Australian Public Service (APS) employers and the National Return to Work (RTW) telephone survey with employees.

- > In 2018–19 70 per cent (N=138) of employers reported satisfaction with the services received from Comcare staff which is 12 per cent below the target of 82 per cent or more.
- > This result is from the 2018–19 Employer Survey conducted with Australian Public Service (APS) employers in April/May 2019. Employer satisfaction with the service received from Comcare has increased from 68 per cent in 2017–18 and is largely driven by improved perceptions regarding Comcare staff 'advising employers about their rights' and 'listening to their point of view'.
- > In 2017–18 72 per cent (N=301) of employees indicated satisfaction with the services received from Comcare staff which is 10 per cent below the target of 82 per cent or more.
- > As the National Return to Work (NRTW) Survey is conducted biennially, and not in 2018–19, last years' survey results from the NRTW Survey are used as the 2018–19 result.

Asbestos Claims – PBS Component 1.6

Timeliness of claims resolution (i.e. percentage of primary asbestos claims resolved within 180 calendar days)	80 per cent	PBS component 1.6
--	-------------	-------------------

Result—58 per cent (2017–18 result—65 per cent)

Comcare completed all necessary determinations and actions for asbestos claims received to be settled promptly. However, due to the nature of the injuries involved, and delays that can occur with finalising settlements for asbestos claims, the 180 day target to resolve 80 per cent of cases was not met.

Third party recovery rate (i.e. percentage of the value of asbestos claims settlements recovered from third parties)	10 per cent	PBS component 1.6
--	-------------	-------------------

Result—37 per cent (2017–18 result—32 per cent)

\$6.9 million was recovered from third parties against \$18.9 million paid.

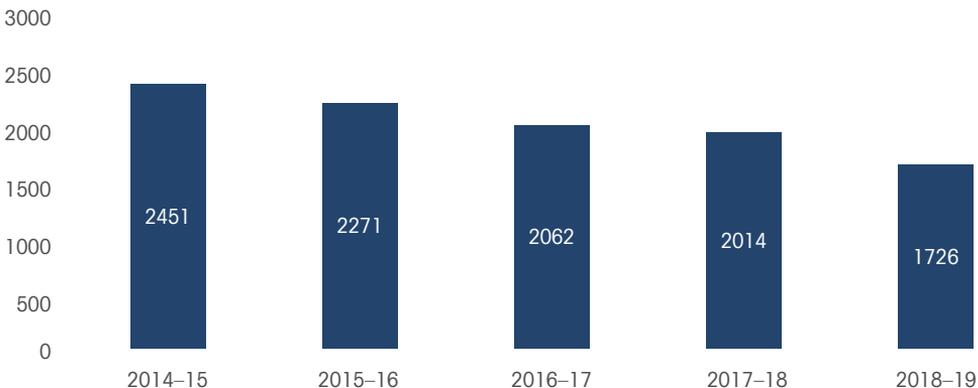
Analysis of performance against strategic priority: Leading workers’ compensation insurer

Comcare’s efforts as a workers’ compensation insurer are focussed on effective and efficient service delivery and the achievement of positive outcomes for our employers and employees. The agency continues to work at refining and improving our claims management and insurance services.

Key external factors for 2018–19

In 2018–19, Comcare experienced a reduction in the number of workers’ compensation claims received for the fifth straight financial year. Claims received by Comcare fell to 1726.

Figure 8: Number of claims received 2014–15 to 2018–19



Additionally, this financial year the ACT Government was granted a self-insurance licence by the Safety, Rehabilitation and Compensation Commission. The granting of this licence moved a large employer client out of Comcare's workers' compensation remit. DHL Express (Australia) Pty Ltd also joined the scheme as a new self-insured licensee. Five new agencies became part of the workers' compensation scheme:

- > Aged Care Quality and Safety Commission
- > Australian Signals Directorate (formerly included as part of the Department of Defence)
- > National Housing Finance and Investment Corporation
- > North Queensland Livestock Industry Recovery Agency
- > North Queensland Water Infrastructure Authority.

Performance metrics

Comcare achieved most of its performance objectives for the workers' compensation function in 2018–19 including:

- > the funding ratio for the insured scheme (the ratio of assets available to Comcare against its workers' compensation liabilities) reached 131 per cent as at 30 June 2019 meeting the target of remaining fully funded
- > the average Commonwealth premium rate¹ determined by Comcare in 2018–19 and applied in 2019–20 is 0.85 per cent of payroll (exclusive of GST) exceeding the target set of 1.1 per cent of payroll (exclusive of GST)
- > scheme liability has reduced to \$1.665 billion at 30 June 2019 exceeding the target of \$1.9 billion
- > claims administration cost ratio sits at 19.8 per cent against a target of 20 per cent or lower
- > the third-party recovery rate² for asbestos claims sits at 37 per cent exceeding the target of 10 per cent.

Achievement of these targets is a combination of the efforts Comcare is making to improve its claims management operations, the efforts of Australian Government agencies in preventing injury and early intervention when injury does occur, and the external factors that have impacted Comcare this year.

While performing well, Comcare has not met the targets it set in the following areas:

- > return to work—the proportion of employees who have returned to work, measured by duration of incapacity benefits
- > client satisfaction—satisfaction and engagement with the services provided, measured by survey, to ensure services are appropriate, responsive and relevant
- > timeliness of asbestos claims resolution—asbestos claims resolved within 180 calendar days.

¹ Premium as a percentage of agency payroll.

² per cent of the value of asbestos claim settlements recovered from third parties.

Return to work performance remains a challenge for Comcare as it is for all workers’ compensation jurisdictions across Australia. In 2018–19 our return to work results against timeframes were:

Lost time duration	Corporate Plan target	Result
13 weeks	76 per cent	64 per cent
26 weeks	84 per cent	77 per cent
78 weeks	92 per cent	89 per cent

Note: Results represent the proportion of employees with a workers’ compensation claim whose accrued time off work is less than 13, 26, and 78 weeks. For example, the first target is that 76 per cent of employees with a workers’ compensation claim received payment for time off work for no more than 13 weeks in total.

These results are based on the duration of incapacity benefit (income replacement) payments over the life of workers’ compensation claims and are cumulative in calculation. That is, they do not always represent continuous periods of time off work and may involve multiple periods or individual days. Employees remain on incapacity benefits where rehabilitation and return to work efforts are not effective. There are various reasons for this, including the effectiveness of rehabilitation programs and providers, the nature of the injury and its treatment, and failure to realise unmet capacity (failure to return employees to work where some work capacity exists). Comcare’s role in facilitating effective rehabilitation and return to work remains a focus.

Satisfaction with Comcare’s services has not met target although is relatively stable compared to 2017–18. The introduction of digital platforms to help monitor engagement points with Comcare’s stakeholders, coupled with increased proactive communication with clients, is aimed at improving service interactions across the business.

Comcare attempts to settle asbestos claims within 180 days and has set a target of 80 per cent of all claims received. Fifty-eight per cent of asbestos claims settled in 2018–19 were within the 180 day timeframe (29 out of 50 claims). Comcare completed all necessary determinations and actions for asbestos claims received to settle promptly. However, due to the nature of the injuries involved, and delays that can occur with finalising settlements for asbestos claims in some instances, the 180 day target was not met in 21 cases.

STRATEGIC PRIORITY: Effective national regulator

Purpose: Achieving safer and healthier workplaces through promoting continuous improvements in work health, safety and rehabilitation practices and monitoring compliance with the law.

Performance criterion	Target	Source
Our proactive regulatory reach is extended to all entities in our scheme, to further our breadth of activities both in cities and remote workplaces, and ensure we have increased the number of active relationships and entities	Regulator interaction with 100 per cent of entities in our scheme	PBS component 1.1 Corporate Plan
Result—100 per cent (2017–18 result—82 per cent against a target of 80 per cent)		

Regulatory engagement and outreach across the scheme has improved following the implementation of the Regulatory Engagement Strategy. In 2018–19 Comcare successfully interacted with 100 per cent of regulated entities within our scheme, resulting in Comcare achieving its target for the period.

Our approach improves WHS outcomes in workplaces, measured by increased knowledge, awareness and compliance to ensure regulatory intervention makes a positive difference.	80 per cent of surveyed workplaces have improved WHS outcomes following regulatory intervention	PBS component 1.1 Corporate Plan
Result—86 per cent (2017–18 result—76 per cent against a target of 70 per cent)		

Following a survey of recipients of Comcare’s regulatory services, 86 per cent of respondents indicated that Comcare’s regulatory services had a positive impact on their workplace and improved work health and safety outcomes.

A sustained high level of satisfaction and engagement with services provided, measured by survey, to ensure regulatory actions are appropriate, responsive and relevant.	Satisfaction rating of 85 per cent or more	PBS component 1.1 Corporate Plan
Result—95 per cent (2017–18 result—99 per cent against a target of 82 per cent)		

Following a survey of recipients to gauge the level of satisfaction and engagement against inspectorate, education services and work health and safety forums, 95 per cent of respondents reported they were satisfied with Comcare’s regulatory services.

Analysis of performance against strategic priority: Effective national regulator

Comcare has exceeded the performance measures for 2018–19 against its purpose to be an effective national regulator.

Comcare has implemented its internal *Regulatory Engagement Strategy 2017–2020*, which aims to provide a framework for nationally consistent and targeted engagement with regulated entities and stakeholders. The strategy outlines a multi-level engagement approach to successfully reach its diverse stakeholder group, summarised in Figure 9.

Figure 9: Comcare multi-level regulatory engagement



Comcare identifies national regulatory priorities which direct the focus of proactive interactions. Annual regional engagement plans were developed to help deliver the strategy and provide a framework for a structured and scheduled approach to engagement regionally. This enables Comcare to maintain and extend its regulatory reach and influence across the jurisdiction and resulted in interaction with all regulated entities during the period.

Comcare conducts an annual evaluation of its regulatory services to assess if its approach has improved WHS outcomes in workplaces, and if stakeholders are satisfied and engaged with the services provided. The 2018–19 evaluation programme focused on a range of regulatory services, including inspections and verification activities. Those surveyed included attendees of Comcare’s external education courses and national work health and safety forum. Major Hazard Facilities safety managers and WHS Helpdesk recipients were surveyed for the first time in 2018–19 to ensure a broad range of regulatory services are evaluated against the performance measures.

Eighty-six per cent of respondents stated that there were improved WHS outcomes in their workplace as a result of Comcare’s regulatory activity, an increase from last year’s result of 72 per cent. The surveys are improved annually to better assess users’ experience.

Nine work health and safety forums were held across Australia during 2018–19, attended by 287 participants. Feedback was overwhelmingly positive with favourable comments relating to content, opportunity to network and meet with Comcare’s inspectorate. Four forums are scheduled for the second half of 2019 with an evaluation to take place once the final forum, scheduled for October 2019, has concluded.

During this period Comcare has continued to mature its risk model and regulatory intelligence capture. These capabilities enable Comcare to use data and intelligence to target regulatory activities using a risk-based, intelligence-led approach.

Work health and safety incidents

In 2018–19, 1358 incidents were notified to Comcare, which is comparable to the preceding years. While serious injury or illness incidents increased by 11 per cent, dangerous incidents decreased by eight per cent. As shown across recent years, these numbers can fluctuate and are not indicative of a specific or common risk or trend.

A number of deaths notified to Comcare in 2018–19 involved road accidents or pre-existing personal medical conditions. Comcare investigates the causal factors and in most instances has determined that they were often beyond the control of the duty holder and that reasonably practicable steps to manage health and safety had been taken. Comcare investigates all incidents involving the death of a worker or other person to determine the cause, improve safety outcomes and ensure those who breach their duties and obligations are held to account.

Table 9: Notifiable incidents notified to Comcare under section 38 of the WHS Act

Type of notifiable incidents	2014–15	2015–16	2016–17	2017–18	2018–19
Total notifiable incidents	1558	1404	1345	1377	1358
Serious injury or illness	522	523	534	492	546
Dangerous incident	1010	851	778	861	790
*Death of a person	26	30	33	24	22
<i>Worker deaths</i>	9	12	14	14	11
<i>Other person deaths</i>	17	18	19	10	12

* An incident may result in harm (or death) to one or more people. Therefore, the total number of workers and other person deaths may be equal to or greater than the total number of notifiable death incidents.

Telecommunications asbestos safety compliance

Comcare established the Telecommunication Asbestos Safety Compliance (TASC) programme on 1 July 2016 as a result of a new policy proposal approved by Government and included in the 2016–17 Portfolio Budget Statements. The programme will run until June 2021 and aims to ensure the highest standards of work health and safety are applied to the rollout of the national broadband network (NBN) through a risk-based, targeted approach. The programme provides a high level of dedicated regulatory oversight through mostly unannounced visits to ensure the compliance of all duty holders across the NBN rollout and to complement NBN Co's health and safety assurance efforts.

In 2018–19 an average of six inspectors were dedicated to the TASC programme. The inspection process was streamlined with new audit tools introduced to assess compliance, resulting in a higher volume of regulatory activities compared to the previous year. In 2018–19 the TASC Inspectors audited 518 contractors, with 263 being observed by inspectors for the first time. The effectiveness of this programme is evidenced by the generally high levels of compliance during 2018–19.

Table 10: TASC programme activities commenced

	2016–17	2017–18	2018–19
Total TASC programme activities	720	1682	2008

Inspectorate compliance and enforcement activities

Table 11: Inspectorate compliance and enforcement activities

2018–19*	
Total inspectorate compliance and enforcement activities	1673
Provide information and advice activities	553
Monitoring compliance inspections and investigations	1120

* Comcare revised its reporting on inspections and investigations to align with its Compliance and Enforcement Policy

Historical inspection and investigation totals			
2014–15	2015–16	2016–17	2017–18
2404	1807	1248	1826

Table 12: Notices issued under the WHS Act

	2014–15	2015–16	2016–17	2017–18	2018–19
Improvement notices issued under section 191	8	18	8	24	20
Prohibition notices issued under section 195	6	8	9	17	14
Non-disturbance notices issued under section 198	1	2	14	27	14

Table 13: Other statutory reporting requirements under the WHS Act

	2014–15	2015–16	2016–17	2017–18	2018–19
Seizures made under section 175 or 176	0	0	0	0	14
Remedial action taken under section 211 or 212	0	0	0	0	0
Applications for internal review under section 224	1	5	3	3	5
Applications for external review made under section 229	0	0	0	0	1
Written undertaking accepted by Comcare under section 216	0	0	0	0	0
*Infringement notices given under section 243	0	0	0	0	0

* The WHS Regulations do not currently prescribe any provision of the WHS Act that is enforceable by infringement notice.

Prosecutions

In 2018–19, Comcare commenced six criminal proceedings under the WHS Act. As at 30 June 2019, four proceedings have continued, and two proceedings have concluded during this period.

Commonwealth (Department of Defence)—commenced

On 17 September 2018, criminal proceedings were commenced in the New South Wales Local Court against the Commonwealth (Department of Defence) for offences against sections 32 and 38 of the WHS Act. The proceedings relate to an incident on 19 September 2016 in which an army cadet sustained serious injuries during a cadet camp activity.

John Holland Group Pty Ltd, Omega Constructions Pty Ltd and Universal Reo Pty—commenced

On 31 January 2019, criminal proceedings were commenced in the Magistrates' Court of Western Australia against John Holland Group Pty Ltd, Omega Constructions Pty Ltd and Universal Reo Pty Ltd for offences against section 32 of the WHS Act. The proceedings relate to an incident on 1 February 2017 in which a worker sustained serious injuries after being struck by a telescopic handler.

Lendlease Building Contractors Pty Ltd and Bromar Nominees Pty Ltd—commenced

On 30 April 2019, criminal proceedings were commenced in the Magistrates' Court of Western Australia against Lendlease Building Contractors Pty Ltd and Bromar Nominees Pty Ltd for offences against section 32 of the WHS Act. The proceedings relate to an incident on 1 May 2017 in which a worker sustained serious injuries after being struck by a pipe at a Department of Defence worksite.

Commonwealth (Department of Defence)—commenced

On 8 May 2019, criminal proceedings were commenced in the Local Court of the Northern Territory against the Commonwealth (Department of Defence) for offences against section 32 of the WHS Act. The proceedings relate to an incident on 10 May 2017 in which a soldier was fatally shot during a live fire exercise at the Mount Bunday training area.

Commonwealth (Commonwealth Scientific and Industrial Research Organisation)—commenced

On 5 June 2019, criminal proceedings were commenced in the Magistrates' Court of Victoria against the Commonwealth (Commonwealth Scientific and Industrial Research Organisation) (CSIRO) for offences against section 32 of the WHS Act. The proceedings relate to an incident on 6 June 2017 in which an explosion occurred at the CSIRO's Clayton site.

Lendlease Building Contractors Pty Ltd and Kuredale Pty Ltd (trading as Metro Lintels)—commenced

On 5 June 2019, criminal proceedings were commenced in the Magistrates' Court of Western Australia against Lendlease Building Contractors Pty Ltd and Kuredale Pty Ltd (trading as Metro Lintels) for offences against section 32 of the WHS Act. The proceedings relate to an incident on 7 June 2017 in which a worker sustained serious injuries after being struck by a steel truss at a Department of Defence worksite.

Commonwealth (Department of Environment and Energy) and Helicopter Resources Pty Ltd—continued

On 20 December 2017, criminal proceedings were commenced in the Magistrates' Court of the Australian Capital Territory against the Commonwealth (Department of Environment and Energy) and Helicopter Resources Pty Ltd for offences against section 32 of the WHS Act. The proceedings relate to an incident in which a helicopter pilot sustained fatal injuries after falling down a crevasse in Antarctica on 11 January 2016.

Commonwealth (Department of Defence)—continued

On 27 June 2018, criminal proceedings were commenced in the Magistrates' Court of Victoria against the Commonwealth (Department of Defence) for offences against section 32 of the WHS Act. The proceedings relate to an incident in which two workers suffered injuries during a training exercise at the Puckapunyal training area on 4 July 2016.

Cleanaway Operations Pty Ltd—continued

On 15 August 2016, criminal proceedings were commenced in the Magistrates' Court of South Australia against Cleanaway Operations Pty Ltd for offences against section 32 of the WHS Act. The proceedings relate to a fatal collision involving a Cleanaway vehicle on Adelaide's South-Eastern Freeway on 18 August 2014.

Linfox Australia Pty Ltd and Thales Australia Ltd—Linfox concluded and Thales continued (appeal lodged)

On 17 July 2017, criminal proceedings were commenced in the Magistrates' Court of Queensland against Linfox Australia Pty Ltd and Thales Australia Ltd for offences against sections 32 and 33 of the WHS Act. The proceedings relate to an incident on 22 July 2015 in which an Army vehicle collided with a worker. Linfox Australia Pty Ltd pleaded guilty and was convicted and fined \$200,000. Thales Australia Ltd pleaded not guilty and was convicted and fined \$160,000. On 26 April 2019 Thales Australia Ltd lodged an appeal.

Cleanaway Operations Pty Ltd—concluded

On 28 July 2017, criminal proceedings were commenced in the Magistrates' Court of Victoria against Cleanaway Operations Pty Ltd for offences against section 32 of the WHS Act. The proceedings related to an incident in which a worker sustained fatal injuries after being struck by a truck manoeuvring in a Cleanaway workplace on 5 August 2015. All charges were dismissed on 19 December 2018.

Regulator Performance Framework

Comcare is currently completing its 2018–19 self-assessment against its endorsed key performance measures for the Regulator Performance Framework. The report will be published on the Comcare website later in the year.

STRATEGIC PRIORITY: Excellence in scheme design and management

Purpose: Excellence in scheme design and management to achieve sustainable and better practice national schemes.

Performance criterion	Target	Source
Return to work rates developed through the existing biennial National Return to Work Survey ³ indicating the rehabilitation outcomes achieved	Comcare scheme return to work rate = 95 per cent	PBS component 1.2 Corporate Plan
Result—94 per cent		

Comcare achieved a scheme return to work rate of 94 per cent (based on the 2017–18 *National Return to Work Survey*). The biennial National Return to Work Survey will be conducted again in 2019–20.

Additional to the National Return to Work Survey, Comcare has begun collecting work status codes across claims accepted in the last two years. The current return rate for the scheme is 87 per cent as at 30 June 2019. The status code performance confirms the high return to work rate for the scheme.

Improve the financial sustainability of the scheme measured by notional premium rate	Comcare scheme notional premium rate = 1.12 per cent	PBS component 1.2 Corporate Plan
Result—0.87 per cent		

For 2018-19 the notional premium rate target has been achieved and is 0.87 per cent. This result is comparable to last year (0.86 per cent in 2017-18) and is largely attributable to the continuing improvement in Comcare claims management performance.

Better practice scheme management assessed through qualitative review	Qualitative evaluation of scheme management identifies the adoption/promotion of better practice	PBS component 1.2 Corporate Plan
Result—Achieved		

³ The National Return to Work Survey will be conducted in 2019–20 and 2021–22.

In 2018–19, Comcare supported the Safety, Rehabilitation and Compensation Commission (SRCC) in implementing better practice improvements to its published Licensee Compliance and Performance Model (LCPM). Comcare also developed guidance for scheme participants on return to work case conferencing, incapacity payments, permanent impairment payments, aids and appliances and reconsiderations. Comcare has also developed, in consultation with stakeholders, the 2019 *Guidelines for Rehabilitation Authorities* (Guidelines) and an updated *Rehabilitation Case Manager Handbook* (Handbook) to assist rehabilitation authorities to understand their obligations and support better practice rehabilitation and reduce compliance burden. The Guidelines and Handbook were released in August 2019. These initiatives are identified better practices and are being promoted and adopted across the Comcare scheme.

SRCC and Seacare Authority support – PBS Component 1.3

SRCC satisfaction of support provided by Comcare	Qualitative evaluation using structured services and feedback from the Chair	PBS component 1.3
--	--	-------------------

Result—Achieved

Service level performance measures are set through the SRCC meeting protocols and statement of services provided by Comcare to the SRCC. Service levels for the support Comcare provides to the SRCC were achieved 95 per cent of the time. No actions were required or requested by Commissioners in response to performance measures reported.

Seacare Authority satisfaction of support provided by Comcare	Qualitative evaluation using structured services and feedback from the Chair	PBS component 1.3
---	--	-------------------

Result—Achieved

Service level performance measures are set through the Seacare Authority meeting procedures and protocols and the application of better practice benchmarking. Service levels for the support Comcare provides to the Seacare Authority were achieved 99 per cent of the time across the 2018–19 reporting period. No actions were required or requested from members in response to performance measures reported.

Analysis of performance against strategic priority: Excellence in scheme design and management

Comcare has a range of functions and powers under the SRC Act that relate to the management of the Comcare scheme. These functions span the entire scheme including premium paying employers and self-insured licensees. Comcare's objective in performing these functions is to be a national leader in the design, implementation and management of a workers' compensation scheme and ensure our efforts improve work health and safety and rehabilitation outcomes.

In 2018–19, Comcare provided support and assistance to the then Department of Jobs and Small Business on proposed legislative changes. This included a review of proposed amendments, the provision of data and other related information to assist with the drafting of specific provisions, meetings to discuss proposed changes and coordination of internal consultation on the changes.

Comcare developed and implemented scheme guidance on the following topics in 2018–19:

- > aids and appliances
- > reconsiderations under the SRC Act.

Comcare also developed and published the following e-guidance products in 2018–19:

- > return to work case conferencing
- > incapacity payments
- > permanent impairment.

In 2018–19, the SRCC granted self-insurance licences to the ACT Government and DHL Express (Australia) Pty Ltd. Comcare provided support to the SRCC in the administration of these processes. Comcare also supported the SRCC in conducting elements of its five-year review plan for the SRCC's regulatory model, including:

- > a high-level assessment of the functioning of the SRCC's model
- > further refinement of a targeted review methodology for licensee prevention, claims and rehabilitation performance
- > review of the operation of the general conditions of licence for self-insured licensees
- > development of a review methodology for licensees in year six of their licence to support the SRCC in determining areas of focus for licence extension applications
- > clarification of the application of licensee key performance indicators.

Comcare continued to provide extensive advice and support to the Seacare Authority in 2018–19 to manage the Safety Net Fund and administer the Seacare scheme.

STRATEGIC PRIORITY: Efficient and effective operations

Purpose: Working collaboratively and innovatively across the organisation to:

- > enable the business to achieve Comcare’s outcome
- > support the business to drive change.

Performance criterion	Target
Increased satisfaction with corporate services measured through responses to a survey conducted annually	85 per cent satisfaction rate
Result—Achieved (2017–18 result—68 per cent)	

Two pulse corporate services satisfaction surveys were held in 2018–19 with the first meeting the target of 85 per cent satisfaction and the second exceeding the target with a 96 per cent satisfaction rate. The results indicate that corporate services are meeting the needs of the organisation. The variance in results, especially when compared with the 68 per cent satisfaction result from the previous year, indicates that employee views of corporate services can rapidly change depending on their most recent interactions and continuing regular surveys will allow close monitoring of satisfaction.

Maintain employee levels of engagement which are higher than those in similar sized agencies, measured through ratings on the leadership category questions in the APS employee census	Comcare employees rate their: <ul style="list-style-type: none"> > job engagement at higher than 7.5 > team engagement at higher than 7.2 > supervisor engagement at higher than 7.9 > agency engagement at higher than 6.4 > collaboration between groups at higher than 55 per cent > agency innovation at higher than 70 per cent
Result—Did not achieve targets, except for collaboration	

Comcare has achieved similar APS employee census results from last year, although, targets have not been met by minor margins. This slight decrease in results, could potentially be attributed to several organisational change activities that occurred throughout the organisation and movement within our leadership cohort when the census was being conducted. These areas will continue to be monitored across 2019–20, with Group and/or organisational initiatives to be developed as part of action planning.

Table 14: APS employee census engagement ratings

Elements of engagement	Comcare 2015 ¹	Comcare 2016	Comcare 2017	Comcare 2018	Comcare 2019	Medium-sized agencies 2019
Job engagement	7.2	7.5	7.5	7.5	7.4	7.4
Team engagement	7.1	7.2	7.3	7.2	7.1	7.1
Supervisor engagement	7.5	7.9	8.0	8.0	7.8	7.7
Agency engagement	5.9	6.4	6.4	6.1	6.1	6.2
Agency innovation					66 per cent	67 per cent

Comcare employees have the knowledge and skills to meet operational needs, measured through results of the APS employee census results

90 per cent of employees indicate that they have the skills and knowledge to undertake their job

Result—94 per cent (2017–18 result—95 per cent against a target of 80 per cent)

As at 30 June 2019, an average of 95 per cent of employees had completed their e-learning corporate fundamentals training which are required to be completed each performance cycle. This is a similar result to the 93 per cent result from this time last year. In addition, an average of 90 per cent of employees had completed their performance and WHS corporate fundamentals training which are required to be completed every two years. Comcare's 2019 APS employee census results confirmed 94 per cent of employees indicated they have appropriate skills, capabilities, and knowledge to do their job.

Comcare's workers' compensation premium is maintained, achieved through improving:

- > injury and harm levels
- > recovery and early return to work rates of Comcare employees

Comcare's workers' compensation premium is 2.1 per cent or less

Result—1.67 per cent

For 2019–20, Comcare's premium has been set at 1.67 per cent which is a decrease from 2.33 per cent for 2018–19. The table below shows the percentage change and dollar value of Comcare's premium. Comcare has seen a decrease in the dollar value of its premium (prescribed amount) between 2018–19 and 2019–20 of 26.21 per cent.

Table 15: Premium rates

Premium	2015–16	2016–17	2017–18	2018–19	2019–20
Comcare premium rate (prescribed rate) ¹	5.65 per cent	4.44 per cent	2.67 per cent	2.33 per cent	1.67 per cent
Total premium (dollar value) ²	\$2,632,245	\$2,742,215	\$1,203,926	\$1,373,870	\$860,853
Prescribed amount (dollar value) ³	\$2,953,210	\$2,383,099	\$1,601,094	\$1,355,881	\$1,000,505
Percentage change in dollar value (prescribed amount) 2018–19 to 2019–20					-26.21 per cent
Commonwealth average premium rate	1.85 per cent	1.72 per cent	1.23 per cent	1.06 per cent	0.85 per cent

¹ Premium rate excluding GST.

² Total premium (excluding GST) includes bonus or penalty and additional margin.

³ Prescribed amount excluding GST.

For 2018–19, Comcare saw a slight deterioration in claims performance and therefore a penalty amount of \$17,989 was added to the total premium.

In 2018–19 three Comcare employees had their claim first accepted, with only one employee receiving incapacity payments. The below table represents Comcare employees with accepted claims with a date of injury in the financial years below and any resulting incapacity.

Table 16: Continuance rates–incapacity durations (an indication of return to work performance)

Time period	2017–18	2018–19
	Number of employees (percentage)	Number of employees (percentage)
No incapacity	1 (33 per cent)	1 (50 per cent)
Less than 4 weeks	0 (0 per cent)	1 (50 per cent)
4 weeks	1 (33 per cent)	0
13 weeks	1 (33 per cent)	0
26 weeks	0	0
52 weeks	0	0

Table 17: Mechanism of injury for Comcare accepted claims from 2016–17 to 2018–19.

Mechanism of injury	2016–17	2017–18	2018–19
Falls, trips and slips	1	0	1
Hitting objects with body	0	1	0
Being hit by moving objects	0	0	0
Sound and pressure	0	0	0
Body stressing	0	1	0
Heat, electricity and other environmental factors	0	0	0
Chemicals and other substances	0	0	0
Biological factors	0	0	0
Mental stress	0	1	0
Vehicle incidents	0	0	0
Other and unspecified	1	1	0
Total	2	3	1

Analysis of performance against strategic priority: Efficient and effective operations

Building our people, technology and change management capability is core to improving the efficiency and effectiveness of our operations. Key capability developments during 2018–19 are outlined below.

Change Management

A consistent approach has been developed to inform how we manage business transformation and change across the organisation. Comcare’s approach to change is supported through a streamlined four-step process that combines best practice and principles of leading change management experts.

The *Managing Change in Comcare Framework* has been endorsed by Executive to ensure that business change is managed consistently and effectively within Comcare. A number of tools have been developed to enhance our framework for managing change including a Comcare Position Categorisation Framework and Comcare Organisational Change Management Plan template.

Information and Communications Technology (ICT) enhancements

A new *2019–2023 ICT Strategy* was developed, which supersedes the 2015 digital strategy, and focusses on improving digital services and capability for staff and external stakeholders. The strategy includes a complete transition to cloud services, in line with whole of government direction, and a strong focus on continuous cyber security improvements in response to the threat that cyber security poses to digital businesses.

The development of a new modernised user interface for the claims management system commenced part way through the year and is on track to be completed in 2019–20. This new interface will significantly improve system usability and provide a common user experience for both internal and external users.

The expansion of digital information practices continues, in line with National Archives *Digital Continuity 2020 Policy*, optimising the delivery of Comcare’s programs and services. This has included more paper-based processes being replaced with digital solutions, streamlining access to corporate services through automation and digital work flow processes, and continuing the reduction in paper use.

Strategic alignment of projects

During 2018–19 Comcare has continued to mature our project management capability and the strategic alignment of our projects. A spot check audit was undertaken to evaluate the processes and tools that support the implementation of the project management framework and the governance arrangements in place to oversee the implementation and ongoing management of Comcare projects. The audit recommended:

1. The introduction of a portfolio management approach to strengthen Comcare’s ability to embrace change, balance Comcare investments to maximise value for business and ensure all our efforts are aligned with Comcare strategic focus.
2. Introduction of the portfolio level practices and processes to ensure our value propositions remain valid and that benefits are realised.
3. Portfolio, programme and project management office organisation and capability improvements to effectively manage our resources and ensure consistent practices are applied across Comcare projects.

The Portfolio Maturity Project commenced in June 2019. A portfolio management framework and transition roadmap have been designed and Executive consultation is underway.

STRATEGIC PRIORITY: Drive innovation and better practice for the schemes

Purpose: Collaborate across Comcare and sectors to design and deliver research and innovative initiatives to further enhance scheme outcomes.

Performance criterion	Target
Evidence-based new or improved programmes, services and/or products introduced for Comcare and scheme participants	Six active initiatives that address scheme challenges and emerging issues
Result—Achieved	

Driving innovation through collaborative programs and partnerships is an important way Comcare supports healthy and safe workplaces. Comcare has worked closely with scheme participants and industry partners to initiate eight—two more than the target—evidence-based programs that address scheme challenges and emerging issues with a focus on injury prevention, early intervention, and workplace mental health and wellness.

The initiatives include:

- 1. NewAccess low intensity cognitive behavioural therapy program (LiCBT) in workplaces:** Over six months, NewAccess was trialled with 50 employees at two APS agencies where coaches provided up to six confidential sessions to each participant. Coaches worked with participants to build self-awareness, understand their work stressors, and provide techniques to help manage anxiety and depression. With the success of the NewAccess trial, Comcare is exploring expanding the service over a two-year period for all interested employers.
- 2. Early intervention service provider pilot:** Comcare is conducting a six month pilot with three APS agencies to test the effectiveness of using an external early intervention provider in improving recovery and return to work outcomes for injured employees.
- 3. Mental health community of practice:** The event brings together more than 150 APS agency representatives to share and encourage mentally healthy workplace better practice across the jurisdiction. The event continues to grow in popularity, showing employers' commitment to fostering mentally healthy workplaces. One session was held in May 2019, with the next event planned for November 2019.
- 4. Clinical guidelines for the diagnosis and management of work-related mental health conditions in general practice:** These guidelines were published in March 2019. The next phase is the *Implementing work-related Mental health guidelines in general Practice (IMPRovE)* project which includes a complex intervention in general practice to implement evidence-based guidelines for the diagnosis and management of work-related mental health conditions in general practice.
- 5. National mentally healthy workplace alliance:** The Alliance is a national approach by business, the mental health sector, unions and regulators committed to creating mentally healthy workplaces. Acknowledging and leveraging off the good work happening across Australia, the aim is to work in partnership with workplaces to find new ways to support them in creating mentally healthy environments.

6. **Lead indicators:** Comcare is playing a lead role in the use of lead and lag indicators by scheme employers to better identify and manage WHS risk. The project involves collaboration with the University of South Australia for use of their *Psychological Safety Climate (PSC 12)*—a 12 question survey with participating scheme employers. The program also includes mentoring for leaders of the participating teams, secure data collection and analysis and reporting.
7. **Comcare e-certificate of capacity:** The project seeks to introduce an electronic solution to the current paper-based process for certifying capacity. The electronic solution will be integrated into a General Practitioner's (GP) existing patient management software and would allow a GP to auto-populate a patient's available information, use a guided workflow to undertake the certification and to create a certificate, provide a copy of the certificate to the patient, and automatically store the certificate in the GP's records.
8. **National certificate of capacity:** This program of work, led by Comcare, seeks to develop a nationally consistent certificate of capacity on behalf of the Heads' of Workers' Compensation Authorities (HWCA). The program will involve cross-jurisdictional exploration, analysis, design and consultation to deliver a national certificate of capacity. The subsequent implementation of the national certificate will be subject to jurisdictional considerations and timing. If endorsed in November 2019, the intent is to provide the national certificate of capacity electronically as the approved statutory form for Comcare which other jurisdictions may also adopt.

Demonstrated cross-sector national collaboration

Four active cross-sector initiatives
co-designed and established

Result—Achieved

The Collaborative Partnership is a national effort bringing together partners from the public, private and not-for-profit sectors. The partners work with employers, employees, health professionals and industry leaders to develop and deliver innovative solutions. The Partnership is focussed on four priority areas which are managed by each of the partners (project leads) and through its role as the Collaborative Partnership Secretariat, Comcare is managing the governance activities across the four initiatives.

They are:

- > **Collaborative Partnership cross-sector project (led by Department of Social Services):** Mapping Australian Systems of Income Support for People with Health-Related Work Incapacity.
- > **Employer mobilisation report (led by the Department of Employment, Skills, Small and Family Business):** The report provides fresh insights into overcoming employment barriers for Australians whose work opportunities are limited by injury, illness or disability. The study examined employer behaviours, attitudes and intentions towards hiring and retaining people with health conditions that impact their ability to work.
- > **GP support project (led by Australasian Faculty of Occupational and Environmental Medicine (AFOEM):** This project will support GPs through a nationally consistent approach for quality service that supports work participation for people with a temporary or permanent physical or mental health condition impacting their ability to work.
- > **Employee awareness project (led by EML):** This project aims to improve employees' understanding of the health benefits of good work and promoting their role in using work as part of their recovery. The project will seek to identify and potentially trial an appropriate client empowerment intervention.

The Collaborative Partnership Committee will meet during 2019–20 to discuss and agree to the strategic direction of the Partnership moving forward.

Comcare has a strategic research plan that informs better practice across the scheme

Strategic research plan established to support the scheme needs

Result—Achieved

Comcare delivered its *Research Plan 2018–2022* (Research Plan) in May 2019. It outlines the five priority research themes that will drive Comcare’s research priorities, with our partners, over the next four years. The priorities are:

1. **Enabling healthy and safe workplaces**—preventing harm in our workplaces
2. **Enhancing employer capability**—helping organisations to meet their WHS duties and obligations, and their ability to implement better-practice models to support employees
3. **Guiding and supporting mental health and wellbeing**—building mentally healthy workplaces
4. **Fostering work participation**—maximising prevention, retention, recovery at and return to work
5. **Adapting to the future of work**—responding to future work practices and environments

Analysis of performance against strategic priority: Drive innovation and better practice for the schemes

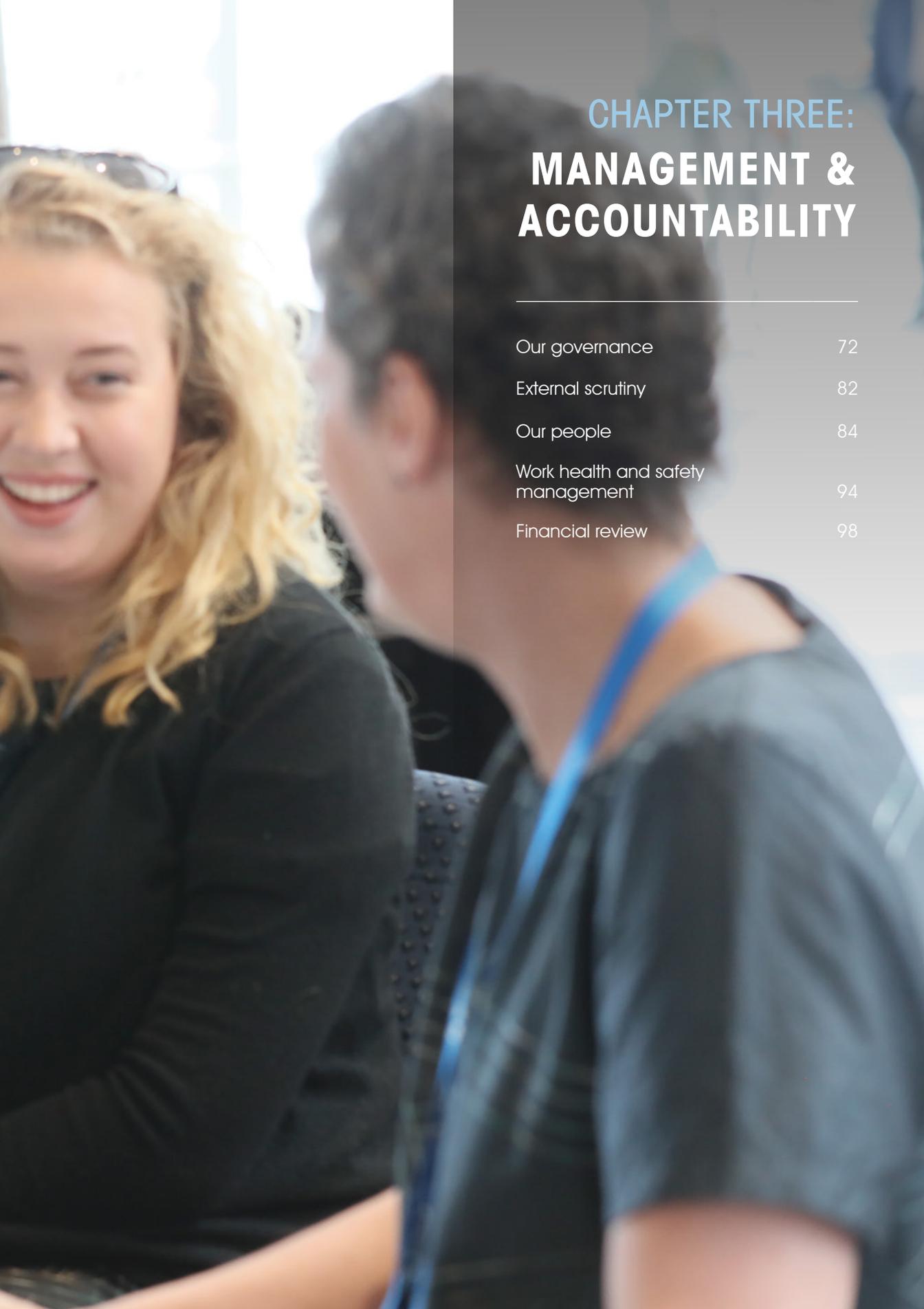
Comcare continued to collaborate across the scheme and other sectors to design, test and deliver research, innovative initiatives and programs of work to further enhance scheme outcomes. This has enabled Comcare to successfully deliver against the three 2018–19 performance criteria, and some of the highlights include:

1. Delivering eight initiatives—two more than required—to address scheme challenges and emerging issues. Working closely with Beyond Blue, the *NewAccess Low intensity cognitive behavioural therapy program (LiCBT)* initiative was piloted in two APS agencies—Australian Electorate Commission and the Department of Home Affairs. The results from the pilot achieved a recovery rate of 78 per cent indicating that NewAccess is an effective program for delivery among APS workforce. Comcare is now working towards expanding NewAccess across the scheme.
2. Continuing to support cross-sector national collaboration through four initiatives delivered through the Collaborative Partnership. One such initiative is the *Mapping Australian Systems of Income Support for People with Health-Related Work Incapacity*. This is the first research to look at several major compensation and benefit systems to identify the flow of people through them, how the systems interact and where they can be improved to deliver better health and productivity outcomes. The research identified that in Australia during the 2015–16 financial year an estimated 786,000 people who were unable to work due to ill health, injury or disability received income support from a commonwealth, state, territory or private source. An additional 6.5 million people accessed employer

provided leave entitlements for short periods of work incapacity. A total of \$37.2 billion was spent on income support for these people during the year.

3. Engaging and consulting with stakeholders across the jurisdiction to identify the five research themes that will be used to drive innovation and better practice across our Scheme using an applied research model. As the Research Plan is implemented, Comcare will consider new research opportunities that support the priority research themes; such opportunities will be further assessed and prioritised according to their potential impact, innovation and importance in addressing the high-level needs of the jurisdiction.





CHAPTER THREE: MANAGEMENT & ACCOUNTABILITY

Our governance	72
External scrutiny	82
Our people	84
Work health and safety management	94
Financial review	98

OUR GOVERNANCE

Comcare aims for excellence in its governance to promote public trust and confidence. Good governance for Comcare focuses on two key requirements:

- > performance—governance procedures and practices are designed to shape our results
- > accountability—governance procedures and practices are designed to demonstrate results to Comcare’s Executive, the government and stakeholders and to conform with applicable legislative and policy requirements in addition to the public expectations of transparency and integrity.

An established committee structure oversees the strategies and plans to improve our service delivery and capability. The key principles are:

- > committed to continuous improvement, driving transformation throughout the organisation
- > being performance orientated—planning for high performance through ambitious targets
- > being transparent, innovative and collaborative in minimising harm in the workplace, both now and into the future.

Comcare hosts a number of external consultation forums and participates in a range of external meetings to provide expert advice or gain insight and perspective.

Strategic planning

Comcare’s efforts are driven by our outcome—*support participation and productivity through healthy and safe workplaces that minimise the impact of harm.*

To deliver on our outcome in 2018–19, the *Comcare 2018–2022 Corporate Plan* (Corporate Plan) focussed our efforts around five strategic priorities and purposes:

- > leading workers’ compensation insurer
- > effective national regulator
- > excellence in scheme design and management
- > efficient and effective operations
- > drive innovation and better practice for the schemes.

Our performance measures against each strategic priority cascade from the Corporate Plan through our operational, business groups, team and individual performance plans.

The Corporate Plan is the primary planning document that commenced our annual performance cycle for 2018–19. Planning culminates in the annual publication of:

- > Comcare’s Corporate Plan for the next four years, inclusive of the non-financial performance measures
- > Portfolio Budget Statements (PBS), which sets out resourcing arrangements and performance measures over the same four-year period.

Performance against the targets set out in the Corporate Plan and PBS are monitored quarterly by the Executive Committee and the Audit and Risk Committee.

In 2018–19, Comcare implemented an approach to strengthening our research and innovation capability—a strategy to enhance knowledge of current and emerging trends, and address challenges that could influence the future of workers’ compensation and health and safety regulation.

Senior management committees

Under the PGPA Act, Comcare is a corporate Commonwealth entity with a Chief Executive Officer (CEO) as the accountable authority. The CEO has been assisted in the corporate governance functions by Comcare’s Executive team:

- > Deputy CEO/General Manager Corporate Management
- > General Manager Regulatory Operations
- > General Manager Scheme Management
- > General Manager Claims Management
- > General Manager Strategic Partnerships and Engagement (previously Strategic Research and Innovation)
- > General Manager Legal Group

Executive Committee

The Executive Committee, comprising the CEO and general managers, is directly responsible and accountable to the CEO in relation to:

- > statutory obligations—recommending to the CEO or delegating the exercise of their legislative delegations for the administration of Comcare
- > corporate administration—making decisions on policy or actions to be taken with regard to Comcare’s:
 - > people and culture
 - > assets and property
 - > information systems and records management
 - > compliance issues—including legislative and government policy obligations
 - > marketing and communications
 - > finance
 - > external scrutiny
 - > corporate governance, including reports from subsidiary committees
 - > external relationships, including the Minister, portfolio department, Australian Public Service Commission, and Department of Finance.

Other committees directly responsible to the CEO, reporting through the Executive Committee, are:

- > People Committee
- > Technology and Information Management Committee
- > Finance and Investment Committee
- > National Health and Safety Committee
- > Security Committee.

Audit and risk committee

The CEO has established the Comcare and Seacare Authority Audit and Risk Committee in accordance with section 45 of the PGPA Act. The objective of the committee is to provide independent assurance and assistance to Comcare's CEO on risk, the control and compliance framework, and external accountability responsibilities.

For 2018–19, the Audit and Risk Committee consisted of five independent members, including the Chairperson appointed by the CEO. Comcare's senior executive, the Chief Financial Officer, internal audit officers and the Australian National Audit Office (ANAO) regularly attend as observers.

Table 18: Attendance at Audit and Risk Committee meetings 2018–19

Name	Position in Comcare	Eligible to attend	Attended
Lisa Woolmer	Independent Chair of the Audit and Risk Committee	5	5
Graham Bashford	Independent Member of the Audit and Risk Committee	4	3
Kate Hughes	Independent Member of the Audit and Risk Committee	5	5
Dr Mike Vertigan	Independent Member of the Audit and Risk Committee	5	4
Kevin Noonan	Independent Member of the Audit and Risk Committee	1	1

Lisa Woolmer (Audit and Risk Committee Member and Chair)

Lisa Woolmer has a background in audit and accounting, including 22 years of professional services experience advising on governance, risk and assurance frameworks.

In her professional services career, Lisa worked extensively with federal, state and local government agencies, and across areas such as health, education, emergency services, water, gas and financial services. In addition to the ACT and Victoria, Lisa has worked in Tokyo and New York.

Lisa is a graduate of the Australian Institute of Company Directors and a qualified accountant. She holds a Bachelor of Economics and Diploma in Japanese Business Communication from Monash University, and a Graduate Diploma in Employment Relations from the University of Canberra.

Lisa is also an Independent Audit Committee member for the Office of Public Prosecutions (Victoria), the Cities of Glen Eira, Whitehorse and Bayside (Melbourne). Lisa chairs the Audit and Risk Committees for the Mornington Peninsula Shire and Adult Community and Further Education Board (Victoria).

Graham Bashford (Audit and Risk Committee Member until February 2019)

Graham Bashford is the Managing Director of Bashford Consulting, a company specialising in strategic advice and business development to both private sector and public-sector organisations. Before this, Graham was the Deputy CEO of Centrelink for many years, with responsibility for running its network of 26,000 employees, delivering \$64 billion worth of benefits to six million customers annually.

Graham has worked for the New Zealand Accident Compensation Corporation (ACC) and has expertise in the government insurance sector. His contribution to the Audit Committee is from a government insurance operational perspective, having led the operational recovery of the ACC for two years. Graham is the independent chair of the Audit and Review Committee of the Community Services Directorate of the ACT. He also holds a Bachelor of Science Honours in Physical Metallurgy.

Kate Hughes (Audit and Risk Committee Member)

Kate Hughes is the Chief Audit and Risk Officer at RMIT, with responsibility for the University's internal audit, risk management, compliance and regulatory affairs functions.

Prior to this Kate was the Chief Risk Officer at Telstra, with global responsibility for the enterprise wide risk management, resilience, investigations, privacy, compliance and health and safety functions.

Kate has led international teams for 15 years and she has broad risk management, compliance, safety and governance experience in many sectors, including financial services, agribusiness, retail, manufacturing, public administration and telecommunications. Kate has also provided risk management and compliance consulting services on trade practices, employment and environmental issues.

Kate is a member of the VicRoads Risk and Audit Governance Committee, holding tertiary qualifications in commerce, applied finance and OH&S, and is a Graduate of the Australian Institute of Company Directors.

Dr Michael Vertigan AC (Audit and Risk Committee Member until June 2019)

Dr Michael Vertigan AC brings a wealth of experience and high-level expertise in the private and public-sector finance and superannuation markets, as well as significant public administration experience. Mike has held numerous senior financial and state public service positions in Tasmania and Victoria and is a former secretary of the treasury and finance departments in those states, secretary of Tasmania's Department of Premier and Cabinet, and former chancellor of the University of Tasmania.

Since 1998 Mike has held a variety of senior board appointments, including the Chair position, across different business areas, and has also chaired a number of government expert panels. In 2004 Mike was awarded the Companion, Order of Australia Medal for his service to public administration, education and business and industry. Mike is currently a Director of the Commonwealth Superannuation Corporation (CSC) and is the chair of the CSC Audit and Risk Committee.

Kevin Noonan (Audit and Risk Committee Member from April 2019)

Kevin Noonan has more than 40 years experience in technology-based governance, strategy and direction. This includes 28 years in the government sector as a Chief Information Officer, senior executive and manager, and a further 12 years as an international industry analyst.

Prior to joining the Comcare and Seacare Audit and Risk Committee in 2019, Kevin held the dual positions of Chief Analyst and Practice Leader for Ovum's worldwide government practice. In this role he worked with government and industry executives in many locations around the world. Kevin also worked as a Head of Consulting at Intermedium, where he specialised in government sector industry development, and provided advice to executives from more than half the top 100 IT companies.

Fraud control

Comcare is fully committed to complying with the *Commonwealth Fraud Control Framework 2014* (Fraud Control Framework) (in particular section 10 of the *Public Governance, Performance and Accountability Rule 2014*) to minimise the incidence of fraud.

Comcare's CEO has certified that we:

- > prepare fraud risk assessments and fraud control plans
- > have in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet our specific needs
- > take all reasonable measures to minimise the incidence of fraud and investigate and recover the proceeds of fraud against Comcare.

Fraud prevention

Comcare's Assurance, Risk and Fraud Team investigators are authorised by the CEO to undertake investigations of criminal fraud and non-compliance regarding the claims and liability management functions of Comcare. All criminal fraud investigations are conducted in compliance with the Commonwealth Fraud Control Framework and the *Australian Government Investigations Standards 2011*. During 2018–19, the team received 138 referrals for investigation, compared with 152 notifications in 2017–18. The 22 matters that were finalised in the 2018–19 year resulted in a reduction of \$8.8 million in claim liabilities.

There were two matters before the Commonwealth Director of Public Prosecution (CDPP) for prosecution and sentencing during the reporting period. One matter was finalised, with the offender receiving a two year sentence, released immediately on a two year good behaviour bond. The second matter is still before the court.

Comcare continues to actively participate in the annual Commonwealth Fraud Liaison Forum. The forum is jointly managed by the Attorney-General's Department and the Australian Federal Police.

Internal audit

The internal audit programme is a key element of the Comcare corporate governance framework. The programme provides assurance to the Audit and Risk Committee, the CEO and senior management. It adds value to what Comcare does by highlighting opportunities for improvement in statutory compliance, internal control, and efficiency and effectiveness of business processes.

Internal audit topics are identified through consultation with senior management and the Audit and Risk Committee. In deciding the final programme of internal audit work for the year, the Audit and Risk Committee considers the strategic and operational risk profile of Comcare and relevant audit reports published by the ANAO. The final programme included proposed topics for 2019–20 and 2020–21 to identify potential future audit coverage. The proposed topics will inform the development of subsequent internal audit programmes in conjunction with findings arising from the programme and changes to Comcare's risk profile.

Consistent with 2017–18, twelve internal audits were presented to the Audit and Risk Committee in 2018–19. The audits completed covered the following topics:

- > relationships with key stakeholders
- > ICT penetration test of base services
- > incapacity payments
- > ICT system documentation review

- > human resources–recruitment
- > workplace rehabilitation provider approval framework
- > management and administration of medical and allied health service providers
- > contract management
- > premium setting process for employers
- > data governance
- > rolling compliance–Travel and financial delegations
- > ANU transition health check and lessons learned.

Recommendations arising from internal audits are tracked and reported to the Audit and Risk Committee to ensure accountability for addressing identified risks. During 2018–19 there were 55 recommendations, 21 recommendations are closed, 22 remain on track for completion by the original due date and 12 have revised due dates for completion.

Risk management

Comcare has embedded systematic risk management as part of its governance and planning processes and organisational culture. Comcare’s particular focus is on:

- > establishing a high-quality agency-wide risk management system
- > providing comprehensive training and development on risk
- > evaluating and improving risk performance
- > strengthening engagement with stakeholders on risk issues.

Comcare’s business planning framework is underpinned by strategic and group risk plans. Ongoing risk management is the responsibility of all Comcare Executive members. The Audit and Risk Committee reviews the risk management framework annually and regularly reviews strategic and group risk registers.

Comcare relies on a range of strategies to address risks, including managing stakeholder relationships, implementing sound project management and contract management practices, and building workforce capability. Comcare has seen sustained reductions in its insurance premiums due to its increased focus on risk management.

Ministerial directions

Comcare received **no** Ministerial Directions in 2018–19.

Government general policy orders

Comcare complied with the General Policy Order Public Governance, Performance and Accountability (Charging for Regulatory Activities) issued by the Minister for Finance on 24 August 2017.

Significant non-compliance with finance law

In 2018–19, there were **no** reports of any significant non-compliance with finance law reported to the Minister by Comcare under paragraph 19(1)(e) of the PGPA Act.

Freedom of information

Comcare is required to publish information to the public as part of the *Freedom of Information Act 1982* (FOI Act) Information Publication Scheme (IPS).

Comcare's Agency Plan and other categories of information specified by the IPS are available at www.comcare.gov.au, via the Access to Information logo on the bottom of the homepage.

During 2018–19, Comcare received 364 freedom of information access requests which is a 49 per cent increase compared with the previous financial year.

Comcare received four requests for amendment or annotation of personal records.

Of the requests finalised in the financial year:

- > full access was granted in 89 cases
- > partial access was granted in 81 cases
- > access was refused in 109 cases
- > applicants withdrew their request in 60 cases
- > one case was transferred to another agency.

Comcare received 26 requests for internal review of access and amendment decisions. The original decision was affirmed in 21 of the reviews, five of the reviews varied the original decision, granting full access in two decisions and greater access in three decisions.

Privacy

Comcare is committed to meeting the highest standards when collecting, storing, using and disclosing personal information with all staff completing privacy training annually. Comcare primarily collects, uses and discloses personal information as reasonably necessary for, or directly related to its functions and activities under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) and the *Work Health and Safety Act 2011* (WHS Act).

Business areas are required to notify the Privacy team of any potential privacy breaches. During 2018–19, 115 notifications of potential breaches were received. Assessments concluded that breaches had occurred in 63 cases. This is a reduction of almost 25 per cent compared with the previous financial year.

No breaches were reportable under the Notifiable Data Breaches Scheme.

Feedback

Complaints

Comcare encourages stakeholders to provide feedback on Comcare’s services to ensure we can continue to deliver services that meet the needs of our stakeholders, including our licensees.

Complaints are assessed and any trends are monitored to ensure that Comcare can assist and resolve service issues swiftly if they arise.

During the 2018–19 financial year Comcare received 380 complaints compared to 506 in 2017–18. This represents a 25 per cent decrease from the previous financial year.

Table 19: The most frequent categories of complaints during 2018–19

Area	Percentage of total
Communication	28%
Claims management process	30%
Timeliness	23%

Claims Management Pilot complaints

During 2018–19 Comcare received 37 complaints relating to the Claims Management Pilot Programme with the Department of Human Services (DHS) and the Australian Taxation Office (ATO).

The 37 complaints account for 10 per cent of all complaints received, which represents no change from the previous financial year. The pilot program concluded on 8 December 2018.

Compliments

During 2018–19, Comcare received 77 compliments on the services we provide.

In-house facilitation

Comcare offers an Alternate Dispute Resolution Process for claims related disputes known as in-house facilitation (IHF).

The IHF process brings parties in a claims related dispute together, with a view to resolving the issues through a facilitated discussion and developing a mutually agreeable outcome.

There were four facilitations in the 2018–19 financial year all of which resolved the dispute.

EXTERNAL SCRUTINY

External audit

No external audits were conducted during 2018–19.

Office of the Australian Information Commissioner (OAIC)

Freedom of Information requests for review

The Information Commissioner received 20 requests for reviews of FOI decisions made by Comcare. Five reviews were finalised as follows:

- > two finalised under s54W(a)(i) of the FOI Act
- > two withdrawn by the applicant
- > one affirmed Comcare’s decision.

Privacy complaints

Seven privacy complaints were made to the OAIC. Four were closed as follows:

- > one complaint was closed as Comcare had adequately dealt with the matter
- > three complaints were withdrawn by the applicant.

Commonwealth Ombudsman

Comcare received eight formal investigation enquiries from the Commonwealth Ombudsman in 2018–19. This represents a 27 per cent decrease from the previous financial year.

Six investigations were finalised with the Commonwealth Ombudsman deciding in all cases that no further review of the matters was warranted.

OUR PEOPLE

Our workforce profile

At 30 June 2019 Comcare had employees based in various locations in Australia which included Canberra, Melbourne, Sydney, Brisbane, Newcastle, Adelaide and Perth.

In comparison to 2017–18, our workforce has decreased in total headcount by 8.5 per cent from 637 to 583 employees.

Table 20: Comcare workforce profile as at 30 June 2019

Size	2017–18	2018–19	Percentage change
Number of employees	637	620	-2.7%
Full-time equivalent employees	608	556	-8.6%
Diversity of workforce ¹			Percentage change
Women (percentage of total workforce)	63% (399 of 637)	56.6% (351 of 620)	-6.4%
Women in leadership EL 2 and SES (percentage of EL 2 and SES cohorts)	46% (24 of 52)	46% (24 of 52)	-
People with disability (percentage of total workforce)	3.6% (23 of 637)	3.4% (21 of 620)	-0.2%
Aboriginal and Torres Strait Islanders (percentage of total workforce)	1.1% (7 of 637)	1.1% (7 of 620)	-
Culturally and Linguistically Diverse (CALD) employees (percentage of total workforce)	16.0% (102 of 637)	15.5% (96 of 620)	-0.5%

¹ Data based on paid headcount and workforce diversity data relies on self-identification.

Table 21: Ongoing headcount of employees—current and previous report period

	Male				Female				Total			
	Part time		Total		Full time		Part time		Total			
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18		
NSW	14	0	14	14	4	6	4	2	8	8	22	22
Qld	9	0	9	10	5	8	3	2	8	10	17	20
SA	3	0	3	4	6	7	3	2	9	9	12	13
Tas	0	0	0	0	0	0	0	0	0	0	0	0
Vic	52	4	56	60	58	65	19	16	77	81	133	141
WA	10	0	10	11	4	5	0	0	4	5	14	16
ACT	108	12	120	123	184	204	66	74	250	278	370	401
NT	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0
Total	196	204	18	212	222	261	295	96	356	391	568	613

Note: Nil employees identified their gender as indeterminate.

Table 22: Non-ongoing headcount of employees—current and previous report period

	Male				Female				Total			
	Full time		Part time		Full time		Part time		Total			
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18		
NSW	1	1	0	0	1	1	0	0	1	2	1	3
Qld	1	1	0	0	1	1	0	0	1	0	2	1
SA	1	0	0	0	1	0	0	0	1	1	1	1
Tas	0	0	0	0	0	0	0	0	0	0	0	0
Vic	2	6	0	1	2	7	5	0	2	7	9	14
WA	0	0	0	0	0	0	0	0	0	0	0	0
ACT	11	7	3	2	14	9	23	2	1	25	39	34
NT	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0
Total	16	15	3	3	19	18	31	2	4	33	52	53

Note: Nil employees identified their gender as indeterminate.

People plan

The Comcare *People Plan 2016–2019* (People Plan) sets the strategic direction across all aspects of people management. It continues our commitment to building a capable and high performing workforce to deliver on organisational objectives, both now and in the future.

Key People Plan activities completed in 2018–19 include:

- > further refinement and maturation of the Capability Framework
- > workforce planning activities and support provided to business areas undergoing change, including the endorsement of Comcare’s Position Categorisation Framework and Organisational Change Management Plan
- > continued refinement and implementation of the Leadership Development Series and design of the 2019 Leadership Development Programme
- > endorsement of the *People Strategy 2019–2022* and launch of *Comcare’s Reconciliation Action Plan 2018–2020* and *Accessibility Action Plan 2018–2020*.

Workplace diversity

Comcare is committed to cultivating a diverse and inclusive workplace culture that supports and champions difference and ensures everyone has an equal opportunity to participate, contribute and realise their full potential. We will achieve this commitment by implementing actions identified in Comcare’s strategies, *Reconciliation Action Plan 2018–2020*, *Accessibility Action Plan 2018–2020* and celebrating diversity events throughout the year.

Key achievements that support diversity and inclusion include:

- > the release of Comcare’s Transgender Policy and Guidelines, including the introduction of Trans and Gender Diverse training
- > Comcare being recognised as a mental health first aid (MHFA) skilled workplace, with more than 10 per cent of employees trained in MHFA and an established Mental Health Contact Officer Network
- > participation in a range of employment programs designed to support employees who identify as Aboriginal and/or Torres Strait Islander or as having a disability, including:
 - > Australian Government Indigenous Lateral Entry (AGILE)
 - > 2018–2019 Indigenous Australian Government Development Program (IAGDP)
 - > Indigenous Entry Level Apprenticeships Program (IAP)
 - > 2019 Australian Government Indigenous Graduate Recruitment Program (AGIGRP)
 - > Australian Network on Disability Stepping into Program
 - > Continued implementation of the Women in Leadership Program and sponsoring employees’ attendance at external International Women’s Day events nationwide.

Diversity Working Group

Comcare's Diversity Working Group is a team of employee volunteers who are passionate about diversity in Comcare. Working Group members have an important role in promoting and supporting Comcare's diversity plans. Comcare continues to have an appointed senior manager as a Diversity Champion who provides leadership and support for diversity initiatives and acts as sponsor for the Diversity Working Group.

The Working Group is responsible for developing Comcare's Diversity Calendar and coordinating identified events to promote and increase awareness.

Events that were celebrated in 2018–19 include:

- > NAIDOC week
- > R U OK? Day
- > International Day of Older Persons
- > World Mental Health Day
- > International Day of People with Disability
- > Harmony Day
- > World Health Day
- > International Day against Homophobia, Biphobia, Intersexism and Transphobia
- > National Reconciliation Week.

Remuneration and conditions of service

The *Comcare Enterprise Agreement 2016–2019* (Enterprise Agreement) sets out the terms and conditions of employment and salary scales for APS employees working at Comcare. It applies to all ongoing and non-ongoing APS employees at the APS 1 to Executive Level 2 (or equivalent) levels. The Enterprise Agreement provided remuneration increases of six per cent over three years, with the last two per cent increase being paid in April 2018.

The CEO issued a section 24(1) Determination made under the *Public Service Act 1999*. This Determination provides all eligible employees covered by the Enterprise Agreement with a salary increase of six per cent over three years as below:

- > two per cent on 12 April 2019
- > two per cent on 12 April 2020
- > two per cent on 12 April 2021

A review of existing workplace arrangements will commence in 2020 to ensure consistency with the APSC's Workplace Bargaining Policy and legislative requirements.

The CEO determines the terms and conditions of employment for all Senior Executive Staff (SES) employees in Comcare. Determinations are based on individual capability and job requirements and are made under section 24(1) of the *Public Service Act 1999*.

Table 23: Information about remuneration for key management personnel

Name	Position Title	Short term benefits			Post employment benefits		Other long term benefits		Termination benefits	Total Remuneration
		Base Salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long Service leave	Other long-term benefits			
Susan Weston	CEO	91,156	-	-	16,151	849	-	-	-	108,155
Jennifer Taylor	CEO	210,101	-	-	38,510	9,184	-	-	-	257,795
Lynette MacLean	General Manager	208,843	-	24,920	39,190	4,241	-	-	-	277,195
Justin Napier	General Manager	209,854	-	24,920	33,146	6,530	-	-	-	274,450
Aaron Hughes	General Manager	208,307	-	24,920	38,806	6,508	-	-	-	278,541
Natalie Bekis	General Manager	204,779	-	24,920	31,849	3,875	-	-	-	265,423
Matthew Swainson	General Manager	149,575	-	19,065	21,167	10,635	-	-	-	200,443
James McKenzie	General Manager	66,709	-	10,064	9,514	1,271	-	-	-	87,557
Kim Ward	General Manager	125,858	-	15,623	19,131	1,497	-	-	-	162,110
Anthony Middlebrook	General Manager	207,176	-	23,195	29,264	9,584	-	-	32,362	301,581

Note : 1. The amounts above reconcile to Note 4.2: Key management personnel remuneration in the financial statements

2. During the reporting period there were no other senior executive not already included as key management personnel in the table above

Table 24: Information about remuneration for other highly paid staff

Total remuneration bands	Number of other highly paid staff	Short term benefits			Post employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances		Average long service leave	Average other longterm benefits		
\$220,001–\$245,000	2	148,270	0	300	26,579	7,464	0	47,522	230,135

Note : NIL for other remuneration bands

Reward and recognition

Reward and recognition plays an important role in shaping Comcare's culture. The Comcare Reward and Recognition Policy provides the framework under which we recognise and reward the efforts and achievements of individuals and teams. This policy reflects a culture of demonstrating appreciation and recognition of employees at all levels, and across all areas of the organisation.

The policy aims to reinforce many of the priorities outlined in the Comcare People Plan and provides a framework to:

- > encourage greater teamwork and collaboration in our organisation
- > demonstrate positive workplace behaviours that align to Comcare's values
- > promote innovative thinking and initiative
- > motivate employees to make meaningful contributions
- > support a performance-based culture and to contribute to a more productive and satisfying work environment
- > commemorate the achievement of significant service to the APS.

Australia Day Awards

Comcare's Australia Day Awards are supported by the National Australia Day Council and signify the highest level of recognition for our employees. The awards acknowledge people who go above and beyond the requirements of their roles and consistently demonstrate excellence. Recipients join a celebrated group of APS employees who have made a national contribution in the course of their service. On Wednesday 23 January 2019, one team and five individuals were presented Australia Day Awards recognising their achievements in the categories of Leadership, Diversity and Collaboration.

CEO's Awards

Comcare CEO Awards were presented on Tuesday 10 July 2018. These awards recognise high performing teams and individuals who have consistently gone above and beyond expectations to achieve a significant positive impact for the organisation, employees with workplace injuries or illnesses, colleagues or other key stakeholders. In total, three individuals and two teams received a CEO Award in 2018. This award ceremony also offers an opportunity to recognise employee's contributions and service to the Australian Public Service (APS) by presenting employees who have reached 25 years APS service with a certificate of recognition. In 2018 two employees were recognised.

Leadership, learning and development

Improving leadership across all aspects of Comcare's business continued to be a priority area and was identified in the Comcare 2018–22 Corporate Plan and People Plan 2016–19. The Leadership Development Series (the Leadership Series) was based on the four cultural priority areas:

- > being trusted, empowered and accountable
- > having commitment and focus
- > being collaborative
- > being a learning organisation.

In 2018 the Leadership Series was rolled out to all APS 6 employees and APS 5 employees whose nomination to attend was supported by their General Manager, building further leadership capability across the organisation. Employees participated in a year-long programme of pre-workshop activities, four-half day workshops and post-workshop sessions to assist with continuous learning.

The next phase of leadership development in Comcare will continue to build upon our cultural priority areas and equip leaders with the skills and confidence to have challenging conversations, lead through change and coach for performance. These themes were selected based on an environmental scan of upcoming priorities and the programme will be offered throughout 2019.

We remain focused on building capability across Comcare through delivering organisation wide learning programmes targeted to capability needs identified through Performance Development Plans (PDPs) and workforce planning discussions. These are delivered through the Comcare learning and development training calendar.

Corporate fundamental training continues to be a requirement to ensure all employees are aware of their corporate responsibilities as a Comcare employee, including work health and safety responsibilities. Throughout 2018–19, 196 courses were offered, and these included the Leadership Series, SRC Act Legislative Training Modules, Corporate Fundamentals, Indigenous Cultural Awareness training and a range of other courses to meet organisational development needs.

WORK HEALTH AND SAFETY MANAGEMENT

Comcare is committed to the health, safety and wellbeing of its employees. We realise this commitment through the continued development and implementation of our work health and safety (WHS) and injury management system processes, strategic plan and the health and wellbeing programme. Furthermore, this commitment is reflected in the 2018 Australian Public Service (APS) Employee Census where Comcare had achieved an overall wellbeing index result of 77 per cent, which was 11 per cent higher than the APS average and 7 per cent higher than medium sized agencies.

Health and safety initiatives

Throughout the year, Comcare undertook various initiatives to ensure it provides a healthy and safe workplace, which included:

- > delivery of health and wellness program events
- > training employees in mental health first aid
- > reviewing and delivery of the Early Intervention Programme
- > reviewing and monitoring of our WHS management system
- > modernisation of WHS training material and distribution of awareness material
- > continuation of the sit-stand programme
- > conducting quarterly workplace inspections.

Sit-stand study

In the previous two annual reports, Comcare reported on its participation in a long-term study into the effectiveness of software-based prompts influencing sit/stand desk usage. In October 2017, Comcare finalised its participation in the study by providing the final dataset. The final paper documenting the results of the study was published in September 2018. Comcare has continued to utilise the sit-stand programme in 2018–19.

Health and wellbeing

Comcare believes in empowering its employees to incorporate healthy lifestyle choices into their daily lives and provides support in the form of a health and wellbeing reimbursement. In 2018–19, 54.5 per cent of eligible employees claimed this reimbursement and continue making healthy lifestyle choices outside of the workplace.

There have been a number of health and wellbeing activities that occurred throughout the 2018–19 period. These included:

- > Comcare provided voluntary health checks that focused on addressing physical activity, mental health, nutritional health, alcohol consumption, smoking and other modifiable chronic disease risk factors. One hundred and thirty-two (132) employees participated in this national event and 17 per cent of these were referred to their treating medical practitioner for further investigation
- > Comcare held a six-week, 10,000 steps challenge during National Safe Work Month, to promote the importance of being physically active. During this period, one hundred and sixty-nine (169) employees achieved a combined total of 52,869,763 steps
- > Comcare provided its employees access to an annual influenza vaccination. For the 2018–19 period, 284 employees received the vaccination
- > Comcare invited a guest speaker for World Mental Health Day, to talk about their personal experience in overcoming mental health challenges and contribute to empowering others to overcome challenges in their own lives
- > Comcare held a three week, Chews of Change Challenge during February and March 2019 to promote the importance of healthy nutritional choices. One hundred and seventy (170) employees participated in the campaign with 86 per cent of those reporting a shift to making healthier nutrition choices.

Mental health first aid training

To ensure support is provided to our employees, Comcare continued to provide mental health first aid training for the second year in a row for at least one team member from each team across the organisation. These team members make up Comcare's Mental Health Contact Officer network. The continued commitment and promotion of this contact network is believed to have enhanced employee awareness.

In January 2019, Comcare was awarded gold accreditation status in the Mental Health First Aid Australia Skilled Workplaces Initiative for the second consecutive year. Comcare is proud to be the first Australian Government agency to be awarded this accreditation.

Review and monitoring of our WHS management system

During 2018–19, Comcare continued to review work health and safety management with 10 management system documents being reviewed. This systematic review process and ongoing process implementation contributed to Comcare observing an audit conformance rate of 93.5 per cent. The audit was against the full National Audit Tool of 108 criteria compared to the previous years which were assessed using the Intermediate National Audit Tool of 53 criteria.

WHS training and awareness

During 2018–19, Comcare invested resources in digitising WHS training materials into an eLearning format. For example:

- > customer aggression is a primary risk for the organisation and as such employees who perform frontline services are provided biennial face to face Managing Aggressive and Distress Customer training. Comcare developed an eLearning module to complement the face-to-face training
- > Comcare's WHS Team Talk programme was launched in 2017. The Programme was moved to a digital platform in 2018–19. Comcare has empowered managers to select an appropriate WHS team talk relevant to their team's WHS risk profile and to facilitate a team discussion. Overall, Comcare achieved an average implementation rate of 73 per cent.

Workplace inspections

During 2018–19, Comcare completed 42 of 44 scheduled workplace inspections of its office sites. A total of 76 corrective actions were identified, with 80 per cent of these relating to property issues, e.g. light globe replacement.

Employee Assistance Program

The Employee Assistance Program (EAP), provided by Assure Programs, provides telephone and face-to-face access to confidential individual counselling that supports the psychological wellbeing of employees and their families. In addition to individual counselling, a Manager's Hotline, online information, onsite trauma and critical incident counselling, conflict resolution and mediation support services are available.

In 2018–19 the EAP usage rate was 17.27 per cent of the total Comcare workforce. The percentage of Comcare employees attending was 83 per cent, with 17 per cent of consultations for non-Comcare employees (family members).

The primary reasons for accessing this service was personal (68 per cent) and work-related issues (32 per cent). These figures indicate that of those employees accessing the EAP, personal issues continue to be the significant factor for attendance.

Early intervention

Comcare continues to focus on reducing injury claims through active injury prevention strategies and provision of early intervention. The early intervention programme provides timely and tailored support to employees and includes provision of short-term treatment (physical or psychological), access to EAP support, workplace rehabilitation providers, workplace assessments and fitness for duty medical assessments.

As part of the early intervention programme, Comcare provides workstation assessments for all new employees upon commencement, with 139 conducted in 2018–19. During 2018–19, 76 assessments were conducted for existing employees reporting pain or discomfort as a prevention strategy.

Notifiable incidents

During the reporting period Comcare notified the regulator of one notifiable incident and was not involved in any statutory enforcements or investigations.

Workers' compensation claims

In total there were three workers' compensation claims for Comcare employees accepted in 2018–19. This is an increase from the one accepted claim in 2017–18. The average weeks lost time increased from 0.2 weeks in 2017–18 to 2.9 weeks in 2018–19.

FINANCIAL REVIEW

Key financial results

Comcare had a small operating deficit of \$0.4 million in 2018–19. Notwithstanding, the small deficit, Comcare’s premium scheme results continue to improve. Comcare has achieved a further actuarial release in 2018–19, reducing the premium claims provision by \$111.5 million, which has improved Comcare’s funding ratio from 116 per cent to 131 per cent.

The favourable result is due to Comcare’s continued efforts to be the leading workers’ compensation insurer, and by investment in initiatives that have driven better return to work outcomes, implementing improvements in claims management and placing greater focus on return to and recovery at work. Comcare’s cost recovered activities including work health and safety regulation, scheme management services and support of the SRCC have been delivered once more with no increase in licence fees or regulatory contributions.

Table 25: Comcare financial operating result

	2018–19	2017–18	2016–17	2015–16	2014–15
	\$m	\$m	\$m	\$m	\$m
Workers’ compensation premiums	242.3	285.2	382.5	414.7	491.8
Other cost-recovery revenue	35.5	36.0	35.9	36.0	35.3
Interest and other revenue	36.1	32.4	33.4	29.5	28.3
Revenue from government	60.3	56.8	61.0	66.2	65.3
Claim payments	(234.3)	(255.2)	(264.7)	(281.8)	(293.4)
Administration costs (business-as-usual)	(98.5)	(96.8)	(98.6)	(99.7)	(100.1)
Administration expenses (projects)	(4.2)	(5.8)	(9.3)	(7.5)	(2.9)
Administration costs (finance costs)	(2.2)	0.0	0.0	0.0	0.0
Surplus of revenue over expenses	35.0	52.6	140.2	157.4	224.3
Movement in claims provisions and appropriations receivable					
Provisions for outstanding claims liabilities (see 1 below)	81.7	301.9	454.4	75.3	(86.0)
Available funding from movement in claims provisions (see 1 and 2 below)	(117.1)	(346.8)	(127.2)	20.4	26.5
Surplus/(deficit) on continuing operations	(0.4)	7.7	467.4	253.0	164.8
Net equity	23.0	22.9	15.3	(452.1)	(709.4)
Cash and cash equivalents	1,005.1	1,028.2	979.8	820.3	677.6

¹ In 2018–19 Comcare adjusted the comparative balances following the identification of a misstatement in the 2017–18 provision for common law asbestos-related disease claims and third-party claims recoveries receivable.

² Available funding reduced due to favourable movements in premium and common law asbestos-related claims provision in 2016–17, 2017–18 and 2018–19.

Premium scheme

The financial performance of Comcare's premium scheme has further improved in 2018–19, with the funding ratio improving from 116 per cent to 131 per cent.

Table 26: Comcare Historical Funding Ratio

	2018–19	2017–18	2016–17	2015–16	2014–15
	\$m	\$m	\$m	\$m	\$m
Funding ratio	131%	116%	102%	84%	76%

The favourable result was achieved through growth in premium assets and a reduction in premium liabilities.

Premium scheme assets increased by \$57.5 million due to underspends in benefit payments and administration expenses, and from the notional return earned on Comcare's Commonwealth Retained Funds. Premium scheme liabilities reduced by \$111.5 million due to revisions to incapacity and medical recovery projections.

This represents the fourth successive year in which Comcare has achieved a release in the valuation of premium claims liabilities. Comcare's net premium scheme liabilities have now reduced by \$1.2 billion over the past four years.

Table 27: Comcare Historical Net Premium Liabilities

	2018–19	2017–18	2016–17	2015–16	2014–15
	\$m	\$m	\$m	\$m	\$m
Net Premium Liabilities	1,665	2,192	2,421	2,758	2,826

The favourable outcome was achieved despite unfavourable changes in economic conditions which had an adverse impact on the scheme's results.

Due to the strong financial results in recent years, Comcare has significantly reduced premiums. The average 2019–20 premium rate is 0.85 per cent of wages, which is less than the Comcare target of 1.1 per cent.





CHAPTER FOUR
**FINANCIAL
STATEMENTS**



INDEPENDENT AUDITOR'S REPORT

To the Minister for Industrial Relations

Opinion

In my opinion, the financial statements of the Comcare ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Accountable Authority and the Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Peter Kerr
Executive Director
Delegate of the Auditor-General

Canberra
19 September 2019

COMCARE FINANCIAL STATEMENTS

for the year ended 30 June 2019

Contents

Certification

Primary Financial Statements

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Cash Flow Statement
- Restatement of Prior Period Comparatives

Overview

Notes to the Financial Statements

1. Departmental Financial Performance
 - 1.1 Expenses
 - 1.2 Own-Source Revenue and Gains

2. Departmental Financial Position
 - 2.1 Financial Assets
 - 2.2 Non-Financial Assets
 - 2.3 Payables
 - 2.4 Provisions

3. Funding
 - 3.1 Cash Flow Reconciliation

4. People and Relationships
 - 4.1 Employee Provisions
 - 4.2 Key Management Personnel Remuneration
 - 4.3 Related Party Disclosures

- 5. Managing Uncertainties
 - 5.1 Contingent Assets and Liabilities
 - 5.2 Remuneration of Auditors
 - 5.3 Financial Instruments
 - 5.4 Fair Value Measurement

- 6. Other Information
 - 6.1 Assets Held in Trust
 - 6.2 Reporting of Outcomes

Statement by the accountable authority and the chief financial officer

"In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Comcare will be able to pay its debts as and when they fall due.



Susan Weston
Accountable Authority and Chief Executive Officer
18 September 2019



Seyhan Aka
Chief Financial Officer
18 September 2019

Comcare statement of comprehensive income

for the period ended 30 June 2019

		2019	2018	2019
	Notes	\$'000	Restated \$'000	Original Budget \$'000
Net cost of services				
Expenses				
Employee benefits	1.1A	67,686	68,801	69,023
Suppliers	1.1B	30,274	29,312	33,536
Depreciation and amortisation	2.2A	4,641	4,160	5,041
Finance costs	1.1C	2,225	51	-
Write-downs and impairment of assets	1.1D	50	560	-
Workers' compensation claims expense	1.1E	209,924	232,700	246,134
Common law asbestos-related disease claims expense	1.1F	24,423	22,453	29,309
Total expenses		339,223	358,037	383,043
Own-Source Income				
Own-source revenue				
Sale of goods and rendering of services	1.2A	22,770	22,902	23,500
Fees and fines	1.2B	15,979	15,717	15,954
Workers' compensation premiums	1.2C	242,310	285,183	277,430
Interest	1.2D	31,350	28,991	30,048
Other revenue		1,454	800	-
Total own-source revenue		313,863	353,593	346,932
Gains				
Gains from movement in workers' compensation claims provision	1.2E	107,807	242,700	21,766
Gains (losses) from movement in common law asbestos-related disease claims provision	1.2F	(26,124)	59,164 ¹	19,600
Gains (losses) from sale of assets		(7)	132	-
Total gains		81,676	301,996	41,366

Total own-source income		395,539	655,589	388,298
Net contribution by services		56,316	297,552	5,255
Revenue from Government	1.2G	60,287	56,838	66,526
Available funding from movement in claims provision	1.2H	(117,012)	(346,736) ¹	(71,780)
Surplus (deficit) on continuing operations		(409)	7,654	-

¹ Restatement of comparative amounts due to prior period misstatement. Additional details are provided in the Restatement of Prior Period Comparatives Financial Statements Note and also in notes 1.2F and 1.2H.

Other comprehensive income

Items not subject to subsequent reclassification to net cost of services

Changes in asset revaluation reserve		447	30	-
Total other comprehensive income		447	30	-
Total comprehensive income		38	7,684	-

The above statement should be read in conjunction with the accompanying notes.

Budget variances commentary	Note ref.
Workers' compensation premiums were lower than budget due to charges in the final 2018-19 premium calculations, a part-year refund to the self insurance licensees following their exit from Comcare's premium scheme and other payroll adjustments.	1.2C
Workers' compensation claims expense was lower than budget due to lower premium benefit payments (\$35.3m) and lower pre-premium benefit payments (\$0.9m).	1.1E
Common law asbestos-related claims expense was lower than budget due to lower benefit payments (\$4.9m).	1.1F
Gains from the movement in workers' compensation claims provision were higher than budget due to: - a reduction of \$111.5m in the premium claims provision, as valued by Comcare's independent actuary (a favourable movement of \$116.7m compared to budget), offset by - an increase in the pre-premium claims provision of \$3.7m (an unfavourable movement of \$30.7m compared to budget).	1.2E
Gains from the movement in common law asbestos-related disease claims provision were less than budget due to an increase of \$26.1m in the claims provision, as valued by Comcare's independent actuary (an unfavourable movement of \$45.7m compared to budget).	1.2F

Comcare

Statement of financial position

as at 30 June 2019

	Notes	2019 \$'000	2018 Restated \$'000	2019 Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents	2.1A	1,005,088	1,028,241	1,041,281
Trade and other receivables	2.1B	2,330,932	2,448,165 ¹	2,567,065
Other financial assets	2.1C	10,072	11,833	7,643
Total financial assets		3,346,092	3,488,239	3,615,989
Non-financial assets				
Property, plant and equipment	2.2A	12,036	13,422	11,292
Computer software	2.2A	6,458	4,208	12,315
Other non-financial assets	2.2B	1,678	1,463	1,445
Total non-financial assets		20,172	19,093	25,052
Total assets		3,366,264	3,507,332	3,641,041
Liabilities				
Payables				
Suppliers	2.3A	353,123	2,120	6,210
Workers' compensation claims payable	2.3B	1,696	3,415	-
Other payables	2.3C	5,199	6,358	16,765
Total payables		360,018	11,893	22,975
Provisions				
Employee provisions	4.1	17,943	16,628	19,447
Workers' compensation claims	2.4A,D, E,F	2,025,942	2,550,200	2,648,913
Common law asbestos-related disease claims	2.4B,G	936,880	903,179 ¹	931,980
Other provisions	2.4C	2,501	2,490	2,468

Total provisions	2,983,266	3,472,497	3,602,808
Total liabilities	3,343,284	3,484,390	3,625,783
Net assets	22,980	22,942	15,258

Equity

Contributed equity	7,717	7,717	7,717
Reserves	4,141	3,961	4,142
Retained surplus	11,122	11,264	3,399
Total equity	22,980	22,942	15,258

The above statement should be read in conjunction with the accompanying notes.

- ¹ Restatement of comparative amounts due to prior period misstatement. Additional details are provided in the Restatement of Prior Period Comparatives Financial Statements Note and also in notes 2.1B, 2.4B and 2.4G.

Budget variances commentary

Note ref.

Cash and cash equivalents were \$36.2m less than budget, mainly due to partial payments being made towards the exit liabilities owed to the self insurance licensees following their exit from Comcare's premium scheme, lower workers' compensation premiums, offset by lower workers' compensation claims and common law asbestos-related claims and lower employee benefit and supplier costs.	2.1A
Computer software assets were \$5.8m less than budget due to delays in asset purchases.	2.2A
Supplier payables were higher than budget as the balance includes the remaining exit liabilities owing to the self insurance licensees following their exit from Comcare's premium scheme in 2018-19.	2.3A
Workers' compensation claims payable were less than budget due to transfer to Supplier payables to reflect the remaining exit liability owing to the self insurance licensees at 30 June 2019 and reductions due to favourable year-end valuations.	2.4A, D, E, F

Comcare Statement of changes in equity

for the period ended 30 June 2019

	Retained surplus / (accumulated deficit)		Asset revaluation surplus		Contributed equity		Total equity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
		2019 Original Budget		2019 Original Budget		2019 Original Budget		2019 Original Budget
Opening balance carried forward from the previous period	11,264	3,399	3,961	4,142	7,717	7,717	22,942	15,258
Comprehensive income								
Surplus for the period	(409)	7,865	-	-	-	-	(409)	7,865
Revaluation adjustment	267	-	180	(181)	-	-	447	(181)
Total comprehensive income	(142)	7,865	180	(181)	-	-	38	7,683
Closing balance as at 30 June	11,122	11,264	4,141	3,961	7,717	7,717	22,980	15,258

The above statement should be read in conjunction with the accompanying notes.

Budget variance commentary

Comcare's equity is higher than budget due to the net surplus from operations in 2017-18.

Comcare

Cash flow statement

for the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	2019 Original Budget \$'000
Operating activities				
Cash received				
Sales of goods and rendering of services		39,116	35,222	39,455
Receipts from Government		66,072	61,429	66,525
Interest		33,343	26,221	30,048
Workers' compensation premiums	A1	241,931	279,528	285,615
GST received from customers		23,348	28,421	31,688
Other		1,310	800	-
Total cash received		405,120	431,621	453,331
Cash used				
Employees		66,332	68,174	67,640
GST paid to suppliers		6,977	7,206	7,438
Net GST paid		16,579	19,597	24,251
Suppliers		31,115	30,626	33,536
Workers' compensation claims	A2	277,873	230,614	250,016
Common law asbestos-related disease claims	A3	24,423	22,453	29,309
Total cash used		423,299	378,670	412,190
Net cash from/(used by) operating activities	3.1	(18,179)	52,951	41,141
Investing activities				
Cash received				
Proceeds from sales of property, plant and equipment		3	139	-
Total cash received		3	139	-

	Notes	2019 \$'000	2018 \$'000	2019 Original Budget \$'000
Cash used				
Purchase of property, plant and equipment	A4	4,977	4,628	7,087
Total cash used		4,977	4,628	7,087
Net cash from/(used by) investing activities				
		(4,974)	(4,489)	(7,087)
Net (decrease)/increase in cash held				
		(23,153)	48,462	34,054
Cash and cash equivalents at the beginning of the reporting period		1,028,241	979,779	1,007,227
Cash and cash equivalents at the end of the reporting period				
	2.1A	1,005,088	1,028,241	1,041,281

The above statement should be read in conjunction with the accompanying notes.

Budget variance commentary	Note ref.
Workers' compensation premiums were lower due to lower charges in the final 2018-19 premiums, a part year refund to the self insurance licensees following their exit from Comcare's premium scheme and other payroll adjustments.	A1
Workers compensation claim payments were higher than budget due to payments made to the self insurance licensees upon their exit from Comcare's premium scheme, offset by lower premium and pre-premium benefit payments.	A2
Common law asbestos-related disease claims were less than budget due to lower benefit benefit payments.	A3
Purchase of property, plant and equipment was less than budget due to delays in asset purchases during the year.	A4

Comcare Restatement of prior period comparatives

for the period ended 30 June 2019

The effect of the change in 2017–18 is summarised in the table below:

	Notes	Restated 2018 \$'000	Adjustment \$'000	Reported 2018 \$'000
--	-------	----------------------------	----------------------	----------------------------

Statement of comprehensive income

Gains

Gains from movement in workers' compensation claims provision	1.2E	242,700	-	242,700
Gains (losses) from movement in common law asbestos-related disease claims provision	1.2F	59,164	(36,036)	95,200
Gains (losses) from sale of assets		132	-	132
Total gains		301,996	(36,036)	338,032

Total own-source income

		655,589	(36,036)	691,625
--	--	----------------	-----------------	----------------

Net contribution by services

		297,552	(36,036)	333,588
--	--	----------------	-----------------	----------------

Reversal of write-downs and impairments	1.2G	56,838	-	56,838
Available funding from movement in claims provision	1.2H	(346,736)	36,036	(382,772)

Surplus (deficit) on continuing operations		7,654	-	7,654
---	--	--------------	----------	--------------

Statement of financial position

Financial Assets

Trade and other receivables	2.1B	2,448,165	40,919	2,407,246
Total financial assets		2,448,165	40,919	2,407,246

Total assets

		3,507,332	40,919	3,466,413
--	--	------------------	---------------	------------------

Provisions

Common law asbestos-related disease claims	2.4B,G	903,179	40,919	862,260
Total provisions		903,179	40,919	862,260

	Notes	Restated 2018 \$'000	Adjustment \$'000	Reported 2018 \$'000
Total liabilities		3,484,390	40,919	3,443,471
Net assets		22,942	-	22,942
Total equity		22,942	-	22,942

Comcare adjusted the comparative balances following the identification of a misstatement in the 2017–18 provision for common law asbestos-related disease claims and third party claims recoveries receivables. It was identified that the 30 June 2018 actuarial valuation inadvertently applied economic assumptions which understated the independent valuation.

The restatement required an increase to the Provision for Common law asbestos-related claims (\$40.9m), and third party claims recoveries receivable (\$4.9m), offset by a corresponding increase to Appropriations receivable (increase of \$36.0m).

Overview

Objectives of Comcare

Comcare is the national workers' compensation and work health and safety authority. We are committed to supporting participation and productivity through healthy and safe workplaces that minimise the impact of harm.

Comcare is structured to meet the following outcomes:

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

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

The basis of preparation

The financial statements are general purpose financial statements and are required by section 42 of the Public Governance, Performance and Accountability Act 2013.

The financial statements have been prepared in accordance with:

- a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

Standard/ Interpretation	Application date	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 9 Financial Instruments (December 2014)	1 January 2018	The new standard AASB 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements previously published. The AASB 9 replaces AASB 39 and all previous versions of AASB 9 (issued in December 2009 – as amended) and AASB 9 (issued in December 2010 – as amended).

Future Australian Accounting Standard Requirements

The following new standards, revised standards, interpretations and amending standards were issued by the AASB prior to the signing of the statement by the accountable authority and Chief Financial Officer, which are expected to have a financial impact on Comcare's financial statements for future reporting periods:

Standard/ Interpretation	Application date for Comcare ¹	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 15 Revenue from Contracts with Customers	1 January 2019	AASB 15 contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15		The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15		
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15		The compiled AASB 15 does not apply mandatorily to not-for-profit entities. However, earlier application is permitted for annual reporting periods beginning before 1 January 2019.

Standard/ Interpretation	Application date	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 16 Leases	1 January 2019	<p>AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. AASB 16 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.</p> <p>AASB 16 requires enhanced disclosures for both lessees and lessors to improve information disclosed about an entity's exposure to leases.</p> <p>Comcare currently holds \$21.1m in operating leases as at 30 June 2019. The quantitative impact on how this will affect Comcare's statement of financial position has not yet been formally determined.</p>
AASB 17 Insurance Contracts	1 January 2021	AASB 17 is the first truly international accounting standard for insurance. It will replace the three standards: AASB 4 Definition of Insurance, AASB 1023 General Insurance and AASB 1038 Life Insurance (AASB 1038).
AASB 1058 Income of Not-for-Profit Entities	1 January 2019	AASB 1058 replaces the income recognition requirements relating to private sector not-for-profit (NFP) entities, as well as the majority of income recognition requirements relating to public sector NFP entities previously reflected in AASB 1004 Contributions.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities		

¹ The entity's expected initial application date is when the accounting standard becomes operative at the beginning of Comcare's reporting period.

All other new, revised, amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to future reporting period(s) are not expected to have a future material impact on Comcare's financial statements.

Taxation

Comcare is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

Significant accounting judgements and estimates

Comcare's compensation schemes exhibit many of the characteristics of an insurance business. Comcare's statutory relationship with its customers and the Commonwealth is not of the nature of an insurance contract as defined under AASB 1023 General Insurance Contracts. Comcare regards the application of AASB 137 Provisions, Contingent Liabilities and Contingent Assets in the valuation of its claims provisions as more appropriate.

The valuation of workers' compensation claims liabilities was undertaken as at 30 June 2019 by independent consulting actuaries, Taylor Fry Pty Ltd (Taylor Fry). The valuation of common law asbestos-related disease claims liabilities was undertaken as at 30 June 2019 by independent consulting actuaries, PricewaterhouseCoopers Consulting (Australia) Pty Ltd (PwC).

The provisions represent an estimate of the present value of future payments in respect of claims for events occurring before 30 June 2019 with a 75 per cent probability of sufficiency. The estimated cost of claims includes direct expenses to be incurred in settling claims. Expected value of recoveries from third parties is included in Trade and Other Receivables.

Comcare takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing the claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

Many sources of uncertainty exist when estimating a "long tail" provision. There are some general sources of uncertainty and these arise from:

- > the actuarial models and methods which may not exactly match the underlying claims process
- > past claim fluctuations which may create uncertainty in selecting model parameters
- > unavailable data or undetected errors in data which may result in inappropriate parameters being selected
- > future economic and environmental conditions which may be different to those assumed
- > future claim fluctuations, resulting in uncertainty of the projected liability, even if the model and its parameters were perfect.

Principles of accounting for workers' compensation claims

Comcare manages workers' compensation claims for Commonwealth employees and some employees of the ACT Government under the Safety, Rehabilitation and Compensation Act 1988 (SRC Act). Workers' compensation claims for work related injuries and illness sustained on or after 1 July 1989 are referred to as 'premium claims' or 'premium business'. Workers' compensation claims for work related injuries sustained by Commonwealth employees prior to that date are referred to as 'pre-premium claims' or 'pre-premium business'.

For premium claims, premiums are received from employers covered under the SRC Act. They are calculated using a system and methodology developed by an independent actuary and are intended to fully cover all liabilities incurred over the life of these claims.

All premiums are charged up front for the full financial year. There are no unearned premiums or deferred acquisition costs at the end of the financial year. Changes to premiums arising from wage and salary adjustments are recognised in the year they become payable or receivable.

Pre-premium claims are funded by parliamentary special appropriations on an emerging cost basis.

In accordance with section 128A of the SRC Act, Comcare's liability under the SRC Act in respect of any injury, loss or damage suffered before 1 July 1989 by an employee of a Commonwealth authority listed in section 128A(4) must be discharged by the authority.

Claims provisions

The valuation of workers' compensation claims liabilities was undertaken as at 30 June 2019 by independent consulting actuaries, Taylor Fry.

The valuation of common law asbestos-related disease claims liabilities was undertaken as at 30 June 2019 by independent consulting actuaries, PwC.

The liability for workers' compensation claims (both premium and pre-premium) and common law asbestos-related disease claims are determined in accordance with the requirements of AASB 137 Provisions, Contingent Liabilities and Contingent Assets. Provisions for claims are recognised when:

- > Comcare has a present legal or constructive obligation as a result of past events
- > it is probable that an outflow of resources will be required to settle the obligation
- > the amount has been reliably estimated.

Where there are a number of similar obligations for each claim type, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same claim type may be small.

The expected future payments are discounted to present value using a risk free rate. The expected future payments include claims reported but not yet paid, claims incurred but not reported and anticipated claims handling costs. Claims handling costs can either be associated directly with individual claims, such as legal and other professional fees, or associated indirectly with individual claims, such as claims administration costs.

Workers' compensation claims provisions

There are specific sources of uncertainty arising from the nature of the schemes and the data. Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics or which might cause the future cost of claims to increase or decrease when compared with past cost of claims including:

- > trends in long-term weekly income replacement benefit and medical cost continuance rates
- > the longer lag times between injury and claim relative to other workers' compensation schemes
- > movements in industry benchmarks
- > changes in service delivery which might accelerate or slow down the development and/or recording of paid or incurred claims, compared with the statistics from previous periods
- > changes in the legal environment
- > medical and technological developments.

The injury profile within the schemes creates dynamic expenditure patterns. Typically injuries can be of an immediate and short-term duration as well as those which are more permanent resulting in long-term entitlements. Historically, the expenditure trend does concentrate earlier (the discounted mean term of the liabilities is approximately eight years). However, the provisions have a long tail element where payments are expected to be made for the next 50 or more years.

For the purpose of estimating the workers' compensation provisions Taylor Fry considers the varying types of benefits. These include the following:

- > incapacity payments, split between short-term and long-term payments
- > medical and rehabilitation expenses
- > legal expenses
- > other, including permanent impairment, non-economic loss payments, death, common law and other payments.

In calculating the estimated cost of future workers' compensation claims, Taylor Fry uses a variety of estimation techniques, generally based on statistical analysis of historical experience, which assumes that the development pattern of the current and future claims will be consistent with past experience.

The sensitivity analysis shown below attempts to quantify some of the significant uncertainty around the valuation estimates. It is not intended to be comprehensive and uncertainty remains in other areas. It shows that, notwithstanding the substantial downward adjustment in the liability as a result of changes in the assumptions for valuations, the risk of over or underestimating the liability remains. At the same time, these results show there is still room for further decline in expenditure under assumptions that would not be unreasonable given recent experience.

Details of the specific assumptions used in deriving the claims liabilities at year end are detailed in Notes 2.4D-G.

Premium business

The value of the provision for premium claims liability has reduced by \$528m in 2018–19 (\$230m reduction in 2017–18).

Changes to premium claims liability	\$m
Opening balance of gross liability as at 1 July 2018	2,199
Reduction in liability due to commencement of self insurance licensees	(432)
Roll forward adjustment to 30 June 2019	7
Projected gross liability as at 30 June 2019	1,774
Changes in economic assumptions	140
Number of active incapacity and/or medical claims less than forecast	(74)
Number of new claimants receiving incapacity and/or medical payments	(42)
Changes to shorter-term continuance rates	(51)
Continuance rates at longer durations since injury, including the impact of retirement	(103)
Claims administration expenses	6
Reductions in the assumed average quarterly payments	(4)
Other	25
Closing balance of gross liability as at 30 June 2019	1,671

Commonwealth latent mental disease claims

Comcare carried out analysis of data in relation to latent mental disease claims and has recognised a separate provision for liability arising from constructive obligations existing before the date of injury, but after the date of exposure to the cause of injury. This accounting practice recognises the liability before Comcare's legal obligation to provide compensation under the SRC Act. The additional liability cannot be funded from premiums until the year in which the resulting injuries occur.

Premium business sensitivity analysis

As the workers' compensation provisions are subject to a variety of assumptions, it is considered prudent to disclose what the sensitivities of the significant assumptions could be. In its report, Taylor Fry has provided the following information regarding areas of uncertainty and key risks.

Longer-term continuance rates

The valuation estimate is extremely sensitive to the assumed longer-term continuance rates (for claims of 12.5 or more years since injury). Past longer-term continuance rates have shown considerable variability from year to year and estimates of future longer-term continuance rates are highly uncertain. If continuance rates for incapacity and medical payments were to reach levels 0.5 per cent and 0.7 per cent higher respectively than those assumed for this valuation – a plausible increase given historical variability in these rates – the central estimate of the liability would increase by around \$133m. However, if experience were to move in the opposite direction by the same amount, then the liability would decrease by around \$98m.

Shorter-term continuance rates

The liability estimate is highly sensitive to forecast short term continuance rates (for incapacity payments of less than 12.5 years since injury and medical payments less than 15 years since injury). In the past there has been considerable quarterly variation in short term continuance rates, increasing the uncertainty of estimates. If short term continuance rates on both incapacity and medical payments were to reach levels 1 per cent higher than forecast, then the central estimate of liability would increase by around \$172m. However, if experience was 1 per cent lower than forecast, the central estimate of liability would decrease by \$133m. Both these scenarios can be considered moderate variations in continuance rate assumptions given the historical variability in continuance rates.

Unit administration expenses remain at 2015-16 level

Administration expenses per service unit increased during 2015–16 due to fewer open claims, fewer claims reports and external claims management trials, but then reduced again during 2016–17 due to increased reconsiderations and appeals. A future cost per weighted service unit equal to the average cost per weighted service unit over the 2016–17 and 2017–18 injury years has been assumed. If the cost per

weighted service unit were to revert to the increased level experienced during 2015–16, then the liability estimate would increase by \$37m. This uncertainty is particularly acute because the commencement of self insurance licensees and corresponding exit from the Insured Scheme may leave excess claims management capacity.

The illustrative alternative valuation assumptions considered in the analysis are intended to provide some indication as to the relative sensitivity of the estimate to changes in some of the assumptions used. The range of the values considered in this analysis should not be considered as necessarily presenting a “reasonable” range of possible outcomes.

It should also be noted that the analysis considers the impact of changes in each factor in isolation. In reality, several factors might vary at the same time. Hence the combined effect of several variations from the assumptions could be significantly greater than the variation indicated for each factor in isolation. No reliance should be placed on this analysis in regards to the level of uncertainty in the estimates. This has been modelled and quantified separately by Taylor Fry in arriving at a provision for premium and pre-premium claims liabilities. A 13 per cent risk margin has been applied to the central estimate for premium claims liabilities and 16.5 per cent for pre-premium claims liabilities, which gives an intended 75 per cent probability of sufficiency.

Economic assumptions

This provision is sensitive to interest rate assumption changes as Taylor Fry calculates the future cash flows and then discounts these future values to the present value using the discount rate. The level of the discount rate, while not affecting the projected future cash flows themselves, will alter the present value assigned to those cash flows, and hence the estimate of the liability.

Using a discount rate 1 per cent higher would decrease the central estimate of the liability by \$105m while a discount rate 1 per cent lower would increase the liability by \$122m.

Common law asbestos-related disease claims

The estimated cost of asbestos-related disease claims is by its nature highly uncertain. In projecting future events which may not occur for 40 to 50 years the actuary is extrapolating disease incidence numbers many years beyond the data from which the projection models have been calibrated. Further, in projecting the future cost of compensation in a common law system the actuary needs to consider the potential for the claims and litigation environment to change.

The outlook for future compensation costs for asbestos litigation in general and for Comcare’s liabilities in particular contains a great number of uncertainties in relation to factors such as:

- > the number of diagnosed incidences of asbestos-related diseases
- > the proportion of cases being compensated
- > medical diagnostic and treatment improvements
- > the litigation environment, including legal precedents and court procedures
- > the cost per claim and the contribution from co-defendants.

Sensitivity analysis performed by PwC indicates that the net central estimate liability, including expenses, may vary by approximately -\$102m to +\$140m (i.e. -18 per cent to +24 per cent) as a result of some plausible changes in the valuation basis. This illustrates the uncertainty inherent in the projections. It is possible that a number of these changes could occur simultaneously, resulting in even larger changes. Each of the scenarios in the sensitivity analysis lies within the selected risk margin (which is 40 per cent of the central estimate).

Disclosure of funding for Comcare

Premium Business

Premium business refers to workers' compensation claims resulting from injuries that have occurred since 1 July 1989.

In accordance with section 97A of the SRC Act, Comcare calculates premiums to be charged for each financial year based on the expected costs for claims when the date of injury, as defined in the SRC Act, is in that year. The calculation of the Comcare premium pool takes into account actual and notional interest expected to be earned on the premium funds collected.

Prior to being repealed (effective 1 July 2002), subsection 90A of the SRC Act required that premiums collected by Comcare be paid to the Australian Government. These funds will be returned to Comcare through parliamentary appropriations as required for payment of claims relating to incidents occurring after 1 July 1989. As at 30 June 2019 the notional balance of these funds was \$1,587.3m (2018: \$1,565.1m). This appropriation is only payable to Comcare after it has exhausted all of its retained funds. Premiums received from 1 July 2002 are retained by Comcare.

The funds held with the Australian Government earned notional interest of \$22.1m in 2018–19 (2018: \$23.5m) calculated as part of the requirements of Section 90C of the SRC Act. This interest was added to the balance of the notional reserve as at 30 June 2019. The interest rate is calculated under the determination made by the Finance Minister made under Section S90C(3).

Independent actuarial assessment has established that the actuarial liability for the premium business claims as at 30 June 2019 is \$1,671.2m (2018: \$2,199.2m).

The following table summarises the sources of funds available to Comcare to settle the outstanding claims for the premium business.

	Note	2019 \$'000	2018 \$'000
Net premiums held in the Commonwealth Consolidated Revenue Fund		1,587,257	1,565,126
Cash and cash equivalents		599,421	979,243
Actuary assessed third party recoveries		6,000	7,300
Actuary assessed gross outstanding liability for payment of premium related claims*	2.4D	(1,671,200)	(2,199,200)
Funding of claims liabilities		521,478	352,469

* Excludes \$11.3m for additional latent mental disease claims where the date of injury as defined in the SRC Act is after balance date. Refer to Note 2.4E for Commonwealth latent mental disease claims provision.

Pre-premium business

Workers' compensation claims resulting from injuries that occurred prior to 1 July 1989 are referred to as 'pre-premium' claims. Expenses associated with these claims are funded from Australian Government special appropriations. Independent actuarial assessment has established that the outstanding liability for these claims as at 30 June 2019 is \$343.4m (2018: \$339.7m).

The following table summarises the sources of funds available to Comcare to settle the outstanding claims for the pre-premium business.

	Note	2019 \$'000	2018 \$'000
Special appropriation receivable		357,895	353,666
Cash and cash equivalents		(14,453)	(13,966)
Actuary assessed gross outstanding liability for payment of pre-premium related claims	2.4F	(343,442)	(339,700)
Surplus funds in excess of claims liabilities		-	-

Asbestos-related disease business

Comcare is also responsible for the management of asbestos-related personal injury common law disease claims against the Commonwealth. Expenses associated with these claims are funded from Australian Government special appropriations. Independent actuarial assessment has established that the outstanding liability for these claims as at 30 June 2019 is \$936.9m (2018: \$903.2m, restated).

The following table summarises the sources of funds available to Comcare to settle the outstanding claims for the asbestos-related disease business.

	Note	2019 \$'000	2018 Restated \$'000 ¹
Special appropriation receivable		757,068	737,216
Cash and cash equivalents		52,972	46,700
Actuary assessed third party recoveries		126,840	119,263
Actuary assessed gross outstanding liability for payment of asbestos-related claims	2.4G	(936,880)	(903,179)
Surplus funds in excess of claims liabilities		-	-

¹ Restatement of comparative amounts due to prior period misstatement. Additional details are provided in the Restatement of Prior Period Comparatives Financial Statements Note and also in notes 1.2F, 1.2H, 21.B, 2.4B and 2.4G.

Departmental financial performance

This section analyses the financial performance of Comcare for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000

Note 1.1: Expenses

1.1A	Employee benefits		
	Wages and salaries	49,613	51,784
	Superannuation		
	Defined contribution plans	6,443	6,456
	Defined benefit plans	2,996	3,147
	Leave and other entitlements	7,119	6,183
	Separation and redundancies	699	592
	Other	816	639
	Total employee benefits	67,686	68,801

Accounting policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

1.1B	Suppliers		
	Goods and services supplied or rendered		
	Consultants	1,213	1,029
	Legal expenses	2,804	2,265
	Contractors	2,709	3,374
	Assurance services	1,292	1,435
	Fees for Professional Services	1,772	1,450
	External claims services	2,517	2,945
	Education and conference delivery	626	227
	Information communication technology	4,938	4,609
	Property services	1,444	1,122
	Travel	1,529	1,661
	Other	3,480	3,224
	Total goods and services supplied or rendered	24,324	23,341

	2019	2018
	\$'000	\$'000
Goods supplied	617	682
Services rendered	23,707	22,659
Total goods and services supplied or rendered	24,324	23,341
Other suppliers		
Operating lease rentals in connection with:		
Minimum lease payments	5,950	5,971
Total other suppliers	5,950	5,971
Total suppliers	30,274	29,312

Leasing commitments

Comcare, in its capacity as lessee, currently has nine agreements. Eight lease agreements are for office accommodation with lease payments subject to regular increases in accordance with rent reviews and pre-determined percentage increases. The final lease agreement relates to motor vehicles provided for investigations.

The remaining period of the lease agreements are between three months to three years with an option to renew subject to negotiation of lease. All leases are effectively non-cancellable.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	7,904	7,437
Between 1 to 5 years	13,240	18,296
Total operating lease commitments	21,144	25,733

Accounting policy

The AASB has introduced AASB 16 Leases, removing the distinction between operating and finance lease for lessees and requiring the recognition of a right-of-use (ROU) asset and lease liability on the balance sheet for most leasing arrangements.

The initial application of the AASB 16 is for the 2019–20 financial year. Comcare currently holds \$21.1m in operating leases as at 30 June 2019. The quantitative impact on how this will affect Comcare's statement of financial position has not yet been formally determined. There is no requirement for re-assessment of lease contracts from previous years under the modified model proposed by the Department of Finance. The requirements of AASB 16 Leases are to be applied to the leases of Comcare's for the financial year beginning 1 July 2019.

	2019 \$'000	2018 \$'000
1.1C Finance costs		
Unwinding of discount	52	51
Interest expense	2,173	-
Total finance costs	2,225	51

Accounting policy

All borrowing costs are expensed as incurred.

1.1D Write-downs and impairment of assets		
Impairment on intangible assets	-	560
Revaluation decrements	50	-
Total write-downs and impairment of assets	50	560
1.1E Workers' compensation claims expense		
Workers' compensation claims expenses paid and payable (net)	209,924	232,700
Total workers' compensation claims expense	209,924	232,700

	2019	2018
	\$'000	\$'000
Premium claims expense		
Incapacity	113,672	128,993
Legal including common law	23,844	18,069
Medical, travel and other	51,091	65,846
	188,607	212,908
(Less): Recoveries from third parties	(1,497)	(2,167)
Total premium claims expense	187,110	210,741
Pre-premium claims expense		
Incapacity	7,825	9,432
Legal, including common law	1,595	1,108
Medical, travel and other	13,394	11,419
Total pre-premium claims expense	22,814	21,959
1.1F Common law asbestos-related disease claims expense		
Common law asbestos-related disease claim payments	24,423	22,453
Total common law asbestos-related disease claims expense	24,423	22,453

Note 1.2: Own-source revenue and gains

Own-source revenue

1.2A Sale of goods and rendering of services		
Rendering of services	22,770	22,902
Total sale of goods and rendering of services	22,770	22,902

A memorandum of understanding (MOU) with the Seacare Authority was established covering the administrative and operational responsibilities and relationship between the parties with the regards to the provision of services. The existing MOU is currently under reconsideration with the Seacare Authority.

Accounting policy

Revenue from the sale of goods is recognised when:

- > the risks and rewards of ownership have been transferred to the buyer
- > Comcare retains no managerial involvement nor effective control over the goods.

The stage of completion on contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed as at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

		2019	2018
		\$'000	\$'000
1.2B	Fees and fines		
	Licence fees	15,979	15,717
	Total fees and fines	15,979	15,717
1.2C	Workers' compensation premiums		
	Related entities	197,222	217,884
	External entities	45,088	67,299
	Total workers' compensation premiums	242,310	285,183
1.2D	Interest		
	Interest	31,350	28,991
	Total interest	31,350	28,991

Accounting policy

Interest revenue is recognised using the effective interest method.

2019	2018
\$'000	\$'000

1.2E	Gains from movement in workers' compensation claims provision		
	Gains from movement in workers' compensation claims provision	107,807	242,700
	Total gains from movement in workers' compensation claims provision	107,807	242,700
	Gains from movement in premium claims provision		
	Movements during reporting period:		
	Premium claims provision	112,849	229,900
	Recoveries receivable	(1,300)	(1,100)
	Total gains from movement in premium claims expense	111,549	228,800
	Gains from movement in Commonwealth latent mental disease claims provision		
	Movements during reporting period:		
	Commonwealth latent mental disease claims provision	-	5,700
	Total gains from movement in Commonwealth latent mental disease claims provision	-	5,700
	Gains from movement in pre-premium claims provision		
	Movements during reporting period:		
	Pre-premium claims provision	(3,742)	8,200
	Total gains/(losses) from movement in pre-premium claims provision	(3,742)	8,200

		2019	2018
		\$'000	Restated \$'000
1.2F	Gains (losses) from movement in common law asbestos-related disease claims provision		
	Movements during reporting period:		
	Asbestos claims provision	(33,701)	66,741
	Recoveries receivable	7,577	(7,577)
	Total gains (losses) from movement in common law asbestos-related disease claims provision	(26,124)	59,164
1.2G	Revenue from Government		
	Attorney-General's Department		
	Corporate Commonwealth entity payment item	5,989	6,020
	Grants from portfolio department	54,298	50,818
	Total revenue from Government	60,287	56,838
1.2H	Available funding from movement in claims provision		
	Available funding from movement in claims provisions	(117,012)	(346,736)
	Total available funding from movement in claims provision	(117,012)	(346,736)

Accounting policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Departmental financial position

This section analyses Comcare's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

	2019	2018
	\$'000	\$'000

Note 2.1: Financial assets

2.1A	Cash and cash equivalents		
	Cash at bank and on hand	1,777	3,241
	Deposits at call	23,311	20,000
	Term deposits	980,000	1,005,000
	Total cash and cash equivalents	1,005,088	1,028,241

The closing balance of Cash and cash equivalents does not include amounts held in trust: \$1,743K in 2019 and \$1,724K in 2018). See note 6.1 Assets Held in Trust for more information.

Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

		2019	2018
		\$'000	Restated \$'000
2.1B	Trade and other receivables		
	Goods and services receivable		
	Goods and services	953	1,191
	Total goods and services receivable	953	1,191
	Appropriations receivable		
	For existing programs*	2,192,041	2,314,838
	Total appropriations receivable	2,192,041	2,314,838
	Other receivables		
	Third party claims recoveries receivable - workers' compensation claims	6,000	7,300
	Third party claims recoveries receivable - common law asbestos-related claims	126,840	119,263
	Claims recoveries	7,101	7,254
	GST receivable from the Australian Taxation Office	722	590
	Other	33	-
	Total other receivables	140,696	134,407
	Total trade and other receivables (gross)	2,333,690	2,450,436
	Less impairment allowance account		
	Claims recoveries	(2,758)	(2,271)
	Total impairment allowance account	(2,758)	(2,271)
	Total trade and other receivables (net)	2,330,932	2,448,165

* The value disclosed is the combined value of the pre-premium special appropriation receivable, asbestos-related disease special appropriation receivable and net premiums held in the Commonwealth Consolidated Revenue Fund as identified in the Overview.

	2019 \$'000	2018 Restated \$'000
Trade and other receivables (net) expected to be recovered:		
No more than 12 months	51,469	58,115
More than 12 months	2,279,463	2,390,050
Total trade and other receivables (net)	2,330,932	2,448,165

Credit terms for goods and services were within 30 days (2018: 30 days)

Accounting policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Reconciliation of impairment allowance

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Movements in relation to 2019			
As at 1 July 2018	-	2,271	2,271
Amounts written off	-	(615)	(615)
Increase/(decrease) recognised in net cost of services	-	1,102	1,102
Total as at 30 June 2019	-	2,758	2,758
Movements in relation to 2018			
As at 1 July 2017	-	1,019	1,019
Amounts written off	-	(3,350)	(3,350)
Increase/(decrease) recognised in net cost of services	-	4,602	4,602
Total as at 30 June 2018	-	2,271	2,271

Accounting policy

AASB 9 replaces the 'incurred loss' model previously used under AASB 139 with an 'expected credit loss' (ECL) model. This new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income.

Trade and other receivable assets at amortised cost are assessed for impairment at the end of each reporting period. The simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime ELC.

		2019	2018
		\$'000	\$'000
2.1C	Other financial assets		
	Interest accrued	8,049	10,043
	Other	2,023	1,790
	Total other financial assets	10,072	11,833
	Other financial assets expected to be recovered		
	No more than 12 months	10,072	11,833
	More than 12 months	-	-
	Total other financial assets	10,072	11,833

Note 2.2: Non-financial assets

2.2A Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2019)

	Other property, plant and equipment \$'000	Computer software purchased and internally developed \$'000	Total \$'000
As at 1 July 2018			
Gross book value	33,229	21,644	54,873
Accumulated depreciation/amortisation	(19,807)	(17,436)	(37,243)
Net book value 1 July 2018	13,422	4,208	17,630
Additions:			
By purchase or internally developed	2,237	2,862	5,099
Depreciation/amortisation expense	(4,029)	(612)	(4,641)
Impairment recognised in net cost of services	(50)		(50)
Disposals:			
Cost of assets disposed	(3,107)	(1,208)	(4,315)
Add write back of depreciation on disposals	3,098	1,208	4,306
Net asset disposals	(9)	-	(9)
Revaluations:			
Revaluation of assets - net value cost adjustment	2,860	-	2,860
Add write back of depreciation on revaluation of assets	(2,395)	-	(2,395)
Net revaluation	465	-	465
Net book value 30 June 2019	12,036	6,458	18,494
Net book value 30 June 2019 represented by:			
Gross book value	35,219	23,299	58,518
Accumulated depreciation/amortisation	(23,183)	(16,841)	(40,024)
Net book value 30 June 2019	12,036	6,458	18,494

	Other property, plant and equipment \$'000	Computer software purchased and internally developed \$'000	Total \$'000
Revaluations of non-financial assets			
All revaluations were conducted in accordance with the revaluation policy stated below. On 30 June 2019, an independent valuer conducted the revaluation.			
Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2018).			
As at 1 July 2017			
Gross book value	32,072	20,277	52,348
Accumulated depreciation/amortisation	(18,046)	(16,126)	(34,172)
Net book value 1 July 2017	14,026	4,150	18,176
Additions:			
By purchase or internally developed	2,806	1,367	4,173
Depreciation/amortisation expense	(3,410)	(750)	(4,159)
Impairment recognised in net cost of services	-	(560)	(560)
Disposals:			
Cost of assets disposed	(1,649)	-	(1,649)
Add write back of depreciation on disposals	1,649	-	1,649
Net asset disposals	-	-	-
Net book value 30 June 2018	13,422	4,207	17,630
Net book value 30 June 2018 represented by:			
Gross book value	33,229	21,644	54,873
Accumulated depreciation/amortisation	(19,807)	(17,436)	(37,243)
Net book value 30 June 2018	13,422	4,207	17,630

Accounting policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they are recognised in the transferor's accounts, immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by Comcare where there exists an obligation to restore the property to its original condition. These costs are included in the value of Comcare's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is 30 June 2019 eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount, or restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to Comcare using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual value and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	2018
Office machines and equipment	2 to 10 years	2 to 10 years
Leasehold improvements	Lease term	Lease term
Motor vehicles	2 to 5 years	2 to 5 years

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if Comcare were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

Comcare's intangibles comprise purchased software for internal use with an initial cost of \$30,000 or more. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life of between 3 to 15 years (2018: 3 to 15 years).

All software assets were assessed for indications of impairment as at 30 June 2019.

	2019	2018
	\$'000	\$'000
2.2B		
Other non-financial assets		
Prepayments	1,678	1,463
Total other non-financial assets	1,678	1,463
Other non-financial assets are expected to be recovered in:		
No more than 12 months	1,664	1,463
More than 12 months	14	-
Total other non-financial assets	1,678	1,463

No indicators of impairment were found for other non-financial assets.

Note 2.3: Payables

2.3A	Suppliers		
	Trade creditors and accruals	353,123	2,120
	Total supplier payables	353,123	2,120
	Suppliers expected to be settled in:		
	No more than 12 months	353,123	2,120
	Total suppliers expected to be settled	353,123	2,120

Settlement is usually made within 30 days (2018: 30 days).

	Notes	2019 \$'000	2018 \$'000
2.3B	Workers' compensation claims payable	1,696	3,415
	Workers' compensation claims payable expected to be settled in:		
	No more than 12 months	1,696	3,415
	Total workers' compensation claims payable	1,696	3,415
2.3C	Other payables		
	Income in advance	502	630
	GST payable to ATO	-	75
	Lease incentives	2,009	2,873
	Salaries and wages	631	512
	Superannuation	70	75
	Other	1,987	2,193
	Total other payables	5,199	6,358
	Other payables expected to be settled in:		
	No more than 12 months	2,619	2,690
	More than 12 months	2,580	3,668
	Total other payables	5,199	6,358

Note 2.4: Provisions

2.4A	Workers' compensation claims		
	Premium claims	2.4D 1,671,200	2,199,200
	Commonwealth latent mental disease claims	2.4E 11,300	11,300
	Pre-premium claims	2.4F 343,442	339,700
	Total workers' compensation claims	2,025,942	2,550,200
	Workers' compensation claims provisions expected to be settled in:		
	No more than 12 months	234,942	305,700
	More than 12 months	1,791,000	2,244,500
	Total workers' compensation claims	2,025,942	2,550,200

		2019	2018
		\$'000	Restated \$'000
2.4B	Common law asbestos-related disease claims	936,880	903,179
	Common law asbestos-related disease claims provisions expected to be settled in:		
	No more than 12 months	55,860	55,112
	More than 12 months	881,020	848,067
	Total common law asbestos-related disease claims provisions	936,880	903,179
2.4C	Other provisions		
	Provision for restoration obligations	2,501	2,490
	Total other provisions	2,501	2,490
	Other provisions expected to be settled in:		
	No more than 12 months	227	58
	More than 12 months	2,274	2,432
	Total other provisions	2,501	2,490
		2019	2018
		\$'000	\$'000

Provision for restoration obligations reconciliation

Carrying amount 1 July	2,490	2,468
Adjustment in provision as a result of revaluation	17	(30)
Derecognition	(58)	-
Unwinding of discount	52	52
Closing balance as at 30 June	2,501	2,490

Comcare currently has eight agreements for the leasing of premises which have contract clauses with a requirement to restore the premises to their original condition at the conclusion of the lease. Comcare has made a provision to recognise this obligation.

2.4D

Provision for premium claims

Carrying amount at 1 July	2,199,200	2,429,100
(Decrease) in provisions made during the year	(874,510)	(88,659)
Claims payments made during the year	187,110	(210,741)
Unwinding of discount	33,000	38,300
Change in discount rate	168,300	54,300
Change in inflation rate	(41,900)	(23,100)
Closing balance at 30 June*	1,671,200	2,199,200

* Refer to Overview for disclosure of the funding available to Comcare to meet this liability.

The valuation of premium claims liabilities was undertaken as at 30 June 2019 by an independent firm of consulting actuaries, Taylor Fry. Taylor Fry has stated that its valuation complies with actuarial Professional Standard PS300 *Actuarial reports and advice on general insurance technical liabilities*.

The provision for premium claims represents an actuarial assessment of the expected payments to be made in the future by Comcare in relation to workers' compensation claims incurred on or after 1 July 1989. The provision is recognised on a gross basis with an intended 75 per cent probability of sufficiency. The estimate for third party recoveries is included in trade and other receivables. Refer to Note 2.1B.

The following assumptions have been made in determining the provision amount.

Economic assumptions	2019	2018
Medical payments inflation	4.5% to 4.8%	4.48% to 4.80%
Other payments inflation	2.21% to 3.6%	2.32% to 3.80%
Discount rate	1.15% to 5%	1.91% to 5.50%

Premium business liability assumptions	2019	2018
Claim frequency	0.61%	0.82%
Third party recoveries	0.7%	0.7%
Claims administration expenses	18.2%	16.7%
Average claim size	\$105,690	\$104,411

2019	2018
\$'000	\$'000

2.4E	Provision for Commonwealth latent mental disease claims		
	Carrying amount at 1 July	11,300	17,000
	(Decrease) in provisions made during the year	(1,000)	(6,200)
	Claims payments made during the year	-	-
	Unwinding of discount	200	300
	Change in discount rate	1,100	400
	Change in inflation rate	(300)	(200)
	Closing balance at 30 June*	11,300	11,300

* Refer to Overview for disclosure of the funding available to Comcare to meet this liability.

The valuation of Commonwealth latent mental disease claims liabilities was undertaken as at 30 June 2019 by an independent firm of consulting actuaries, Taylor Fry. Taylor Fry has stated that its valuation complies with actuarial Professional Standard PS300 *Actuarial reports and advice on general insurance technical liabilities*.

2.4F	Provision for pre-premium claims		
	Carrying amount at 1 July	339,700	347,900
	(Decrease) in provisions made during the year	(10,444)	1,459
	Claims payments made during the year	(22,814)	(21,959)
	Unwinding of discount	6,300	5,500
	Change in discount rate	37,300	8,400
	Change in inflation rate	(6,600)	(1,600)
	Closing balance at 30 June*	343,442	339,700

* Refer to Overview for disclosure of the funding available to Comcare to meet this liability.

The valuation of pre-premium claims liabilities was undertaken as at 30 June 2019 by an independent firm of consulting actuaries, Taylor Fry. Taylor Fry has stated that its valuation complies with actuarial Professional Standard PS300 *Actuarial reports and advice on general insurance technical liabilities*.

The provision for pre-premium claims represents an actuarial assessment of the expected payments to be made in the future by Comcare in relation to workers' compensation claims incurred prior to 1 July 1989. The provision is recognised on a gross basis with an intended 75 per cent probability of sufficiency.

Economic assumptions used in determining the amount of the provision for pre-premium claims liability are the same as those applied for the premium business.

	2019 \$'000	2018 Restated \$'000
2.4G Provision for common law asbestos-related disease claims		
Carrying amount at 1 July	903,179	969,920
(Decrease) in provisions made during the year	(10,421)	(67,583)
Claims payments made during the year	(24,423)	(22,453)
Unwinding of discount	15,960	31,780
Change in discount and inflation rate	52,585	(8,485)
Closing balance at 30 June*	936,880	903,179

* Refer to Overview for disclosure of the funding available to Comcare to meet this liability.

The valuation of common law asbestos-related disease claims liabilities was undertaken as at 30 June 2019 by an independent firm of consulting actuaries, PwC. PwC has stated that its valuation complies with actuarial Professional Standard PS300 *Actuarial reports and advice on general insurance technical liabilities*.

The provision for common law asbestos-related disease claims represents an actuarial assessment of the expected payments to be made in the future by Comcare in relation to common law claims against the Australian Government by individuals seeking compensation as a result of direct or indirect exposure to asbestos. The provision is recognised on a gross basis with an intended 75 per cent probability of sufficiency. The estimate for third party recoveries is included in trade and other receivables. Refer to Note 2.1B.

The following assumptions have been made in determining the provision amount.

Economic assumptions	2019	2018
Wage inflation	2.89%	3.08%
Superimposed inflation	2.00%	2.00%
Discount rate	1.64%	2.91%

Funding

This section identifies Comcare's funding structure.

	2019	2018
	\$'000	\$'000

Note 3.1: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per statement of financial position and cash flow statement

Cash and cash equivalents as per

Cash flow statement	1,005,088	1,028,241
Statement of financial position	1,005,088	1,028,241
Difference	-	-

Reconciliation of net cost of services to net cash from/ (used by) operating activities

Net contribution by services	56,316	297,552
Revenue from Government	60,287	56,838

Adjustments for non-cash items

Depreciation/Amortisation	4,641	4,160
Write-down and impairment of non-financial assets	50	560
(Gain)/Loss on disposal of assets	7	(132)
Unwinding of discount	52	51
Available funding from movement in claims provision	(117,012)	(346,736)

Movements in assets and liabilities:

Assets

Decrease in net receivables	117,277	363,257
(Increase)/Decrease in accrued revenues	1,760	(3,416)
(Increase)/Decrease in prepayments	(215)	(18)

Liabilities

Increase/(Decrease) in payables	348,080	(9,539)
(Decrease) in provisions	(489,230)	(310,051)
(Increase)/Decrease in assets payables	(181)	446
(Increase) in make good provision	(11)	(21)
Net cash from/(used by) operating activities	(18,179)	52,951

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationship with other key people.

	2019	2018
	\$'000	\$'000

Note 4.1 : Employee provisions

Employee provisions

Leave	17,622	16,510
Separation and redundancy	321	118
Total employee provisions	17,943	16,628

Employee provisions are expected to be settled in:

No more than 12 months	6,572	6,275
More than 12 months	11,371	10,353
Total employee provisions	17,943	16,628

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including Comcare's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flow to be made in respect of all employees at 30 June 2019. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. Comcare recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of Comcare are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

Comcare makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. Comcare accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

2019	2018
\$'000	\$'000

Note 4.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Portfolio Minister (Minister for Industrial Relations), Chief Executive Officer and General Managers. Key management personnel remuneration is reported in the table below:

Short-term employee benefits	1,850	1,891
Post-employment benefits	277	291
Other long-term benefits	54	177
Termination benefits	32	28
Total key management personnel remuneration expenses¹	2,213	2,387

The total number of key management personnel that is included in the above table is 10. (2018: 10)

¹ The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by Comcare.

Note 4.3: Related party disclosures

Related party relationships

Comcare is an Australian Government controlled entity. Related parties to this entity are Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions with related parties occurred during the financial year:

- > The entity transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums. These are not considered individually significant to warrant separate disclosure as related party transactions.
- > Refer to Note 4.1 Employee Provisions for details on superannuation arrangements with the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the PSS accumulation plan (PSSap).

Managing uncertainties

Note 5.1: Contingent assets and liabilities

Quantifiable contingencies

As at 30 June 2019 Comcare has no quantifiable contingencies.

Unquantifiable contingencies

As at 30 June 2019 Comcare was unable to identify any unquantifiable contingencies.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Note 5.2: Remuneration of auditors

	2019 \$'000	2018 \$'000
Financial statement audit services provided to Comcare by the Australian National Audit Office	205,000	205,000
Other services provided by KPMG		
Continuous monitoring	30,000	45,000
Annual desk top reviews	23,000	20,000
Financial viability assessment	7,500	-
Total other services provided by KPMG	60,500	65,000

Note 5.3: Financial instruments

		2019	2018
		\$'000	\$'000
5.3A	Categories of financial instruments		
	Financial Assets under AASB 139		
	Held-to-maturity (HTM)		
	Cash and cash equivalents	-	1,028,241
	Receivables for goods and services	-	1,191
	Other receivables and claims recoveries	-	4,983
	Other financial assets	-	11,833
	Held-to-maturity (HTM)	-	1,046,248
	Financial Assets under AASB 9		
	Financial assets at amortised cost		
	Cash and cash equivalents	1,005,088	-
	Receivables for goods and services	953	-
	Other receivables and claims recoveries	4,343	-
	Other financial assets	10,072	-
	Total financial assets at amortised cost	1,020,456	-
	Financial liabilities		
	Financial liabilities measured at amortised cost		
	Trade creditors	353,123	2,120
	Workers' compensation payables	1,696	3,415
	Total financial liabilities measured at amortised cost	354,819	5,535

Classification of financial assets on the date of initial application of AASB 9

Financial assets class	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018 \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Cash and Cash Equivalents	HTM	Amortised Cost	-	1,028,241
Receivables for goods and services	HTM	Amortised Cost	-	1,191
Other receivables and claims recoveries	HTM	Amortised Cost	-	4,983
Other financial assets	HTM	Amortised Cost	-	11,833
Total financial assets			-	1,046,248

Accounting policy

Financial assets

With the implementation of AASB 9 Financial Instruments for the first time, Comcare classifies its financial assets as loans and receivables. The classification depends on both Comcare's business model for managing the financial assets and the contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon 'trade date'.

Comparatives have not been reinstated on initial application.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses if risk has not increased.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at 'fair value through profit or loss' are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

		2019	2018
		\$'000	\$'000
5.3B	Net gains or losses on financial assets		
	Financial assets at amortised cost		
	Interest revenue	31,350	28,991
	Net gains on financial assets at amortised cost	31,350	28,991
	Net gains on financial assets	31,350	28,991

5.3C Net income and expense from financial liabilities

There was no income or expense from financial liabilities during the year (2018: Nil).

5.3D Credit risk

Comcare is exposed to minimal credit risk as the majority of its receivables are cash on deposit with banks. The major exposure to credit risk is the risk that arises from the potential default by a bank. This amount is equal to the total amount of cash at bank (2019: \$1,005.08m and 2018: \$1,028.2m). Comcare's current Investment Policy requires all investments to be placed with a financial institution with a Standard and Poor's rating of at least BBB/Baa. To mitigate credit risk, the Investment Policy restricts investment with any single financial institution to no more than 50 per cent of the total investment portfolio.

As at 30 June 2019	Credit rating							Total
	AAA	AA	A	A-1+	A-1	A-2	Not rated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	-	-	-	635,088	270,000	100,000	-	1,005,088
Receivables	-	-	-	-	-	-	953	953
Other receivables	-	-	-	-	-	-	4,343	4,343
Other financial assets	-	-	-	-	-	-	10,072	10,072

As at 30 June 2018	Credit rating							Total \$'000
	AAA	AA	A	A-1+	A-1	A-2	Not rated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash and cash equivalents	-	-	-	673,241	275,000	80,000	-	1,028,241
Receivables	-	-	-	-	-	-	1,191	1,191
Other receivables	-	-	-	-	-	-	4,983	4,983
Other financial assets	-	-	-	-	-	-	11,833	11,833

Comcare holds no collateral to mitigate against credit risk.

	2019 \$'000	2018 \$'000
Maximum exposure to credit risk (excluding any collateral or credit enhancement)		
Cash and cash equivalents	1,005,088	1,028,241
Receivables for goods and services	953	1,191
Other receivables and claims recoveries	4,343	4,983
Other financial assets	10,072	11,833
Total financial assets carried at amount not best representing maximum exposure to credit risk	1,020,456	1,046,248

5.3E Liquidity risk

Comcare's financial liabilities were trade creditors, workers' compensation payables and other payables. Comcare has negligible liquidity risk as it has substantial cash holdings to meet its short term financial obligations at 30 June 2019. Under Comcare's Investment Policy, investments are managed in a manner which maximises investment return while minimising risk ensures that accessibility of funds is maintained and cash flow requirements are met.

Maturities for financial liabilities 2019	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	353,123	-	-	-	353,123
Workers' compensation claims payable	-	1,696	-	-	-	1,696
Total	-	354,819	-	-	-	354,819

Maturities for financial liabilities 2018	On demand \$'000	Within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	-	2,120	-	-	-	2,120
Workers' compensation claims payable	-	3,415	-	-	-	3,415
Total	-	5,535	-	-	-	5,535

Comcare has no derivative financial liabilities in either the current or prior years.

Trade creditors includes the remaining exit liabilities owing to the self insurance licensees following their exit from Comcare's premium scheme in 2018–19.

5.3F Market risk

Currency risk

Comcare is not exposed to currency risk or other price risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The only interest bearing item on the balance sheet is 'cash and cash equivalents'. 'Cash and cash equivalents' comprises investments in both term deposit accounts and standard banking transaction accounts. Those investments held in term deposit accounts bear interest at a fixed rate and will not fluctuate with changes in market interest rates. The daily cash balance in the standard banking transaction account is stated at a nominal amount and is not subject to interest rate risk.

Note 5.4: Fair value measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply to the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

5.4A Fair value measurements, valuation techniques and inputs used

	Fair value measurement at the end of the reporting period			For Levels 2 and 3 fair value measurements	
	2019 \$'000	2018 \$'000	Category (Level 1, 2 or 3)	Valuation technique(s) ¹	
Non-financial assets²					
Leasehold improvements	7,349	9,359	Level 3	Cost approach	Actual cost of replacement of similar assets. Price per square metre.
Computer and IT equipment	4,614	4,011	Level 2	Market comparable	Sale prices of comparable computer and IT equipment.
Office equipment	3	-	Level 2	Market comparable	Sale prices of comparable office equipment.
Artwork	70	52	Level 2	Market comparable	Private sales of similar artwork. Professional appraisals of similar artwork.
Motor vehicle	-	-	Level 2	Market comparable	Sale price of comparable motor vehicles.
Total non-financial assets	12,036	13,422			
Total fair value measurements of assets in the statement of financial position	12,036	13,422			

¹ Comcare engaged a professional valuer to undertake a comprehensive valuation of non-financial assets as at 30 June 2019.

² The highest and best use of all non-financial assets are the same as their current use.

5.4B Reconciliation for recurring Level 3 fair value measurements

	Non-financial assets			
	Leasehold improvements		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
As at 1 July	9,359	11,343	9,359	11,343
Total (losses) recognised in net cost of services ¹	(2,881)	(2,817)	(2,881)	(2,817)
Total gains/(losses) recognise in other comprehensive income	210	-	210	-
Purchase	661	833	661	833
Total as at 30 June	7,349	9,359	7,349	9,359

Accounting policy

Any transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

¹ These losses are presented in the Statement of Comprehensive Income under note 2.2A.

Other information

Note 6.1: Assets held in trust

Comcare Beneficiaries Trust Account

The Beneficiaries Trust Account was established on 1 December 1988 to administer compensation benefits paid under both the *Compensation (Commonwealth Government Employees) Act 1971* and the SRC Act to beneficiaries that are under a legal disability. The majority of these are children under the age of 18 who have been awarded compensation following the death of a parent under compensable circumstances.

These monies are not available for other purposes of Comcare and are not recognised in the financial statements.

	2019	2018
	\$'000	\$'000
Cash at bank		
Total amount held by Comcare at the beginning of the reporting period	1,724	1,298
Add:		
Funds deposited		554
Interest earned	39	40
Available for payment	1,763	1,892
Less:		
Final payouts	20	168
Ad-hoc payments	-	-
	20	168
Total value held by Comcare at the end of the reporting period	1,743	1,724
Total cash at bank	1,743	1,724

The above values are estimated at fair value at the time when acquired.

Note 6.2: Reporting of outcomes

	Outcome 1		Total	
	2019 \$'000	2018 Restated \$'000	2019 \$'000	2018 Restated \$'000
Expenses				
Employee benefits	67,686	68,801	67,686	68,801
Supplier expenses	30,274	29,312	30,274	29,312
Depreciation and amortisation	4,641	4,160	4,641	4,160
Finance costs	2,225	51	2,225	51
Write-downs and impairment of assets	50	560	50	560
Workers' compensation claims expense	209,924	232,700	209,924	232,700
Common law asbestos-related disease claims expense	24,423	22,452	24,423	22,452
Total expenses	339,223	358,037	339,223	358,037
Income				
Sale of goods and rendering of services	22,770	22,902	22,770	22,902
Fees and fines	15,979	15,717	15,979	15,717
Workers' compensation premiums	242,310	285,183	242,310	285,183
Interest	31,350	28,991	31,350	28,991
Other revenue	1,454	800	1,454	800
Gains from movement in workers' compensation claims provision	107,807	242,700	107,807	242,700
Gains from movement in common law asbestos-related disease claims provision	(26,124)	59,164	(26,124)	59,164
Gains from sale of assets	(7)	132	(7)	132
Revenue from Government	60,287	56,838	60,287	56,838
Available funding from movement in claims provision	(117,012)	(346,735)	(117,012)	(346,735)
Total income	338,814	365,691	338,814	365,691
Assets				
Cash and cash equivalents	1,005,088	1,028,241	1,005,088	1,028,241
Trade and other receivables	2,330,932	2,448,165	2,330,932	2,448,165
Other financial assets	10,072	11,833	10,072	11,833

Property, plant and equipment	12,036	13,422	12,036	13,422
Computer software	6,458	4,208	6,458	4,208
Other non-financial assets	1,678	1,463	1,678	1,463
Total assets	3,366,264	3,507,332	3,366,264	3,507,332
Liabilities				
Suppliers	353,123	2,120	353,123	2,120
Workers' compensation claims payable	1,696	3,415	1,696	3,415
Other payables	5,199	6,358	5,199	6,358
Employee provisions	17,943	16,628	17,943	16,628
Workers' compensation claims	2,025,942	2,550,200	2,025,942	2,550,200
Common law asbestos-related disease claims	936,880	903,179	936,880	903,179
Other provisions	2,501	2,490	2,501	2,490
Total liabilities	3,343,284	3,484,390	3,343,284	3,484,390

Comcare's program components supporting the outcome are described in the Overview.



CHAPTER FIVE: APPENDICES

Appendix A–Procurement and Comcover	166
Appendix B–Ecologically sustainable development and environmental performance	168
Appendix C–Compliance index	172
Appendix D–Corrections to previous annual report	175



APPENDIX A—Procurement and Comcover

Procurement and contract management

Comcare procurement was undertaken in accordance with the PGPA Act and the *Commonwealth Procurement Rules*. Comcare actively supports the Indigenous Procurement Policy, meeting the targets set to ensure indigenous business opportunities continue to grow.

Details of contracts for consultancy services

In 2018–19, Comcare’s total consultancy expense, with an individual contract value of \$10,000 or more (GST inclusive) was \$482,030. During 2018–19 Comcare entered into nine new consultancy contracts and there were no consultancies that continued from 2017–18 into 2018–19.

Table 28: 2018–19 Consultancy services—at 1 July 2019

Supplier name	Description of services	Contract value	Procurement method	Justification
Callida Consulting Pty Ltd	Review of Project Management Office	\$33,440	Open Tender	B
HBA Consulting Pty Ltd	Workplace Investigations	\$11,543	Limited Tender	C
Oakton Services Pty Ltd	Comcare Data Review 2018	\$63,800	Open Tender	B
ALC Education & Consulting Pty Ltd	Business Analysis Services	\$17,914	Limited Tender	B
Synergy Group Australia Pty Ltd	Review of Cost Recovery Implementation Statement Operation	\$150,000	Open Tender	A
Synergy Group Australia Pty Ltd	Review of the FY19-20 Comcare Cost Recovery Model	\$10,000	Limited Tender	B
Coxswain Alliance Pty Ltd	Business Process Analysis	\$70,000	Limited Tender	B
The Shannon Company Pty Ltd	Develop the Collaborative Partnership Prospectus	\$15,653	Open Tender	A
Deloitte Consulting Pty Ltd	Evaluation of the Early Intervention Pilot	\$109,680	Open Tender	A
Total		\$482,030		

More information on the value of contracts above the relevant threshold of \$400,000 is available on the AusTender website www.tenders.gov.au.

Table 28 notes

Note 1

Explanation of selection process terms drawn from the Commonwealth Procurement Rules (20 April 2019).

Open tender: A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are generally sought from the Australian Government AusTender internet site.

Limited tender: A form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or their special ability to supply the goods and/or services sought.

Panel: An arrangement under which a number of suppliers, initially selected through an open tender process, may each supply property or services to an agency as specified in the panel arrangements. Quotes are sought from suppliers that have prequalified on the agency panels to supply to the Government. This category includes standing offers and supplier panels where the supply of goods and services may be provided for a pre-determined length of time, usually at a prearranged price.

Note 2

Justification for decision to use consultancy:

A—Required specialist skills not available in-house

B—Independent review, research or assessment required

C—Independent agent or facilitator required.

Advertising and market research

During 2018–19, Comcare conducted **no** advertising campaigns or market research.

Indemnities and insurance

Professional indemnity insurance, purchased from Comcover indemnifies Comcare, the CEO, and all employees for damages, and defence costs awarded for breach of duty. There was one claim in 2018–19.

In 2018–19 Comcare paid \$53,765 (\$71,935 in 2017–18) for directors' and officers' insurance, and there were no claims.

APPENDIX B—Ecologically sustainable development and environmental performance

Under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), government organisations must report annually on their ecologically sustainable development (ESD) and environmental performance. Comcare is committed to advancing the principles of ESD and practicing these principles in its everyday activities and long-term projects.

We recognise that day to day activities consume resources and create waste. This year we have continued several activities to reduce our environmental impact with a focus on information and communication technology (ICT) and building operations as the major consumers of energy and other resources.

In February 2019, Comcare achieved a 5-star National Australian Built Environment Rating System (NABERS) Energy Tenancy rating for levels 3 to 5, 121 Marcus Clarke Street, Canberra in the ACT.

NABERS is a national rating system that measures the environmental performance of Australian buildings, tenancies and homes. NABERS measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment.

Comcare continues to undertake activities to reduce our environmental impact including:

- > using electronic workflows aimed to reduce the use of paper and the need to retain paper copies
- > using the energy saving features of the Windows Operating System
- > using server virtualisation to reduce both power consumption and computer hardware requirements
- > using the power saving features of computer monitors and televisions
- > participating in whole-of-government purchasing arrangements for electricity
- > participating in whole-of-government leasing arrangements for fleet vehicles
- > installing sensor lighting systems in all office fit outs
- > participating in and promoting Earth Hour 2019
- > providing end of trip facilities to encourage employees to cycle to work
- > purchasing 100 per cent recycled A4 paper, 100 per cent recycling of paper waste and recycling of other stationery items.

Technology equipment upgrade

In 2018–19 Comcare replaced and consolidated its ageing network infrastructure with a more modern higher performing and power efficient system. This saw Comcare reduce its data centre rack footprint from five racks to three and this has resulted in a decrease of power consumption each month. This also resulted in an improved and more automated disaster recovery solution of Comcare’s core infrastructure. Comcare implemented a committee management software platform for the SRCC. This application provides a more efficient method of meeting paper distribution and reduces the need to print.

Comcare enhanced the digital faxing functionality, this enhancement transitioned faxing to a secure cloud environment that returned benefits of reduction in paper, ink consumption and power consumption. The continued rollout of laptops has allowed managers and mobile workers across Comcare to have electronic versions of agendas, minutes and documents when attending meetings reducing the need to print.

Information management

Comcare is committed to the National Archives of Australia Digital Continuity 2020 (DC2020) policy. Continuing the good efforts from previous years, in 2018–19 the focus was on paper usage across the organisation.

The initiative included targeted reduction in the creation of paper records in Comcare’s records management system Content Manager. As a result of business areas making several process improvements and promoting awareness amongst staff, there has been no new paper file record created since July 2018.

Comcare has commenced an initial proof of concept to digitise 500 boxes of archive records, this will reduce storage capacity at an external storage facility.

Waste and recycling

Comcare continues to participate in the ACT Government ACTSmart Office Recycling Program in its Canberra office. The Canberra office at 121 Marcus Clarke Street renewed its accreditation in January 2019 and currently sends approximately 85 per cent of its waste to a recycling centre. Comcare provides recycling streams (including co-mingled, cardboard and paper recycling) and also has waste and recycling systems in place.

Comcare recycles 100 per cent of toner cartridges and florescent light tubes and maintains a battery recycling facility in the Canberra office.

Externally, Comcare provides the ability to download publications from its website. This allows documents to be sent and stored electronically, reducing the impact of printing and distribution of hard copy material.

Performance in focus—results

Energy consumption

Power consumption per person remained steady in 2018–19. The table below shows Comcare’s power consumption over the past four financial years.

Comcare measures paper consumption by purchases made during the financial year. In 2018–19, Comcare’s paper consumption decreased by 26 per cent from the previous year. Overall, Comcare’s paper consumption is trending down in accordance with our commitment to reducing our environmental impact.

Table 29: Comcare’s environmental performance 2018–19

Environmental performance	2014–15	2015–16	2016–17	2017–18	2018–19
Average power consumption per full-time equivalent employee (Mega joules/person/annum)	5963	5636	5671	5329	5107
Paper consumption ¹ (reams of paper)	6538	8324	6577	6058	4466

¹ Amount purchased during the financial year

APPENDIX C—Compliance index

The annual report has been prepared in accordance with section 46 of the *Public, Governance, Performance and Accountability Act 2013* and Subdivision B of Division 3A of the *Public Governance, Performance and Accountability Amendment (Corporate Commonwealth Entity Annual Reporting) Rule 2014*. These requirements were approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit on 2 May 2016.

Table 30: Annual reporting compliance index

PGPA Rule Reference	Description	Annual Report page/comments
17BB	Letter of transmittal	
17BB	Approval of annual report by accountable authority	3
17BE	Contents of annual report	
17BE(a)	Details of enabling legislation	14,180
17BE(b)(i)	Summary of objects and functions	16-18,182
17BE(b)(ii)	Purposes of entity	12
17BE(c)	Responsible Minister	2,178
17BE(d)	Directions by the Minister	78,186
17BE(e)	Government policy orders	79
17BE(f)	Particulars of non-compliance under an Act or instrument	Not applicable
17BE(g)	Annual performance statements	34-69
17BE(h)(i)	Significant non-compliance with finance law	Not applicable
17BE(j)	Details of accountable authority members	25,183
17BE(k)	Organisational structure	29
17BE(ka)	Statistics on employees on an ongoing and non-ongoing basis	85-86
17BE(l)	Office locations	30
17BE(m)	Main corporate governance practices	72-81
17BE(n)(o)	Transactions with a related Commonwealth entity or related company	Not applicable

PGPA Rule Reference	Description	Annual Report page/comments
17BE(p)	Significant activities affecting operations or structure	Not applicable
17BE(q)	Judicial decisions and administrative decisions	Not applicable
17BE(r)	Reports by: <ul style="list-style-type: none"> > the Auditor General > a Committee of either house, or of both Houses, of Parliament > the Commonwealth Ombudsman > the Office of the Australian Information Commissioner 	Not applicable
17BE(s)	Obtain information from a subsidiary	Not applicable
17BE(t)	Indemnity and insurance	Appendix A
17BE(ta)	Executive remuneration	90-91
17BF	Disclosure requirements for government business enterprises	
17BF(1)(a)(i)	Significant changes to financial structure and financial conditions	Not applicable
17BF(1)(a)(ii)	Risk assessment of financial information	Not applicable
17BF(1)(b)	Dividends paid or recommended	Not applicable
17BF(1)(c)	Community service obligations	Not applicable
17BF(2)	Information that is commercially prejudicial	Not applicable

PGPA Rule Reference	Description	Annual Report page/comments
Additional statutory requirements		
	Comcare’s regulatory statistics—Work health and safety <i>Work Health and Safety Act 2011</i> (Schedule 2, Part 3)	50,52
	Comcare’s employer statistics—Work health and safety <i>Work Health and Safety Act 2011</i> (Schedule 2, Part 4)	97
	Directions by Minister <i>Safety, Rehabilitation and Compensation Act 1988</i> (section 73)	Not applicable
	Advertising and market research <i>Commonwealth Electoral Act 1918</i> (section 311A)	Appendix A
	Ecologically sustainable development and environmental performance <i>Environment Protection and Biodiversity Conservation Act 1999</i> (section 516A)	Appendix B

APPENDIX D—Corrections to previous annual report

Chapter One: Overview

Who we cover section—Figure 5: Comcare scheme coverage under the WHS Act (page 17)

Figure in graphic for 2017–18 should read:

> Australian Government	191,323
> Self-insured Licensees	161,821
> Australian Defence Force	62,000

Who we cover section—Table 4: Notifications of work health and safety incidents—as the national regulator (page 21)

Figures in table for 2017–18 should read:

> Australian Government	191,323
> Self-insured Licensees	161,821
> WHS jurisdiction total	415,144

Appendix A: Ecologically sustainable development and environment performance

Table 24: Comcare’s environmental performance 2017–18 (page 146)

First table heading should read Environmental performance



PART TWO:
**SAFETY,
REHABILITATION
AND
COMPENSATION
COMMISSION
ANNUAL REPORT
2018–19**

About this report	178
Ministers serving	178
Letter of transmittal—Safety, Rehabilitation and Compensation Commission (SRCC) Annual Report 2018–19	179
Chairperson’s review	180
About the SRCC	182
Licensing	188

ABOUT THIS REPORT

The Safety, Rehabilitation and Compensation Commission (SRCC) annual report documents the activities of the SRCC from 1 July 2018 to 30 June 2019.

The SRCC is subject to specific annual reporting requirements under the *Safety, Rehabilitation and Compensation Act 1998* (SRC Act) and the *Safety, Rehabilitation and Compensation Directions 2019* (Directions) to include particulars of:

- > Directions given by the Minister
- > Guidelines issued by the SRCC
- > the operations of each licensee
- > records required to be kept in relation to licensees under the Directions.

MINISTERS SERVING 2018–19

Responsible Minister at 30 June 2019

The Hon Christian Porter MP

Attorney-General for Australia

Minister for Industrial Relations

Member for Pearce

Responsible Minister from 28 August 2018 to 29 May 2019

The Hon Kelly O'Dwyer MP

Minister for Jobs, Industrial Relations and Women

Member for Higgins

Responsible Minister from 20 December 2017 to 27 August 2018

The Hon Craig Laundy MP

Minister for Small and Family Business,

the Workplace and Deregulation

Member for Reid

LETTER OF TRANSMITTAL—Safety, Rehabilitation And Compensation Commission



Australian Government
**Safety, Rehabilitation and
Compensation Commission**

GPO Box 9905
Canberra ACT 2601
Tel: 1300 366 979

18 September 2019

The Hon Christian Porter MP
Attorney-General
Minister for Industrial Relations
Parliament House
CANBERRA ACT 2600

Dear Minister

I have the pleasure in submitting the annual report for the Safety, Rehabilitation and Compensation Commission (Commission) for the financial year ending 30 June 2019.

The report is provided to you in accordance with the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act).

Section 89S of the SRC Act provides that the Chairperson must give the Minister, for presentation to the Parliament, a report of the Commission's activities during the financial year. Following its tabling in Parliament, the report will be placed on the Commission's website.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R. Vilgan', written over a blue circular stamp.

Rosemary Vilgan
Chairperson

CHAIRPERSON'S REVIEW



Rosemary Vilgan, Chairperson

Safety, Rehabilitation and Compensation Commission

It gives me great pleasure to present my report to the *Minister for Industrial Relations, the Hon Christian Porter MP*, and the Australian Parliament on the operations of the Safety, Rehabilitation and Compensation Commission (SRCC) for the year ending 30 June 2019.

I would like to acknowledge the valuable contributions made by all Members.

Priorities

The SRCC has a range of functions under the *Safety, Rehabilitation and Compensation Act 1998* (SRC Act) and the *Work Health and Safety Act 2011* (WHS Act). These are set out on page 182.

To fulfil its functions, the SRCC's priorities for 2018–19 were focused on the following key areas:

- > operation of the SRCC
- > stakeholder engagement
- > operation of licensees
- > operation of the Licence Compliance and Performance Model (LCPM).

I am pleased to report that the SRCC undertook a range of activities to achieve outcomes against these priority areas in 2018–19, the key points of which are set out in this report.

Regulator performance framework

As the regulator of self-insured licensees under the SRC Act, the SRCC is required to implement the Government's *Regulator Performance Framework* (RPF). In 2018–19, the SRCC completed its self-assessment against its endorsed RPF key performance indicators. The self-assessment will be published on the SRCC's website later this year.

Self-insurance

On 1 July 2018, the Australian National University commenced as a self-insured licensee. During this reporting period, the SRCC also granted a licence to DHL Express (Australia) Pty Ltd which commenced on 1 January 2019, and the Australian Capital Territory Government which commenced on 1 March 2019. There were no licence extensions in 2018–19.

Further information on self-insurance licencing arrangements can be found in this report.

Meetings with licensees and affiliated unions

The annual meeting between the SRCC and licensees was held on 27 March 2019.

The SRCC also engages with affiliated unions (unions and their members representing employees of self-insured licensees). The inaugural meeting between the SRCC and affiliated unions was held on 19 June 2019. These meetings provided a valuable opportunity for the SRCC, licensees and affiliated unions to participate in an open discussion on the implementation and operation of the LCPM. This included identifying further areas of review as part of continuous improvement.

Strategic risk register

The SRCC manages current and emerging risks through its strategic risk register. In 2018–19 the SRCC reviewed the register to ensure it remained current and effective.

Finally, I would like to thank the staff of Comcare for their professional support, guidance and assistance.



Rosemary Vilgan

ABOUT THE SRCC

Responsible Minister

The SRCC operates within the Attorney-General's portfolio. The Minister for Industrial Relations, the Hon Christian Porter MP, is the responsible Minister and has the power to give directions to the SRCC about the performance of its functions and the exercise of its powers. These directions may include criteria and procedures for the scope of licences, record keeping and reporting requirements, and related matters.

Role and functions

The SRCC administers functions under the SRC Act, other than those functions attributed to Comcare. The SRC Act establishes the workers' compensation scheme covering Commonwealth employees, Australian Capital Territory Government employees and the employees of licensed entities.

The SRCC has a number of general and specific roles and functions conferred on it by the SRC Act and WHS Act. The role and functions under the SRC Act are to:

- > ensure that, as far as practicable, there is equity of outcomes resulting from administrative practices and procedures used by Comcare and a licensee in the performance of their respective functions under the SRC Act
- > advise the Minister about anything relating to the operation of the SRC Act or to the SRCC's functions or powers
- > issue guidelines to Comcare or licensees about their powers and functions
- > be the issuing authority and regulator of self-insurance licences under the SRC Act, including setting licence fees
- > provide guidelines on the setting of premiums and a review point (if required) for employers' premium and regulatory contribution determinations
- > undertake other functions as conferred on the SRCC by any other Act.

Under the WHS Act, the functions of the SRCC are to:

- > advise the Minister on the administration of the WHS Act
- > advise and make recommendations to the Minister on the most effective means of giving effect to the objects of the WHS Act
- > enquire into and make recommendations to the Minister on any matter relating to work health and safety referred to the SRCC by the Minister
- > provide a forum for consultation between Comcare and persons conducting business or undertakings, workers and the bodies that represent them.

SRCC accountabilities

The SRCC has an evaluation framework which it uses to provide assurance that it has appropriately discharged its statutory responsibilities. The framework includes an annual assessment of the outcomes and activities of the SRCC against each of its statutory functions.

The outcomes and activities against each functional category enable the SRCC to make an informed assessment of its performance in meeting its regulatory functions as listed above.

At its September 2019 meeting the SRCC resolved that it had satisfactorily discharged its statutory responsibilities for the 2018–19 reporting year.

Further evidence that the SRCC is meeting its accountabilities, and fulfilling its statutory responsibility, is demonstrated when the Chairperson reports on the key outcomes of each regular SRCC meeting to the Minister.

Membership

The SRC Act provides for the SRCC to have 11 Members, each appointed by the Minister (other than Safe Work Australia's CEO). Members other than the Chairperson may appoint a deputy, subject to the Minister's approval. A Member, other than Safe Work Australia's CEO, holds office on a part-time basis for a term not longer than three years, as specified in the instrument of appointment. Members are eligible for reappointment.

The SRCC comprised the following members during 2018–19:

- > Ms Rosemary Vilgan, Chairperson
- > Ms Lisa Newman, Deputy National President, Community and Public Sector Union, Member nominated by the ACTU
- > Mr Trevor Gauld, State Secretary, Communications Electrical and Plumbing Union, Member nominated by the ACTU
- > Mr Michael Borowick, Assistant Secretary, Australian Council of Trade Unions, Member nominated by the ACTU (until August 2018)
- > Mr Tom Roberts, Director of Industrial and Social Policy, Australian Council of Trade Unions, Member nominated by the ACTU (appointed from March 2019)
- > Ms Louisa Hudson, Member representing the licensees
- > Ms Jody Anderson, Group Manager, Work Health and Safety Policy Group, Attorney-General's Department, Member representing the Commonwealth and Commonwealth authorities (appointed from January 2019)

- > Mr Adrian Breen, Branch Manager, Work Health and Safety Policy Branch, Department of Jobs and Small Business, Member representing the Commonwealth and Commonwealth authorities (until December 2018)
- > Ms Justine Ross, Acting Group Manager, Work Health and Safety Policy Group, Department of Jobs and Small Business, Member representing the Commonwealth and Commonwealth authorities (until August 2018)
- > Ms Michelle Baxter, CEO of Safe Work Australia
- > Ms Catherine Hudson, Member representing the interests of the Australian Capital Territory public sector employers
- > Mr Stephen Somogyi, Principal Advisor, Strategic Projects, Monash University, Member with qualifications or experience relevant to the SRCC's functions, or the exercise of its powers
- > Ms Jane Hall, Principal Lawyer, Loupe Legal, Member with qualifications and experience relevant to the SRCC's functions, or the exercise of its powers.

Operation of the SRCC

The SRCC meets on a quarterly basis with additional meetings held as required. Five Members constitute a quorum, as long as the following Members are present:

- > at least one Member nominated by the ACTU
- > the Member representing licensees
- > the Member representing the Commonwealth and Commonwealth authorities.

The SRCC held four meetings in 2018–19 on 3 October 2018, 28 November 2018, 27 March 2019 and 19 June 2019. Details of attendance at SRCC meetings during 2018–19 are shown in Table 31.

Table 31: SRCC meeting attendance

Commissioners	Meetings eligible to attend	Meetings attended	Meetings attended by deputy*
Rosemary Vilgan	4	4	n/a
Trevor Gauld	4	3	-
Lisa Newman	4	3	1
Louisa Hudson	4	4	-
Michelle Baxter	4	2	2
Catherine Hudson	4	4	-
Jane Hall	4	4	-
Stephen Somogyi	4	4	-
Adrian Breen	2	1	1
Tom Roberts	1	-	1
Jody Anderson	2	2	-

During 2018–19 the following Deputies attended SRCC meetings:

- > Tom Roberts, deputy to Lisa Newman
- > Amanda Johnston, deputy to Michelle Baxter
- > David Cains, deputy to Adrian Breen
- > Lien Sutherland, deputy to Tom Roberts.

SRCC sub-committees

The following sub-committee operated during the reporting year.

Reviewing the Regulation of Self-Insured Licensees sub-committee

Purpose: To review the regulation of self-insured licensees and advise and make recommendations as appropriate.

Throughout the reporting period, and in consultation with licensee representatives, affiliated unions and other stakeholders, the sub-committee monitored and reviewed the operation of the SRCC's regulatory model.

Members (as at 30 June 2019): Chairperson Rosemary Vilgan and Commissioners Louisa Hudson, Trevor Gauld and Jody Anderson.

Decision making

The SRCC has the powers and functions to make a wide range of decisions under the SRC Act and the *Safety, Rehabilitation and Compensation Regulations and Directions 2019* and other legislative instruments. SRCC decisions of an administrative character are subject to judicial review.

Directions and Guidelines

Under section 89S of the SRC Act the SRCC is required to provide a report to the Minister to give to Parliament on its activities for each financial year. Among other things, the report must include particulars of any Directions given by the Minister under section 89D and any Guidelines issued by the SRCC under section 73A of the SRC Act.

The Minister issued **one** Direction to the SRCC under the SRC Act during 2018–19—the *Safety, Rehabilitation and Compensation Directions 2019*.

The SRCC issued **no** Guidelines under section 73A of the SRC Act during 2018–19.

Delegations

At its 28 November 2018 meeting, the SRCC agreed to delegate to the Chief Executive Officer of Comcare its function under the SRC Act to estimate the amount of licence fees payable by each licensee each financial year and notify each licensee of this amount in writing.

Code of Conduct

At its 3 October 2018 meeting, the SRCC endorsed its Code of Conduct to describe the standards of behaviour and conduct expected from Commissioners in their dealings with Members, stakeholders and the public. The Code of Conduct is available on the SRCC website.

Stakeholder engagement

One of the SRCC's key priorities in 2018-19 was effective stakeholder engagement, with a key outcome being that the SRCC is open and transparent in its dealings with regulated entities.

To this end, the SRCC held its annual meeting with licensees on 27 March 2019 to provide:

- > a forum for discussion on the operation of the SRCC's regulatory model
- > an opportunity for licensees to provide feedback to the SRCC.

As part of its commitment to strengthen stakeholder engagement, the SRCC held its inaugural meeting with affiliated unions on 19 June 2019 to achieve a mechanism for the SRCC to collaborate with its stakeholders to achieve its functions.

The SRCC also invited licensee and affiliated union representatives to sub-committee meetings to discuss feedback on the development of the various elements of the SRCC's regulatory model and other matters affecting licensees and affiliated unions.

The SRCC will continue to engage with the licensees and affiliated unions on current priority items.

Operation of licensees

Licensing

Under the SRC Act, certain Commonwealth authorities and eligible corporations may apply for a licence to self-insure their workers' compensation liabilities and manage compensation claims.

The Australian National University commenced as a self-insured licensee from 1 July 2018. DHL Express (Australia) Pty Ltd was granted a licence which commenced on 1 January 2019. The Australian Capital Territory Government was granted a licence which commenced on 1 March 2019.

Comcare provides support to the SRCC in the performance of its functions regarding licensing. Comcare evaluates licence applications, recommends the amount to be charged for licence application fees, monitors licensee performance against licence conditions and recommends actions to the SRCC.

Table 32 summarises licence types, licensees and expiry dates at 30 June 2019.

Table 32: Licence types, licensees and expiry dates—at 30 June 2019

Licence type	Features	Licensee (expiry date)	Claims management arrangements
Corporation	Self-management of claims (with capacity to arrange for third-party claims managers)	Pacific National Services Pty Ltd (formerly Asciano Services Pty Ltd) (30/06/2025)	In house
		Australian air Express Pty Ltd (30/06/2025)	QBE Insurance (Australia) Limited
		BWA Group Services Pty Ltd (30/06/2022)	Commonwealth Bank of Australia
		Bis Industries Ltd (30/06/2023)	In house with claims review performed by QBE Insurance (Australia) Limited
		Border Express Pty Ltd (30/06/2022)	In house with claims review performed by Paratus Claims Pty Ltd
		Cleanaway Operations Pty Ltd (formerly Transpacific Industries Pty Ltd) (30/06/2022)	Employers Mutual Limited
		Colonial Services Pty Ltd (30/06/2022)	Commonwealth Bank of Australia
		Commonwealth Bank of Australia (30/06/2022)	In house
		Commonwealth Insurance Limited (30/06/2022)	Commonwealth Bank of Australia
		Commonwealth Securities Limited (30/06/2022)	Commonwealth Bank of Australia
		CSL Limited (30/06/2023)	QBE Insurance (Australia) Limited

Licence type	Features	Licensee (expiry date)	Claims management arrangements
Corporation	Self-management of claims (with capacity to arrange for third-party claims managers)	DHL Express (Australia) Pty Ltd (31/12/2026)	In house
		DHL Supply Chain (Australia) Pty Ltd (30/06/2022)	In house
		Fleetmaster Services Pty Ltd (30/06/2023)	In house with claims review performed by Paratus Claims Pty Ltd
		John Holland Group Pty Ltd (30/06/2024)	In house
		John Holland Pty Ltd (30/06/2024)	John Holland Group Pty Ltd
		John Holland Rail Pty Ltd (30/06/2024)	John Holland Group Pty Ltd
		K&S Freighters Pty Limited (30/06/2024)	In house
		Linfox Australia Pty Ltd (30/06/2023)	In house
		Linfox Armaguard Pty Ltd (30/06/2023)	Linfox Australia Pty Ltd
		Medibank Private Limited (30/06/2023)	Employers Mutual Limited
		National Australia Bank Ltd (30/06/2024)	In house
		National Wealth Management Services Limited (30/06/2024)	National Australia Bank Ltd
		Optus Administration Pty Limited (30/06/2023)	QBE Insurance (Australia) Limited
		Prosegur Australia (formerly trading as Chubb Security Services Limited (30/06/2025)	In house with claims review performed by Moray & Agnew
		Ron Finemore Transport Services Pty Ltd (30/06/2025)	In house
		StarTrack Express Pty Ltd (30/06/2022)	Australian Postal Corporation
		StarTrack Retail Pty Ltd (30/06/2022)	Australian Postal Corporation
		Telstra Corporation Limited (30/06/2022)	In house
		Thales (formerly known as ADI Limited) (30/06/2025)	In house with claims review performed by QBE Insurance (Australia) Limited
		TNT Australia Pty Ltd (30/06/2022)	In house with claims review performed by QBE Insurance (Australia) Limited
		Virgin Australia Airlines Pty Ltd (29/09/2024)	Employers Mutual Limited
Visionstream Pty Ltd (30/06/2023)	Employers Mutual Limited		
Wilson Security (30/06/2023)	QBE Insurance (Australia) Limited		

Licence type	Features	Licensee (expiry date)	Claims management arrangements
Declared Commonwealth Authority	Self-management of claims	Australian Capital Territory Government (28/02/2027)	Employers Mutual Limited
		Australian National University (30/06/2026)	Comcare (on a contracted basis)
		Australian Postal Corporation (30/06/2022)	In house
		Reserve Bank of Australia (30/06/2023)	Australian Postal Corporation

Licence conditions and performance standards of licence

The SRCC expects licensees to continuously improve their prevention, rehabilitation and claims management performance outcomes, to comply with licence conditions and to meet performance standards of licence.

Licence conditions require compliance with the SRC Act and any applicable laws and regulations regarding the health, safety and rehabilitation of employees. Licensees are required to meet financial, prudential, and performance reporting requirements as part of their licence conditions.

Performance standards of licences require licensees to develop and implement effective management systems for prevention, rehabilitation and claims management and to work towards the attainment of outcome-based performance goals.

Operation of the Licence Compliance and Performance Model

The Licence Compliance and Performance Model (LCPM) provides the regulatory framework under which the SRCC monitors and assesses licensee performance. The model seeks to ensure compliance with licence conditions and focuses on licensee performance against set standards and measures in claims management, rehabilitation and prevention by using a holistic, risk-based approach to performance evaluation. The model contributes towards the Government's agenda to reduce regulatory burden on business by affording a reduced level of regulatory oversight for established licensees that have mature management systems and demonstrated high performance against the SRCC's standards and measures.

The LCPM examines licensees' prudential performance, results of internal and external reviews in prevention, rehabilitation and claims management performance, and provides for regulatory action by the SRCC where non-compliance or performance concerns are identified.

Under the LCPM, licensees are classified as a 'developing/transitioning licensee' or an 'established licensee'. Developing/transitioning licensees are new scheme participants in their first two years of licence. Following the initial two-year period, licensees are considered to be established in the scheme.

Developing/transitioning licensees work closely with Comcare to develop systems by participating in, and being subject to, reviews throughout the first two years of licence to ensure that a licensee can meet the conditions of licence and performance standards set by the SRCC.

The SRCC uses this initial period to closely monitor the performance of a new licensee as they transition into the scheme. The SRCC may choose to lessen the extensive reviews in the developing/transitioning phase where a licensee can evidence strong, consistent results against compliance and performance requirements.

Established licensees are required to be compliant with the conditions of licence and continue to meet the performance standards set by the SRCC.

The SRCC can, at any time, determine that due to issues with compliance, reporting or performance results, a regulatory response is required. The status of a licensee (that is, developing/transitioning or established) does not inhibit the SRCC from taking action to address a compliance or performance issue. For example, a targeted review may be conducted at any point should the SRCC consider the performance of a licensee warrants a more thorough review.

A key feature of the LCPM is the quarterly monitoring of the SRCC-defined performance standards and measures, including the Licensee Key Performance Indicators (LKPIs). The SRCC sets performance targets against these LKPIs, which include the incidence of serious and accepted claims based on industry benchmarks, return to work performance, and timeliness of claims management and reconsideration decisions. Licensees are provided with the opportunity to provide input and information regarding their quarterly results for consideration. The SRCC uses the LKPI results and any further information provided by licensees to determine whether any regulatory action is required.

The self-insurance licence and the LCPM also provide a framework for the prudential obligations required of licensees under the licence. This includes the provision of a liability report describing current and predicted outstanding workers' compensation liabilities (this information is used to calculate the guarantee amount) and the provision of a guarantee plus a reinsurance retention policy, yearly accounts and financial statements. Some licensees are also subject, based on risk, to ongoing financial monitoring which comprises a regime of continuous monitoring through media and rating agencies and annual desktop reviews of licensees' financial statements.

Each year licensees provide an annual Licensee Compliance and Performance Improvement (LCPI) report certified by licensee senior management. The LCPI report provides the SRCC with an overview of key activities undertaken and outcomes achieved by a licensee during the previous year. The LCPI report also details a licensee's objectives for the coming year and is the primary tool for licensees to: report to the SRCC on performance against the SRCC's performance standards and measures; provide annual certification as per the prudential conditions of licence; and to demonstrate continuous improvement.

Continuous improvement

The SRCC has an ongoing focus on the continuous improvement of its regulatory model. In the 2018–19 year, the SRCC has undertaken the following activities to improve the operation of the LCPM:

- > published an updated version of the LCPM incorporating changes agreed by the SRCC
- > reviewed the operation of LKPI 5 (median incapacity)
- > updated the reporting of LKPIs 6 and 7 (timeliness—initial claims determination and reconsiderations)
- > published information products to ensure clarity of roles and accessibility for employees and affiliated unions and other stakeholders in relation to feedback and complaints mechanisms
- > reviewed licensee reporting requirements to reduce duplication and streamline reporting
- > introduced governance mechanisms to assist in ensuring consistent regulatory responses
- > commenced a review of the general conditions of licence, to be completed in 2019–20
- > considered the operation of the LCPM to evaluate its effectiveness and identify areas for further improvement.

Licensees' performance

Table 33 provides a summary of each licensee's claims activity during 2018–19. Table 34 provides a summary of SRCC monitoring of overall licensee performance against the LKPIs during 2018–19.

Care should be exercised in comparing the claims activity of licensees given the different risk profiles of individual employers.

Licensee data

Table 33: Licensees' claims activity

	Number of FTE employees		Incidence of claims received		Incidence of claims accepted ¹	
	2017–18	2018–19	2017–18	2018–19	2017–18	2018–19
ACT Government ²	-	23,279	-	23.5	-	19.0
Australia Post	26,950	27,022	44.9	51.6	35.4	39.7
AaE	450	382	22.2	23.6	np	20.9
ANU ³	-	4,898	-	5.3	-	4.7
BankWest	3,708	3,587	6.5	5.6	6.5	4.2

	Number of FTE employees		Incidence of claims received		Incidence of claims accepted ¹	
	2017–18	2018–19	2017–18	2018–19	2017–18	2018–19
BIS Industries	939	997	24.5	25.1	17.0	21.1
Border Express	900	993	44.4	30.2	36.7	27.2
Cleanaway Operations	4,291	5,975	38.2	36.0	27.7	27.3
Colonial Services	2,488	2,265	3.2	4.4	np	3.1
CBA	22,846	25,959	6.6	5.8	4.6	4.2
CommInsure	373	398	16.1	np	np	np
CommSec	5,197	2,619	2.7	3.8	1.9	np
CSL	2,147	2,313	2.8	3.5	np	np
DHL Express ⁴	-	606	-	31.4	-	19.8
DHL Supply Chain	2,315	3,069	28.9	20.5	20.7	8.5
Fleetmaster	305	331	np	24.2	np	0.0
John Holland	2,749	3,767	103.5	88.5	99.4	84.0
John Holland Group	483	1,334	9.8	7.4	8.0	6.1
John Holland Rail	161	192	62.1	57.3	49.7	52.1
K&S Freighters	3,174	3,137	38.1	53.2	32.8	41.1
Linfox Armaguard	1,817	1,792	29.7	20.6	17.1	6.1
Linfox Australia	4,807	4,934	14.1	13.2	6.0	5.5
Medibank Private	2,038	2,187	7.9	5.0	5.9	np
NAB	24,645	24,629	3.7	3.7	2.0	2.1
NWMS	1,531	1,543	np	np	np	np
Optus	8,279	7,367	4.8	3.0	3.1	1.0
Pacific National Services	2,552	2,451	24.3	22.4	19.6	18.4
Prosegur	760	735	56.6	50.3	43.4	42.2
Reserve Bank of Australia	1,340	1,340	np	np	np	np
Ron Finemore Transport	441	729	18.1	49.4	18.1	41.2
StarTrack Express	3,457	3,333	63.3	45.0	57.0	36.6

	Number of FTE employees		Incidence of claims received		Incidence of claims accepted ¹	
	2017–18	2018–19	2017–18	2018–19	2017–18	2018–19
StarTrack Retail	191	176	31.4	34.1	np	np
Telstra	28,056	25,652	8.8	8.1	7.2	6.0
Thales	3,403	3,456	6.8	13.9	5.6	10.1
TNT Australia	4,092	4,201	63.8	61.4	58.2	50.2
Virgin Australia Airlines	7,810	8,144	26.2	25.2	23.8	22.3
Visionstream	1,400	2,125	5.0	7.1	4.3	5.2
Wilson Security	6,249	6,249	8.5	7.7	5.0	4.8
ALL LICENSEES	182,344	214,166	18.3	19.2	14.6	14.8

np—not publishable. In order to protect privacy, results are not published where the numbers used to calculate incidence rates are between one and five.

¹ This measure captures those claims that were initially accepted in the reporting period.

² ACT Government joined the licensee sector 1 March 2019.

³ ANU joined the licensee sector 1 July 2018.

⁴ DHL Express joined the Comcare scheme 1 January 2019.

Note: All incidence rates are calculated per 1000 FTE employees.

Table 34: Performance against LKPIs—All licensees

	2017–18	2018–19
Number of notifiable worker fatalities	7	5
Incidence of serious claims ¹	6.6	8.2
Incidence of accepted claims ²	14.6	14.8
Median incapacity (weeks)	5.0	4.8
Percentage of claims determined within 20 days (injury) and 60 days (disease)	95%	95%
Percentage of reconsiderations decided within 30 days	95%	95%
Number of reconsideration requests decided	996	1,091
Number of AAT appeals received	379	464

¹ Serious claims are those claims that reach one week or more of time lost during the reporting period.

² This measure captures those claims that were initially accepted in the reporting period.

Note: All incidence rates are calculated per 1000 FTE employees

Recordkeeping and reporting requirements under the *Safety, Rehabilitation and Compensation Directions 2019*

The following table provides details of the recordkeeping requirements outlined in the *Safety, Rehabilitation and Compensation Directions 2019* (SRC Directions) and is reported in accordance with section 20 of the SRC Directions.

Table 35: Recordkeeping requirements under SRC Directions

Requirement	Number	Details
Applications for licence received	1	Australian Capital Territory Government
Refusals to grant licence	Nil	Nil
Expiry of licence	Nil	Nil
Suspension of licence	Nil	Nil
Revocations of licence	Nil	Nil
Grants of licences, including the scope of the licences and the conditions to which the licences are subject*	Licences granted	Australian Capital Territory Government, DHL Express (Australia) Pty Ltd
	Licences commenced	Australian National University, Australian Capital Territory Government and DHL Express (Australia) Pty Ltd
	Variations granted due to change in scope or conditions of licence	The following licence notices were varied in relation to claims manager, special conditions or prudential requirements: <ul style="list-style-type: none"> > Australian Postal Corporation > Cleanaway Operations Pty Ltd > Linfox Armaguard Pty Ltd > Pacific National Services Pty Ltd > Prosegur Australia Pty Ltd > Ron Finemore Transport Service Pty Ltd > TNT Australia Pty Ltd
	Licence extensions	Nil
Breaches of licences and preserved licences	2	<ul style="list-style-type: none"> > Failure to comply with the requirements of the SRC Act, including failure to manage claims guided by equity, good conscience and the substantial merits of the case, and failure to comply with the SRCC's Performance Standards and Measures. > Failure to inform the SRCC within 30 days of the addition of parties to a deed of cross guarantee.

* The scope and conditions of licences granted by the SRCC are available on the Federal Register of Legislation.

Further information is available in the 'Licensing' section of this report.

41,200,000
Innovation Perspective
www.bostonndrc.com/
New Book "The Gifted" Free Download
Download · Book · Limited Time · Free

in·no·va·tion

/ˌɪnəˈvāʃ(ə)n/

noun

Innovation

the action of process

synonyms: change, More

• a new market
cultural return in
technology

GLOSSARY AND INDEX

of innovating.
alteration, revolution, upheaval, trans

idea, product, etc.

innovations designed to save energy

GLOSSARY

AAT	Administrative Appeals Tribunal—The AAT can, on request, review administrative decisions by most Australian and Australian Capital Territory Government departments and authorities. This includes reviewing reconsideration decisions made by Comcare. Either an employee or an employer may request a review of a decision.
ACC	New Zealand Accident Compensation Corporation
ACT	Australian Capital Territory
ACTU	Australian Council of Trade Unions
Affirmation rate	Affirmation rate is the percentage of original decisions which were upheld following a request for reconsideration.
AGIGRP	Australian Government Indigenous Graduate Recruitment Program
AGILE	Australian Government Indigenous Lateral Entry
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
APS Values	Principles, standards and qualities in accordance with which the Australian Public Service operates.
ARC Act	<i>Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005</i>
ATO	Australian Taxation Office
Australian WHS Strategy	<i>Australian Work Health and Safety Strategy 2012–2022</i>
Bankwest	BWA Group Services Pty Limited
CALD	Culturally and Linguistically Diverse
Case manager	Responsible for workplace-based management of an injured employee’s return to work plan, as well as for initiating, coordinating and monitoring the rehabilitation process. The employer is responsible for providing case managers, who are usually employees of the agency.
CEO	Chief Executive Officer

Claim	Any claim for compensation, for example, the initial injury claim, claim for payment of medical expenses, or claim for incapacity benefits.
Claims Manager (CM)	Claims Managers are employees with a role in managing claims for workers' compensation—formerly known as Claims Services Officers (CSOs).
Comcare Portfolio Budget Statements (PBS)	<p>Departmental portfolio budget statements provide information on the proposed allocation of funds to achieve government outcomes. They include budget statements for the department as well as agencies working under the department.</p> <p>The statements provide information to assist parliament to understand the purpose of each proposed outcome.</p> <p>The Comcare Portfolio Budget Statements are contained within the Portfolio Budget Statements for the Department of Jobs and Small Business.</p>
Comcare's Enterprise Agreement 2016–19	Principle instrument that sets out the terms and conditions of employment for non-SES employees
Corporate governance	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Corporate Plan	<i>Comcare Corporate Plan 2018–2022</i>
CRIS	Cost Recovery Implementation Statement
CSC	Commonwealth Superannuation Corporation
Date of Injury	Date of occurrence (injury), date first sought medical treatment, or first resulted in incapacity or impairment (disease).
Delegation	The written assignment of authority and responsibility to another person to carry out specific activities.
Determination	A decision to accept or reject a claim.
Disease	From 13 April 2007 any ailment suffered by an employee, or the aggravation of such an ailment, that is contributed to, to a significant degree, by the employee's employment.
EAP	Employee assistance program
EL	Executive Level
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>

ESD	Ecologically sustainable development
FOI	Freedom of information
FOI Act	<i>Freedom of Information Act 1982</i>
FTE	Full-time equivalent, in the context of staffing levels
GP	General practitioner
GST	Goods and services tax
HWCA	Heads of Workers' Compensation Authorities
IAGDP	Indigenous Australian Government Development Program
IAP	Indigenous Entry Level Apprenticeships Program
ICT	Information communication technology
IHF	In-house facilitation
Impairment	The loss, the loss of use, or the damage or malfunction, of any bodily system or function or part of such system or function. A permanent impairment is one that is likely to continue indefinitely.
Incapacity	A diminished ability to earn.
Incapacity benefit	A payment made directly or indirectly, by way of income maintenance.
Injury	Refers to either an injury or disease. An injury can be a physical or mental injury and includes aggravation of a pre-existing ailment.
IPS	Information Publication Scheme
KPI	Key performance indicator
LCPI	Licensee Compliance and Performance Improvement
LCPM	Licence Compliance and Performance Model. The LCPM provides the regulatory framework under which the SRCC monitors and assesses licensee performance and replaced the previous Licensee Improvement Program and Tier Model.
Liability	The effect of a determination, creating a legal obligation to pay compensation under the SRC Act.

LiCBT	Low intensity cognitive behavioural therapy
Licensed selfinsurers	A Commonwealth authority or a corporation that is a holder of a licence under Part VIII of the SRC Act.
Licensees	Licensed self-insurers
LKPIs	Licensee Key Performance Indicators
MHFA	Mental health first aid
NABERS	National Australian Built Environment Ratings Scheme
NBN	National Broadband Network
OAIC	Office of the Australian Information Commissioner
OH&S	Occupational health and safety
PDP	Performance Development Plan
People Plan	Comcare's People Plan
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PICS	<i>Parliamentary Injury Compensation Scheme</i>
Premium	A contribution made to Comcare in respect of the estimated costs of a customer agency's workers' compensation costs for a given financial year. It is based on fully funded principles and is designed to be responsive to the employing agency's claims experience.
Premium claim	Claim with a date of injury after the introduction of Comcare's premium system on 1 July 1989. Also referred to as an 'insured' claim.
Premium paying employers	Commonwealth departments, agencies and the ACT Government who pay a workers' compensation premium under the <i>Safety, Rehabilitation and Compensation Act 1988</i> .
Premium rate	The rate, expressed as a percentage of wage/salary dollar, which, when multiplied by the estimate of wage/salary, will provide the premium payable by that agency.

Pre-premium claim	Claim with a date of injury before the introduction of Comcare's premium system on 1 July 1989. These claims and the resultant expenditure may also be called 'uninsured'.
Privacy Act	<i>Privacy Act 1988</i>
Provider	Person or organisation providing medical, rehabilitation or health services in relation to a work-related injury or disease.
Public Service Act	<i>Public Service Act 1999</i>
RAP	Comcare's Reconciliation Action Plan
Reconsideration	An employee or employer, who is dissatisfied with a decision made under the SRC Act, may ask for that decision to be reviewed by an officer not involved in the making of the decision in question. The result of such a review is called a reviewable decision.
Rehabilitation	A managed process involving early intervention with appropriate, adequate and timely services based on injured worker's assessed needs.
RPF	Regulator Performance Framework
RTW	Return to work
Seacare Authority	The Seafarers Safety, Rehabilitation and Compensation Authority
Seafarers Act	<i>Seafarers Rehabilitation and Compensation Act 1992</i>
SES	Senior Executive Service
Serious claims	Those claims that reach one week or more of time lost during the reporting period
SRC Act	<i>Safety, Rehabilitation and Compensation Act 1988</i> —the legislation which established Comcare and defines how the workers' compensation function is to be administered for the Australian and ACT Governments and a corporation that is a holder of a licence under Part VIII of the SRC Act.
SRCC	Safety, Rehabilitation and Compensation Commission. See also 'The Commission'.
SRC Directions	<i>Safety, Rehabilitation and Compensation Directions 2019</i>
TASC	<i>Telecommunications Asbestos Safety Compliance</i>

The Commission	Safety, Rehabilitation and Compensation Commission—responsible for issuing licences for self-insurance and claims management, and for various regulatory functions under the OHS legislation. Until 1992 it was referred to as the Commission for the Safety, Rehabilitation and Compensation of Commonwealth Employees. It reports to the Minister for Employment.
The scheme	The Comcare scheme
WHS	Work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>

TABLES AND FIGURES

Tables

PART ONE

Comcare Annual Report 2018–19

Table 1:	Comcare scheme workers' compensation data	21
Table 2:	Rehabilitation and return to work—median lost time in weeks	22
Table 3:	Claim disputation rates	23
Table 4:	Notifiable work health and safety incidents—as the national regulator	24
Table 5:	Additional Chief Executive Officer and General Managers during 2018–19	28
Table 6:	Departed Comcare Executive team members during 2018–19	28
Table 7:	2018–19 Corporate Plan results summary	35
Table 8:	Links between the Corporate Plan and the PBS components 2018–19	39
Table 9:	Notifiable incidents notified to Comcare under section 38 of the WHS Act	50
Table 10:	TASC programme activities commenced	51
Table 11:	Inspectorate compliance and enforcement activities	51
Table 12:	Notices issued under the WHS Act	52
Table 13:	Other statutory reporting requirements under the WHS Act	52
Table 14:	APS employee census engagement ratings	61
Table 15:	Premium rates	62
Table 16:	Continuance rates—incapacity durations (an indication of return to work performance)	62
Table 17:	Mechanism of injury for Comcare accepted claims from 2016–17 to 2018–19	63
Table 18:	Attendance at Audit and Risk Committee meetings 2018–19	74
Table 19:	The most frequent categories of complaints during 2018–19	80
Table 20:	Comcare workforce profile as at 30 June 2019	84
Table 21:	Ongoing headcount of employees—current and previous report period	85
Table 22:	Non-ongoing headcount of employees—current and previous report period	86
Table 23:	Information about remuneration for key management personnel	90
Table 24:	Information about remuneration for other highly paid staff	91
Table 25:	Comcare financial operating result	98
Table 26:	Comcare Historical Funding Ratio	99
Table 27:	Comcare Historical Net Premium Liabilities	99
Table 28:	2018–19 Consultancy services—at 1 July 2019	166
Table 29:	Comcare's environmental performance 2018–19	170
Table 30:	Annual reporting compliance index	172

PART TWO

Safety, Rehabilitation and Compensation Commission Annual Report 2018–19

Table 31:	SRCC meeting attendance	182
Table 32:	Licence types, licensees and expiry dates—at 30 June 2019	188
Table 33:	Licensees' claims activity	192
Table 34:	Performance against LKPIs—All licensees	194
Table 35:	Recordkeeping requirements under SRC Directions	195

Figures

Figure 1:	Comcare's outcome statement and strategic focus	12
Figure 2:	Comcare's cultural priorities and how we work	13
Figure 3:	Responsibilities under the Commonwealth legislation	15
Figure 4:	Comcare scheme coverage under the SRC Act	19
Figure 5:	Comcare scheme coverage under the WHS Act	20
Figure 6:	Comcare's organisation chart as at 30 June 2019	29
Figure 7:	Comcare's office locations	30
Figure 8:	Number of claims received 2014–15 to 2018–19	44
Figure 9:	Comcare multi-level regulatory engagement	49

ALPHABETICAL INDEX

A

accountability, See management and accountability	II, 71
advertising	167, 174
Analysis of performance against strategic priority	44,45,46,49,50,51,52,53,54,55,58,63,64,68,69
Anderson, Jody	183, 185, 186
Asbestos-related claims	98, 107, 109, 114, 126, 135
Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005	14, 198
audit	51, 64, 74, 75, 77, 82, 96,103,152
external	82
internal	77, 78
Audit and Risk Committee	73, 74, 75, 76, 77, 78
meeting attendance	74
Australia Day Awards	92
Australian National Audit Office (ANAO)	74, 77,198
<i>Australian Public Service (APS) Employee Census</i>	37, 38, 60, 61, 94
<i>Australian Work Health and Safety Strategy 2012–2022 (Australian WHS Strategy)</i>	198

B

Bashford, Graham	74, 75
Baxter, Michelle	184, 185
Bekis, Natalie	25, 26, 90
Blucher, Anthony	28
Borowick, Michael	183
Breen, Adrian	184, 185

C

CEO's Awards	92
Chairperson's review	IV, 177, 180,181
claims	5, 14, 16, 17, 19, 20, 21, 22, 23, 27, 35, 39, 42, 44, 45, 46, 56, 58, 62, 63, 64, 77, 81 97, 98, 99, 106, 107, 108, 109, 111, 112, 113, 114, 118, 119, 120, 121, 122, 123, 124 125, 126, 127, 129, 130, 132, 133, 135, 143, 144, 145, 146, 147, 148, 153, 154, 157 158, 162, 163, 167, 188, 189, 190, 191, 192, 193, 194, 195, 199, 201, 202, 203
asbestos	14, 35, 39, 44, 45, 46, 115, 133
continuance rate	62, 120, 121, 122
licensee activity	192
premium	39, 98, 99, 107, 115, 119, 121, 123, 125, 130, 132, 143, 145, 146, 147

timeliness of determination	192
Claims Management Pilot	81
Client Satisfaction	45
Close, Louise	28
Collaborative Partnership	5, 38, 67, 68, 166
<i>Comcare Corporate Plan 2018–2022</i>	199
<i>Comcare Enterprise Agreement 2016–2019</i>	89, 199
<i>Comcare Research Plan 2018–2022</i>	39, 68, 69
Comcare scheme	ii, 4, 5, 10, 16, 17, 19, 20, 21, 36, 56, 57, 58, 175, 194, 203
coverage	15, 19, 20, 175
disputation rates	23
overview	ii, 9, 10, 40, 42, 58, 63, 72, 73, 92, 104, 115, 135, 145, 146, 147, 163
performance	ii, 4, 20, 34, 39, 41, 44, 45, 46, 49, 55, 56, 57, 61, 62, 68, 99 127, 168, 170, 172, 174, 175
profile	4, 77, 84, 96, 120
rehabilitation and return to work	22, 46
<i>Commonwealth Fraud Control Framework 2014</i>	76, 77
Commonwealth Ombudsman enquiries	82, 173
Complaints	80, 81, 82, 192
compliance index	172, 173
compliments	81
consultancy services	166
consultation with licensees	186
SRCC	186
Continuance rates	62, 120, 121, 122
contract management	78, 166
Corporate Management Group	25, 28
cost recovery	98, 166, 199
cultural priorities	13

D

digital strategy	5, 64
Diversity Working Group	88
Duke, Michael	28

E

early intervention programme	94, 97
ecologically sustainable development (ESD)	168, 175, 200
education	6, 25, 26, 48, 49, 75, 76, 127, 151, 166
Efficient and effective operations (performance)	12, 37, 40, 60, 63, 72
analysis of performance against strategic priority	44, 49, 58, 63, 68
Employee Assistance Program (EAP)	96, 199
employees	4, 5, 12, 16, 18, 19, 21, 26, 35, 37, 38, 39, 40, 42, 43, 44, 45, 46 60, 61, 62, 66, 67, 68, 75, 84, 85, 86, 87, 89, 92, 93, 94, 95, 96, 97 119, 150, 167, 168, 172, 174, 181, 182, 190, 192, 193, 194, 198, 199
conditions of service	89
headcount by classification	84
injuries, See injured employees	5, 26, 66
learning and development	93
<i>People Plan 2016–2019</i>	87, 92, 93
recruitment	78, 87
remuneration	89, 90, 91, 104, 105, 150, 151, 152, 173
reward and recognition	92
workforce profile	84
work health and safety, See work health and safety	II, 4, 10, 14, 80, 174, 180, 183, 184, 198, 203
workplace diversity	87
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	168, 174, 199
environmental performance	III, 168, 170, 174, 175
Excellence in scheme management and design (performance)	III, 12, 36, 40, 56, 58, 72
analysis of performance against strategic priority	44, 49, 58, 63, 68
Executive Committee	73, 74
external scrutiny	II, 73, 82

F

Finance and Investment Committee	74
finance law, non-compliance with	79, 172
Financial review	II, 98
Financial statements	II, III, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163
fraud control	76
prevention	76, 77
freedom of information	79, 82, 200

<i>Freedom of Information Act 1982</i>	79, 200
Full-time equivalent (FTE)	4, 19, 84, 170
funding ratio	5, 42, 45, 98, 99

G

Gauld, Trevor	183, 185, 186
General Policy Orders	79
glossary	198, 203
governance	ii, 64, 67, 72, 73, 74, 75, 76, 77, 78, 172, 192, 199

H

Hall, Jane	184, 185
Hamilton, Michele	28
Heads of Workers' Compensation Authorities (HWCA)	67
Health Benefits of Work (HBoW)	12
Hudson, Catherine	184, 185
Hudson, Louisa	183, 185, 186
Hughes, Aaron	25, 26, 90
Hughes, Kate	74, 75

I

indemnities	167
Indigenous Cultural Awareness	93
Information Publication Scheme (IPS)	79
infringement notices	52
in-house facilitation	81
injured employees	5, 26, 66
mechanism of injury	63
satisfaction rates	37, 43, 48, 60
inspectorate compliance	51
insurance	27, 42, 44, 45, 58, 75, 78, 107, 109, 112, 117, 118, 121, 123, 145, 146, 147, 151, 158, 167, 173, 181, 182, 191, 203
integrity	72
investigations	51, 75, 77, 82, 97, 128, 166

L

Laundy, Hon Craig	2, 178
Leadership	5, 13, 37, 40, 60, 84, 88, 93, 199
Leadership Development Series	87, 93
Women in Leadership	84, 87
Leading workers' compensation insurer	12, 35, 39, 42, 72, 98
letters of transmittal	3, 172, 177, 179
Licence Compliance and Performance Improvement (LCPI)	191
Licence Compliance and Performance Model (LCPM)	57, 180, 181, 190, 191, 192, 200
Licensed self-insurers	15, 201
Licensee Key Performance Indicators (LKPI)	191, 192, 194
licensing	6, 188
applications	23, 58, 188
claims activity	192
conditions	19, 38, 50, 58, 66, 67, 89, 99, 118, 151, 167, 173, 188, 190, 191, 192, 195, 199
consultation with licensees	186
extensions	181, 195
licence types	188
licensees' performance	192
record-keeping	182
tier model	200
variations	122, 123, 195

M

MacLean, Lynette	25, 27, 90
market research	167, 174
McKenzie, James	28, 90
Mentoring Programme	67
Middlebrook, Tony	28
Ministerial Directions	78
Moore, Lyndall	28

N

Napier, Justin	25, 26, 90
National Australian Built Environment Rating System (NABERS) Energy Tenancy rating	168
National Health and Safety Committee	74

National regulator (performance)	12, 24, 36, 40, 49, 72, 175
NewAccess	38, 66, 68
Newman, Lisa	183, 185
Noonan, Kevin	74, 76
notifiable incidents	50, 97

O

O'Dwyer, Hon Kelly	2, 178
Office of the Australian Information Commissioner (OAIC)	82
Ombudsman	26, 82, 173

P

<i>Parliamentary Entitlements Act 1990</i>	14
Parliamentary Injury Compensation Scheme (PICS)	14
People Committee	74
People Plan 2016–2019	87, 92, 93
Performance Development Plans (PDPs)	93
Porter, Hon Christian	2, 4, 178, 180, 182
<i>Portfolio Budget Statements 2018–19</i>	39, 51, 72, 199
Portfolio Maturity Project	64
privacy	75, 80, 82, 194
<i>Privacy Act 1988</i>	202
procurement	166, 167
project management	64, 78
prosecutions	52
Bromar Nominees Pty Ltd	53
Cleanaway Operations Pty Ltd	54, 188, 193, 195
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	53
Department of Defence	53, 54
Department of Environment and Energy	54
Helicopter Resources Pty Ltd	54
John Holland Group Pty Ltd	53
Kuredale Pty Ltd (trading as Metro Lintels)	53
Lendlease Building Contractors Pty Ltd	53
Linfox Australia Pty Ltd	54
Omega Constructions Pty Ltd	53
Thales Australia Ltd	54

Universal Reo Pty Ltd	53
<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	II, 34, 73, 74, 79, 105, 199
<i>Public Governance, Performance and Accountability Amendment</i> <i>(Corporate Commonwealth Entity Annual Reporting) Rule 2014</i> (PGPA Rule)	II, 172
<i>Public Service Act 1999</i>	89, 202

R

Reconciliation Action Plan (RAP)	87, 202
record keeping	182
regulatory model	58, 186, 187, 192
Regulator Performance Framework (RPF)	180
Regulatory Engagement Strategy 2017–2020	48, 49
rehabilitation	IV, 5, 16, 17, 18, 26, 36, 40, 46, 48, 56, 57, 58, 78, 97, 120, 177, 190, 198, 202
Rehabilitation Case Managers	57
remedial action	52
Remuneration	89, 90, 94, 104, 105, 150, 151, 152, 173
reporting requirements	II, 52, 178, 182, 190, 192, 195
SRC directions, under	195
WHS Act, under	16, 19, 20, 52, 175
return to work	6, 10, 12, 16, 17, 22, 36, 38, 40, 42, 43, 45, 46, 56, 57 59, 61, 62, 66, 68, 98, 191, 202
<i>Return to Work Survey</i>	36, 40, 56
Reward and Recognition	92
risk management	78
Roberts, Tom	183, 185
Ross, Justine	184

S

Safe Work Australia	4, 39, 42, 183, 184
<i>Safety, Rehabilitation and Compensation Act 1988</i> (SRC Act)	II, 4, 10, 14, 15, 19, 21, 23, 58, 80, 93 119, 122, 124, 125, 161, 178, 180, 182, 183, 186, 188, 190, 195, 200, 201, 202
scheme coverage under	19, 20, 175
Safety, Rehabilitation and Compensation Commission (SRCC)	II, 18, 57, 178, 180
accountabilities	183
Chairperson's review	180, 181
consultation with licensees	187
decision making	186

directions	174, 178, 182, 186, 195, 202
functions	II, 18, 58, 80, 180, 182, 183, 184, 186, 187, 188, 203
guidelines	178, 182, 186
letter of transmittal	3, 179
meetings	181, 184, 185, 187
membership	II, 183
operations	II, 178, 180
Regulator Performance Framework (RPF)	180
reporting requirements	178, 182, 190, 192, 195
responsible Minister	178, 182
role	18, 182
self-insurance	45, 58, 181, 182, 191, 203
sub-committees	186
tier model	200
work health and safety	II, 14, 180, 182, 183, 184, 198, 203
scheme management	36, 40, 56, 98
Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority)	17, 18
Comcare, relationship with	37, 40, 77
role and functions	18, 182
scheme	II, III, 4, 5, 10, 16, 17, 18, 19, 20, 21, 22, 33, 35, 36, 38, 39, 40, 41, 42, 45, 48, 56 57, 58, 60, 66, 67, 68, 72, 98, 99, 107, 109, 112, 150, 158, 175, 182, 190, 191, 194, 203
Security Committee	74
self-insurance	42, 45, 58, 181, 182, 191, 203
Somogyi, Stephen	184, 185
staff, See employees	4, 5, 12, 16, 18, 19, 21, 26, 35, 37, 38, 39, 40, 42, 43, 44, 45, 46, 60, 61, 62, 66, 67, 68, 75, 84, 85, 86, 87, 89, 92, 93, 94, 95, 96, 97, 119, 150, 167, 168, 172, 181, 182, 190, 192, 193, 194, 198, 199
stakeholder engagement	26, 180, 187
Strategic risk register	181
Swainson, Matthew	25, 27, 90

T

Taylor, Jennifer	28, 90
Technology and Information Management Committee	74
Telecommunications Asbestos Safety Compliance	51, 202
tendering, See consultancy service	166, 167
training	25, 53, 54, 61, 78, 80, 87, 93, 94, 95, 96

V

Vertigan, Michael	74, 76
Vilgan, Rosemary	180, 181, 183, 185, 186

W

Ward, Kim	27, 90
Weston, Susan	3, 25, 34, 90, 105
WHS Team Talk programme	96
Woolmer, Lisa	74
workers' compensation	III, 4, 5, 12, 16, 18, 21, 33, 35, 38, 39, 40, 42, 44, 45, 46, 58 61, 72, 73, 97, 98, 106, 107, 109, 113, 115, 118, 119, 120, 121, 122, 124 129, 131, 132, 135, 143, 145, 146, 157, 162, 182, 188, 191, 199, 201, 202
work health and safety	II, 4, 10, 14, 80, 174, 180, 183, 184, 198, 203
awareness	36, 38, 40, 48, 66, 67, 88, 94, 95, 96, 169
early intervention programme	94, 97
health and safety initiatives	94
management	94, 96
notification of incidents	24, 50, 175
sit/stand desk usage	94
wellbeing initiatives	68, 94, 95, 96
workplace inspections	94, 96
<i>Work Health and Safety Act 2011</i> (WHS Act)	II, 4, 10, 14, 80, 180
infringement notices	52
investigations and inspections	6, 49, 51, 75, 77, 82, 94, 96, 97, 128
prosecutions under	52, 53, 54
scheme coverage under	19, 20, 175
seizures	52
statutory reporting under	52
WHS undertakings	182
workplace rehabilitation providers (WRP), approved	97

