ACT WORKCOVER

Objectives

ACT WorkCover plans, develops and delivers services to the people of the ACT to ensure compliance with standards and community protection in relation to workplace health and safety, injury management and the management of dangerous goods.

This is achieved through promoting the understanding and acceptance of, and compliance with, the *Occupational Health and Safety Act 1989* (OH&S Act), the *Dangerous Goods Act 1975* and the *Workers Compensation Act 1951* and the associated law; undertaking research and developing educational and other programs for the purpose of promoting occupational health safety and welfare; reviewing the laws of the Territory for the purpose of ascertaining whether any of those laws are inconsistent with the OH&S Act, the *Dangerous Goods Act 1975* and the *Workers Compensation Act 1951*, and reporting to the Minister on the results of the examination.

2002-03 Highlights

Strategic and operational issues to be pursued in 2002-03 include:

- delivering specific education initiatives, including:
  - a focus on small business through the WorkCover @ Work program and the Small Business Health and Safety Toolkit; and
  - raising health and safety awareness in school leavers and ensuring occupational health and safety is incorporated in school-to-work transition programs;
- increasing the effectiveness of OH&S compliance audits through use of improved data sources and data recording processes;
- improving processes around the issuing of licences, permits and certificates;
- implementing the comprehensive amendments to the *Workers Compensation Act 1951* including development and implementation of new regulatory processes and the provision of advice and information through an extensive education program;
- finalising the Commissioner's review in relation to the legislation in conflict with the OH&S Act;
- continuing to improve events management processes in conjunction with all stakeholders;
- establishing a key industry task force in the health industry to deliver strategies to improve safety and reduce injuries;
- enhancing the implementation of the Infringement Notice Scheme under the OH&S Act;
- continuing the management of the collapse of HIH Insurance under the *Workers Compensation Supplementation Fund Act 1980*;
- participating in comparative performance monitoring exercises using data from the AIMS database; and

- implementing recommendations that go to the Legislative Assembly Standing Committee on legal affairs in relation to the Dangerous Goods legislation when those recommendations are considered by the Government and the Assembly.

Budgeted Financial Targets

Section 31 of the *Financial Management Act 1996 (FMA)* advises that Chief Executives are responsible for achievement of financial results. For the purpose of Section 31 of the FMA, key budgeted results are specified in the Budget Papers to improve accountability. An outcome of the increased accountability will be the requirement for Chief Executives to explain **material variances** from specified budgeted results.

In accordance with Section 31 of the *FMA*, following are the key budgeted results for ACT WorkCover in 2002-03:

- ***Operating Result ($0.101m deficit)* –** this measure focuses on the financial performance of the Department, and will measure the Department's success in managing expenditure levels within government funding and own source revenue limitations;
- ***Current Ratio*[1] *(0.5 to 1)* –** the current ratio is an indication of the ability to fund short term liabilities from short term assets. The measure is important in assessment of the Department's ability to fund liabilities falling due in the next financial year;

- ***Total Assets ($0.481m)* –** this measure focuses on the Department's ability to manage its assets base; and

- ***Total Liabilities ($1.311m)* –** this measure focuses on maintaining prudent levels of liabilities as required by Section 11 of the FMA.

[1] *Total current assets / Total current liabilities*

ACT Workcover
Statement of Financial Performance

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
3 186	Government Payment for Outputs	3 936	4 695	19	4 618	4 681	4 744
734	User Charges - Non ACT Government	284	290	2	295	299	303
0	User Charges - ACT Government	1 107	1 260	14	932	920	936
56	Resources Received free of charge	80	80	-	80	80	80
3 976	**Total Ordinary Revenue**	**5 407**	**6 325**	**17**	**5 925**	**5 980**	**6 063**
	Expenses						
2 191	Employee Expenses	2 871	3 550	24	3 272	3 278	3 325
304	Superannuation Expenses	453	515	14	469	471	472
1 559	Administrative Expenses	2 161	2 345	9	2 269	2 316	2 351
6	Depreciation and Amortisation	16	16	-	16	14	14
4 060	**Total Ordinary Expenses**	**5 501**	**6 426**	**17**	**6 026**	**6 079**	**6 162**
-84	**Operating Result**	**-94**	**-101**	**-7**	**-101**	**-99**	**-99**
-693	**Total Equity From Start of Period**	**-635**	**-729**	**-15**	**-830**	**-931**	**-1 030**
-777	**Total Equity At The End of Period**	**-729**	**-830**	**-14**	**-931**	**-1 030**	**-1 129**

ACT Workcover
Statement of Financial Position

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
4	Cash	88	87	-1	87	86	85
96	Receivables	320	321	..	321	322	323
10	Other	1	1	-	1	1	1
110	**Total Current Assets**	**409**	**409**	**-**	**409**	**409**	**409**
	Non Current Assets						
31	Property, Plant and Equipment	88	72	-18	56	42	28
31	**Total Non Current Assets**	**88**	**72**	**-18**	**56**	**42**	**28**
141	**TOTAL ASSETS**	**497**	**481**	**-3**	**465**	**451**	**437**
	Current Liabilities						
50	Payables	362	362	-	362	362	362
370	Employee Entitlements	390	390	-	390	390	390
420	**Total Current Liabilities**	**752**	**752**	**-**	**752**	**752**	**752**
	Non Current Liabilities						
498	Employee Entitlements	474	559	18	644	729	814
498	**Total Non Current Liabilities**	**474**	**559**	**18**	**644**	**729**	**814**
918	**TOTAL LIABILITIES**	**1 226**	**1 311**	**7**	**1 396**	**1 481**	**1 566**
-777	**NET ASSETS**	**-729**	**-830**	**-14**	**-931**	**-1 030**	**-1 129**
	REPRESENTED BY FUNDS EMPLOYED						
-777	Accumulated Funds	-729	-830	-14	-931	-1 030	-1 129
-777	**TOTAL FUNDS EMPLOYED**	**-729**	**-830**	**-14**	**-931**	**-1 030**	**-1 129**

ACT Workcover
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
3 186	Cash from Government for Outputs	3 936	4 695	19	4 618	4 681	4 744
734	User Charges	1 391	1 550	11	1 227	1 219	1 239
198	Other Revenue	1 080	213	-80	217	220	220
4 118	**Operating Receipts**	**6 407**	**6 458**	**1**	**6 062**	**6 120**	**6 203**
	Payments						
2 410	Related to Employees	3 239	3 980	23	3 656	3 664	3 712
1 503	Related to Administration	2 081	2 265	9	2 189	2 236	2 271
203	Other	1 085	214	-80	217	221	221
4 116	**Operating Payments**	**6 405**	**6 459**	**1**	**6 062**	**6 121**	**6 204**
2	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**2**	**-1**	**-150**	**0**	**-1**	**-1**
2	**NET INCREASE/(DECREASE) IN CASH HELD**	**2**	**-1**	**-150**	**0**	**-1**	**-1**
2	**CASH AT BEGINNING OF REPORTING PERIOD**	**86**	**88**	**2**	**87**	**87**	**86**
4	**CASH AT THE END OF THE REPORTING PERIOD**	**88**	**87**	**-1**	**87**	**86**	**85**

Notes to the Budget Statements

Statement of Financial Performance

- government payment for outputs: the increase of $0.759m in the 2002-03 Budget from the 2001-02 estimated outcome is primarily due to the provision of additional funding for the implementation of amendments to the *Workers Compensation Act 1951* and the Infringement Notice Scheme under the *Occupational Health and Safety Act 1989*, and Inspectorial Functions under the *Gas Safety Act 2000*;
- user charges ACT Government – the increase of $1.107m in the 2001-02 estimated outcome from the original budget recognises increased statistical analysis undertaken by ACT WorkCover on behalf of the Workers Compensation Supplementation Fund on data collected from Insurance Companies and Self Insurers. The analysis provides a better picture of workplace injuries and diseases and leads to more specifically targeted education campaigns. The reduction of user charges in the outyears reflects the anticipated lessening of work associated with the liquidation of HIH. This is due to a large percentage of active cases expected to be finalised in 2001-02 and 2002-03; and
- employee expenses and administration expenses – see government payment for outputs.

Statement of Cashflows

- other revenue and other payments - ACT WorkCover collects payments from the insurance industry in the ACT (as a part offset to workers compensation costs awarded in the Magistrates Court and onpassed to the Department of Justice and Community Safety (JACS)). The estimated outcome in 2001-02 reflects the fact that moneys collected in that year include moneys owed for the financial years of 2000-01 and 2001-02. From 2002-03, this funding will be paid directly to JACS by the insurance industry.

ACT Workcover
Statement of Revenues and Expenses on Behalf of the Territory

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
273	Taxes Fees and Fines	471	477	1	488	501	513
273	**Total Ordinary Revenue**	**471**	**477**	**1**	**488**	**501**	**513**
	Expenses						
273	Transfer Expenses	471	477	1	488	501	513
273	**Total Ordinary Expenses**	**471**	**477**	**1**	**488**	**501**	**513**
0	**Operating Result**	**0**	**0**	**-**	**0**	**0**	**0**
0	**Total Equity From Start of Period**	**0**	**0**	**-**	**0**	**0**	**0**
0	**Total Equity At The End of Period**	**0**	**0**	**-**	**0**	**0**	**0**

ACT Workcover
Budgeted Statement of Cashflows on Behalf of the Territory

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
273	Taxes, Fees and Fines	483	477	-1	488	501	513
273	**Operating Receipts**	**483**	**477**	**-1**	**488**	**501**	**513**
	Payments						
273	Territory Receipts to Government	483	477	-1	488	501	513
273	**Operating Payments**	**483**	**477**	**-1**	**488**	**501**	**513**
0	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**0**	**0**	**-**	**0**	**0**	**0**
0	**NET INCREASE/(DECREASE) IN CASH HELD**	**0**	**0**	**-**	**0**	**0**	**0**
0	**CASH AT THE END OF THE REPORTING PERIOD**	**0**	**0**	**-**	**0**	**0**	**0**

Notes to the Budget Statements

Statement of Revenues and Expenses on Behalf of the Territory

- taxes, fees and fines – the increase of $0.198m in 2001-02 from the original budget is due to increased activity under the *Scaffolding and Lifts Act 1957* for Notices of Intention to commence building, excavation or compressed air work; and
- transfer expenses – the increase of $0.198m in 2001-02 from the original budget relates to the reasons provided under taxes, fees and fines.

Changes to Appropriations

Changes to Appropriation - Departmental

Government Payment for Outputs	2001-02 Est. Outc. $'000	2002-03 Budget $'000	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
2001-02 Budget	**3 186**	**3 227**	**3 278**	**3 331**	**3 331**
Revised indexation parameters	0	3	5	8	66
Regulation of the Dangerous Goods Act 1975	400	400	400	400	400
Infringement Notice Scheme	55	310	310	310	310
Inspectorial functions under the Gas Safety Act 2000	155	310	310	310	310
Implementation of amendments to the Workers Compensation Act 1951	140	438	301	301	301
Insurance premium increase	0	7	14	21	26
2002-03 Budget	**3 936**	**4 695**	**4 618**	**4 681**	**4 744**

OUTPUT CLASS 1: WORKPLACE MANAGEMENT

PRINCIPAL MEASURES

OUTPUT 1.1: WORKPLACE MANAGEMENT

Description: The delivery of services for injury prevention, workplace management, dangerous goods management and regulation of all these areas.

Measures	**2001-02 Targets**	**2001-02 Estimated Outcome**	**2002-03 Targets**
Quantity			
Contacts with ACT WorkCover clients through advice and education [1]	200 000	230 000	100 000
Workplace visits[6]	3 500	4 500	5 000
Small Business Tool Kits completed[2]	-	-	500
Quality/Effectiveness			
Measures of effectiveness of intervention, prevention and enforcement activities:			
• Lower number of injuries resulting in > 5 days compensated per 1,000 workers compared to Australian average (based on the current or latest standards available to industry);	Less than the Australian average	Less than the Australian average	Less than the Australian average
• Number of workplace related fatalities	0	3	0
• Survey of members of Nominal Insurer Advisory Council showing satisfaction that legal cases are being managed effectively so as to minimise levy[3]	Reduction of previous years levy by 10%	Reduction of previous years levy by 10%	-
• Reduction in the number of non compliant businesses under the *Workers Compensation Act 1951*[2]			Reduction by an average of 10% per year
Competitiveness of ACT Workers Compensation insurance against national benchmarks;	Reduction of any gap by an average of 20% per year	Reduction of any gap by an average of 20% per year	Reduction of any gap by an average of 20% per year
Timeliness			
The proportion of services delivered within the WorkCover standard for specific services	95%	95%	95%
Cost			
Average cost per 1,000 employees	$40 641	$49 648 [4/5]	$57 996[5]
TOTAL COST ($'000) [4]	**$4 060.0**	**$5 501.0**[4/5]	**$6 426.0**[5]
GOVERNMENT PAYMENT FOR OUTPUT ($'000) [4/5]	**$3 186.0**	**$3 936.0**[5]	**$4 385.0**[5]

Notes

(1) The target has been amended to remove website hits. These will continue to be monitored but not included in the direct contact measure.

(2) New measure.

(3) The measure has been deleted.

(4) The original cost was developed prior to the audit of the 2000-01 Financial Year. During that audit process, the Auditor-General recommended a change in the treatment of particular income from the Worker's Compensation Supplementation Fund. Previously the revenue had been netted off total costs, whereas the changed treatment was to gross both revenues and expenses. This will increase user charges revenues and also the total cost.

(5) Reflects additional activity related to amendments to the *Workers Compensation Act 1951*, introduction of the Infringement Notice Scheme under the *Occupational Health and Safety Act 1989* and increased compliance of the *Dangerous Goods Act 1975*.

(6) The target has been amended to reflect additional activity following the introduction of the WorkCover @ Work Program.