



Australian Government

Comcare

COMCARE REGULATORY CONTRIBUTIONS STATEMENT 2022–23

For the functions of the Safety, Rehabilitation and Compensation Commission and Comcare, relating to Entities and Commonwealth Authorities under the *Safety, Rehabilitation and Compensation Act 1988*, and *Work Health and Safety Act 2011*.

PURPOSE OF THE REGULATORY CONTRIBUTIONS STATEMENT

The regulatory contributions statement (RCS) describes how we charge for the regulatory functions of the Safety, Rehabilitation and Compensation Commission (Commission) and Comcare under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) and *Work Health and Safety Act 2011* (WHS Act). We refer to these charges as regulatory contributions.

Comcare utilises the same methodology calculating regulatory contributions as it does for cost-recovered licence fees for self-insured licensees under the SRC Act. More information about licence fees can be found in the [Cost Recovery Implementation Statement](#).

WHO WE ARE

The Commission is established under the SRC Act and carries out functions in relation to the Comcare scheme under the SRC Act. The Commission is an 11-member body, with members (other than the Chief Executive Officer of Safe Work Australia) appointed by the Minister for Industrial Relations. Members have experience relevant to the Commission's functions and can represent views of stakeholders in the Comcare Scheme.

The Commission has issued the *Regulatory Contributions Determination Guidelines 2012* (Guidelines) to guide Comcare on the determination and charging of regulatory contributions.

Comcare is established under the SRC Act and is a Corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Comcare is the national work health and safety and workers' compensation authority and provides support to the Commission under the SRC Act.

OUR AUTHORITY TO CHARGE

Comcare determines regulatory contributions under Sections 97D and 97DA of the SRC Act, and in accordance with the Guidelines set by the Commission. Comcare reports to the Commission annually on its compliance with the Guidelines.

OUR PRIORITIES

Comcare's purpose is to promote and enable safe and healthy work. To achieve this purpose, Comcare has five strategic priorities:

- > excellence in service provision
- > engagement with our stakeholders
- > prevention and early intervention across our scheme
- > insight driven and risk and evidence-based practice; and
- > being adaptive and sustainable in the face of change.

THE CHARGING MODEL

The charging model allocates costs to regulatory contributions through three main cost pools:

- > Safety, Rehabilitation and Compensation Commission costs
- > Comcare WHS Act functions and activities costs, and
- > Comcare SRC Act functions and activities costs.

These activities are further categorised as variable and ongoing costs.

Variable costs

Variable costs are allocated to specific entities or Commonwealth authorities, based on the demand for a particular regulatory activity or function. The main component of variable costs is the direct labour effort spent on an activity.

The direct labour effort is calculated using hourly rates based on Comcare's enterprise agreement. It includes the full direct employee cost together with a proportional allocation of Comcare's overhead costs.

From 1 January 2021, Comcare changed the inspection charging triggers for variable work health and safety costs to regulatory contribution payers that are covered under the *Work Health and Safety Act 2011* (Cth) (WHS Act). This change continues Comcare's transition towards an approach to charging for regulatory activities that is risk-based, proportionate and transparent, with charges more reflective of regulatory effort and activities. These changes were communicated in December 2020 and February 2021.

Ongoing costs

Ongoing costs are those that cannot be directly attributed to an individual entity or Commonwealth authority. Ongoing costs are typically those that relate to everyone equally. They are related to overall program management or are shared equally across participants. In some cases, the data required to attribute costs individually is not available, or it is inefficient and costly to develop and maintain a model that allows precise attribution to occur.

Activities covered by regulatory contributions

Commission Activities

- > Activities relating to the Commission's role in setting Guidelines for the determination of premiums and regulatory contributions and reviewing Comcare's compliance with these guidelines
- > Reviewing premiums and regulatory contributions under Section 97K of the SRC Act
- > Advising the Minister on anything relating to the operation of the SRC Act or the Commission's functions or powers, and Comcare's support for these activities.

SRC Act Activities

Ongoing activities

- > Research, information and statistics management
- > Policy and regulatory practice advice and support
- > Participate in multi-jurisdiction forums
- > Education, forums, presentations
- > Oversight of rehabilitation providers
- > Reporting – Commission, Ministerial, Safe Work Australia.
- > Legal costs including scheme significant litigation management and legal advice.

Variable activities

- > This item includes services provided under the New Access program.

WHS Act Activities

Ongoing activities

- > Notifications management
- > Regulatory operational support activities
- > Collect, analyse, report, and publish statistics
- > Participating in multi-jurisdiction forums
- > Advice and support in relation to work health and safety
- > Legal costs (excluding prosecutions)

Variable activities

- > Investigations
- > Inspections
- > Responding to Provisional Improvement Notice disputes
- > Responding to entry permit holder disputes
- > Responding to work group and WHS Committee disputes
- > WHS Undertakings
- > Regulatory Programs

Corporate costs and overheads

Comcare recovers corporate costs and overheads and related expenses associated with the management and administration of the agency. It includes, but is not limited to, human resource management, property, information and communication technology, learning and development, and finance.

Costs breakdown for regulatory activities in 2022–23

Commission	Total
Ongoing costs	\$317,969
Support costs (Secretariat)	\$52,389
Reporting and data costs	\$34,739
Legal costs	\$19,856
Corporate costs and overheads	\$207,889
Total	\$632,842

SRC Act	Total
Ongoing costs	\$2,099,767
Legal costs	\$442,793
Corporate costs and overheads	\$1,463,778
Variable costs (New Access)	\$362,040
Total	\$4,368,378

WHS Act	Total
Ongoing costs	\$5,875,150
Legal costs	\$1,125,543
Corporate costs and overheads	\$6,107,426
Variable costs	\$3,406,051
Total	\$16,514,170

FINANCIAL ESTIMATES

The table below estimates the expenses and revenue for Comcare's regulatory activities and functions for 2022-23 and three forward years.

	2022–23*	2023–24**	2024–25**	2025–26**
Expenses	\$21,191,000	\$21,614,000	\$22,045,000	\$22,485,000
Revenue	\$21,191,000	\$21,614,000	\$22,045,000	\$22,485,000
Balance	-	-	-	-

* Numbers to be updated during 2022-23.

Portfolio Budget Statement forward year estimates are based on an indicative increase in wage and supplier costs. These figures are subject to change, and do not reflect any efficiencies or reduction in costs achieved by Comcare in relation to regulatory activities.

FINANCIAL PERFORMANCE

The table below sets out prior year revenue collected from Commonwealth entities.

	2018–19	2019–20	2020–21	2021–22
Regulatory contributions	\$19,518,000	\$19,161,000	\$18,651,000	\$20,729,000
Expenses	\$19,041,049	\$19,218,000	\$18,321,000	\$18,911,000
Balance	\$476,951	-\$57,000	\$330,000	\$1,818,000

Note: Surpluses in 2018–19, 2020–21 and estimated 2021–22 result were due to savings in business-as-usual operations. Deficit in 2019–20 was due to drawing upon retained funds to limit the increase in regulatory contributions.

NON-FINANCIAL PERFORMANCE

Comcare strives to uphold a positive reputation as an effective regulator and service delivery agency. As the national work health and safety regulator, we play a leading role in supporting safe and healthy workplaces.

Our [Compliance and Enforcement policy](#) sets out Comcare’s approach to its regulatory functions and powers under the WHS Act and SRC Act.

Our [Corporate Plan](#) describes our role as a regulator, and provides information on the performance measures against our strategic priorities.

Our [Annual Report](#) details our performance against the targets set in our Corporate Plan, including our performance as a regulator. It also provides links between our Corporate Plan and our Portfolio Budget Statements.