

Comcare

## Comcare webinar: Licence fees and cost recovery

Wednesday 27 March 2024, 10.30am – 11.15am AEDT





## **Session Overview**

- Comcare and self-insurance under the SRC Act
- What is a licence fee and what does it cover / why do we charge fees?
- How is the licence fee calculated?
- What are key themes impacting the licence fees things that increase and decrease the fees
- Key dates When are fees issued and what is the timing for payment?
- What to do if you have questions about your licence fees and where can you find further information.





# Comcare and self-insurance under the SRC Act

## **Comcare:**

- administers the SRC Act and WHS Act;
- is a fully cost-recovered agency;
- has a national presence with offices in every state and territory and approximately 650 FTE across all its functions.

## **Self-insurance under the SRC Act provides:**

- a single nationally streamlined approach to managing workers' compensation;
- uniform conditions for all employees covered, regardless of their geographical location.



# What are licence fees and why do we charge them?

Comcare implements cost recovery for functions and activities conducted under the:

Safety, Rehabilitation and Compensation Act 1988 (SRC Act) and

Work Health and Safety Act 2011 (WHS Act)

These encompass functions and activities across three broad categories:

The Safety, Rehabilitation & Compensation Commission (SRCC) functions and activities

Comcare WHS Act functions and activities; and

Comcare SRC Act functions and activities



#### Australian Government

Comcare

## What are licence fees and why do we charge them?

#### SRC Act SRCC WHS Act **Functions and Activities Functions and Activities Functions and Activities** Advise and inform Ensure equity of Advise and inform Information sharing Determine and ٠ WHS consultation on WHS matters on SRC Act outcomes forum across iurisdictions collect regulatory Advise the minister Continuous Promote and Monitor and contributions and matters Issue guidelines improvement of support education enforce WHS Research licensee fees ٠ SRCC activities Conduct reviews and training compliance Liaise with other Forums and Continuous Determine licence Collect, analyse bodies on SRC Act education improvement of fees and publish related matters Continuous statistics relating to improvement of Grant self-WHS activities Promote insurance licenses WHS rehabilitation SRC Act activities strategies **Costs Covered Through Costs Covered Through Costs Covered Through** Licence fees Licence fees Licence fees\* **Regulatory contributions** Licence application fees Regulatory contributions WRP renewals Regulatory contributions Seacare reconsiderations

\* For licensees covered under the WHS Act



## How is a licence fee calculated?

### **Ongoing charges**

- Each licensee is charged an equal share of costs for ongoing SRCC activities.
- Ongoing functions and activities under the SRC Act and WHS Act (if applicable) are charged to each licensees on a per FTE basis.

#### Variable charges

- Comcare charges licensees for activities such as inspections, audits and monitoring of claims systems.
- These services have fixed prices and are charged on an as-used basis using information from the most recently completed calendar year.

#### The Cost Recovery Implementation Statement (CRIS)

 Updated annually, the CRIS provides further details on these charges as well as how Comcare implements cost recovery for self-insurers to cover all estimated costs for relevant activities under the SRC Act and WHS Act.



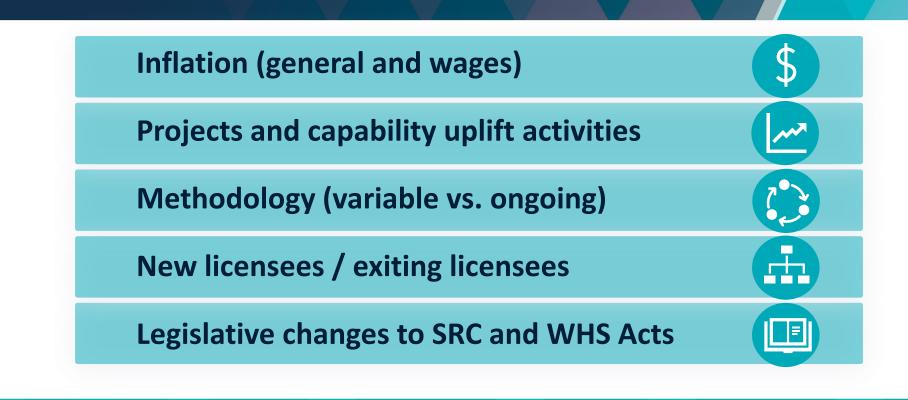
## **Total fees collected**

### 2023-24 LICENCE FEES

- **\$22m** across all licensees. Consisting of:
  - **\$19.5m (89%)** in ongoing costs allocated;
  - **\$2.5m (11%)** variable charges; including investigations, inspections, responses to disputes and monitoring costs.
- Total variable charges will vary year on year depending on regulatory activity undertaken by Comcare



Key trends impacting fees





## **Cost Recovery Review**

In 2023, Deloitte completed a review of the Cost Recovery process at Comcare. The recommendations were across four themes covering:

1.	Governance	Immediate focus
2.	Methodology	Longer term (12 months +)
3.	Stakeholder engagement	6 – 12 months
4.	Compliance	6 – 12 months



### Key dates

## TARGET DATES FOR LICENCE FEES

- Indicative fees April
- Final fees and invoices end of June
- Payment is due within 30 days from invoice date
- Variable charge details provided to licensees in September and February
- Licensees have up until the end of February to provide updated FTE details



Australian Government

Comcare

## Questions about your licence fee and further information



comcare.gov.au



selfinsurance@comcare.gov.au