



Australian Government

Comcare

COST RECOVERY IMPLEMENTATION STATEMENT

For fee for service activities charged under the *Safety, Rehabilitation and Compensation Act 1988* for the approval and renewal of workplace rehabilitation providers

2023-24 to 2027-28

Cost recovery involves government entities charging individuals or non-government organisations some or all of the efficient costs of a specific government activity. This may include goods, services or regulation, or a combination of them. The Australian Government Cost Recovery Policy¹, sets out the framework under which government entities design, implement and review cost recovered activities.

¹ The Australian Government Cost Recovery Policy is available on the Department of Finance website (www.finance.gov.au).

1. INTRODUCTION

1.1 Purpose of the Cost Recovery Implementation Statement (CRIS)

This CRIS provides information on how Comcare implements cost recovery for activities under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) relating to approval and renewal of workplace rehabilitation providers (WRPs).

It also reports financial and non-financial performance information for these activities and contains financial forecasts for 2023-24 and four forward years. Comcare will maintain the CRIS until the activities or cost recovery for the activities has been discontinued.

1.2 Description of the regulatory charging activity

Under the SRC Act, WRPs that wish to provide workplace rehabilitation services in the Comcare scheme must be approved by Comcare. An initial approval or renewal fee is payable upon application.

Cost recovery is appropriate as the activities can be attributed to a defined group of users (that is, the applicant) and costs can be allocated to activities in a reasonable and transparent manner.

2. POLICY AND STATUTORY AUTHORITY TO COST RECOVER

2.1 Government policy approval to cost recover the regulatory activity

Comcare's power to cost recover for the relevant activities (where applicable) is set out in the SRC Act and the amount set in the *Safety, Rehabilitation and Compensation Regulations 2019* (SRC Regulations). The legislative process, including Explanatory Memorandums for the original and amending legislation, and the passage of the SRC Act by the Australian parliament, provides evidence of Government policy approval to cost recover those activities.

2.2 Statutory authority to charge

Under section 34C of the SRC Act, Comcare has the authority to charge an application fee to prospective WRPs. Under section 34K of the SRC Act, Comcare has the authority to charge a renewal fee to existing WRPs seeking to have their approval renewed.

The amount of the fee is the amount estimated by the Comcare to represent the full costs incurred by Comcare in performing the assessments necessary in confirming the applicant has the capacity and capability to effectively deliver workplace rehabilitation services.

3. COST RECOVERY MODEL

3.1 Outputs and business processes of the regulatory charging activity

The key output of the WRP assessment charge is to control and maintain the standards of WRPs wishing to provide workplace rehabilitation services in the Comcare scheme. This is achieved through an application process in which the applicants must demonstrate their capacity and capability to meet Comcare's standards. Once approved by Comcare, the WRP must continue to demonstrate their ongoing ability to meet the conditions of approval and performance standards. This is outside of the scope of this CRIS as the legislative authority only extends to the ability to charge for initial approval or renewal.

At the end of an approval period, the WRP may apply for renewal of the approval for another period.

In relation to the application and renewal processes, the output is further broken down to a number of business processes:

- initial review of application against the criteria and the operational standards;
- quality assurance of assessment decision; and
- notification of decision to applicant.

3.2 Costs of the regulatory charging activity

The initial approval and renewal processes are administered by a team within Comcare. This team's expenses comprise Comcare staff, supplier expenses and a proportion of Comcare's corporate costs (that is, a proportion of property, information technology and other costs incurred by Comcare allocated to the function or activity through Comcare's internal cost allocation model). Estimated expenses also include an appropriate allocation of the costs associated with maintaining the portal used to process applications. The budgeted expenses of the team are attributed to the business processes identified above are based on management estimates. Only effort related to the initial approval and renewal of WRPs are included in the calculation of the WRP application fees. The estimated total cost of the WRP initial approval and renewal activities is provided in Table 1. The program operates on a three-year cycle, the next renewal year will be 2025-26.

Table 1. Workplace Rehabilitation Providers Program

	Direct costs	Indirect costs	Total Costs
Workplace Rehabilitation Providers Initial approval and Renewal			
Review of application against criteria and conditions of approval	\$32,053	\$23,948	\$56,001
QA of review and approval of decision	\$9,770	\$5,132	\$14,901
Notification of decision to applicant	\$9,770	\$5,132	\$14,901
Other administration	\$4,122	\$153,930	\$158,053
Total	\$55,715	\$188,141	\$243,856

3.3 Design of regulatory charges

The fees charged represents the full cost incurred by Comcare over the approval and renewal period to process and consider applications. This CRIS starts from 2023-24 and extends to the next renewal year (2025-26) as well as the two financial years following that to cover a total period of five years. The next CRIS (to be published in 2028/29) will cover a period of three years which will include the renewal year and the following two financial years to better align with the approval and renewal cycle.

The exact effort required to process each individual application will be slightly different. However, the application fee will be charged at a tiered rate as it would be inefficient and costly to develop and maintain a model that allows cost recovery to such a precise degree. Table 2 sets out the fees.

Table 2. WRP application and renewal fees and estimated revenue

Charge	Type	Fee	Estimated volume over a 3-year WRP cycle	Estimated revenue over a 3-year WRP cycle
WRP initial Application	Fixed	\$2,000	20	\$40,000
WRP Renewal				
1 state or territory	Fixed	\$1,000	19	\$19,000
2 or 3 states or territories	Fixed	\$3,000	8	\$24,000
4 or more states or territories	Fixed	\$5,000	32	\$160,000
Total			79	243,000

4. RISK ASSESSMENT

4.1 Cost Recovery Risk Assessment

Comcare has undertaken a risk assessment for this CRIS, using the Charging Risk Assessment template provided by the Department of Finance. The risk assessment is provided in Attachment A. This is assessed as a medium risk.

5. STAKEHOLDER ENGAGEMENT

5.1 Stakeholders Engagement Strategy

Comcare will continue to engage with all workplace rehabilitation providers operating in the Comcare scheme, the WRP professional association (Australian Rehabilitation Providers' Association). This includes:

- Forums
- Senior manager and consultant updates
- Performance and management meetings with all WRPs

5.2 Engagement activities

The following stakeholder engagement activities took place to support the development of this CRIS:

Date	Activity
February 2018	<p>Comcare consulted with all approved WRPs on potential increases to initial application and renewal fees in line with wage price index increases. There was limited response to this consultation and no significant concerns raised.</p> <p>Comcare consequently decided not to increase the fees.</p> <p>The fees have remained the same since then.</p> <p>Any changes to the fees will require changes to the SRC Regulations.</p> <p>Comcare will once again consult with all approved WRPs on any potential increases before starting the process to change the SRC Regulations.</p>

6. FINANCIAL ESTIMATES

The table below sets out financial results and forward estimates for the cost recovery arrangements.

Table 3. Financial Estimates

	2023-24 (actual)	2024-25 (estimate)	2025-26 (estimate)	2026-27 (estimate)	2027-28 (estimate)
Expenses	\$54,653	\$62,844	\$126,360	\$58,748	\$58,748
Revenue	\$14,000	\$14,000	\$215,000	\$14,000	\$14,000
Balance	(40,653)	(48,844)	88,640	(44,748)	(44,748)
Cumulative balance	(40,653)	(89,497)	(856)	(45,605)	(90,353)
Explain balance management strategy	The application and renewal process runs on a three-year cycle. The expenses and revenue align over the cycle ensuring that applicants are not worse-off from a charging perspective overall following the introduction of the portal.				

7. NON-FINANCIAL PERFORMANCE

100% of all compliant renewal applications are assessed prior to the commencement of the approval period.

100% of all initial applications are assessed with six months of receipt.

8. KEY FORWARD DATES AND EVENTS

A list of key dates and events necessary to maintain and implement the CRIS process throughout the budget year is below.

Date	Event
2028/29	Review of fees and preparation of next CRIS

9. CRIS APPROVAL AND CHANGE REGISTER

Comcare will maintain an up-to-date CRIS approval and change register.

Approval date	Approver	Approval Required
February 2025	Comcare CEO	Certification of the CRIS
To be updated.	Minister	Approval of the CRIS