

AUSTRALIAN CAPITAL TERRITORY INSURANCE CORPORATION

Objectives

The ACT Insurance Corporation will be established as a statutory authority under the *ACT Insurance Corporation Act 2000*. The Corporation is to commence operation on 1 July 2000, subject to the passage of legislation.

It will operate a centrally managed fund to cover the insurable risks of Territory agencies. This function has been provided by the Superannuation and Investment Provision Unit (SIPU).

The objectives of the Corporation are to enable the Territory to meet the cost of its insurable claims and losses in an orderly, timely and cost effective manner, to ensure the costs are fully reflected in the Territory's accounts in accordance with accrual accounting principles, to protect the budget from the risk of very large claims and to aid and improve risk management practices in all agencies.

2000-01 Highlights

Strategic and operational issues to be pursued in 2000-01 include:

- finalising the implementation of the electronic claims reporting and data analysis system to provide an integrated claims management process and to ensure that accurate information is available for the Corporation's management, its clients and its insurers;
- providing risk management training for agency managers and staff;
- providing assistance to agencies in the analysis of their operations and assets to improve risk assessment and management;
- enhancing further the insurance and risk management advisory skills for Corporation's officers who are responsible for the management of the funds;
- providing training and assistance to agencies in the identification, assessment and treatment of the risks of major events managed by the Territory;
- reviewing existing claims to ensure that appropriate management is being applied to claims, that realistic estimates of costs are included in the accounts and that risk management measures are implemented to reduce the chance of similar claims occurring; and
- undertaking reviews of arrangements between agencies and external bodies to ensure the appropriate level of risk is transferred to contractors, as well as to provide advice on new contracts.

ACT Insurance Corporation Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Revenue							
0	User Charges - ACT Government	0	14 200	#	14 200	14 200	14 200
0	Interest	0	1 417	#	2 083	2 778	3 478
0	Other Revenue	0	20 567	#	20 567	20 567	20 567
0	Total Revenue	0	36 184	#	36 850	37 545	38 245
Expenses							
0	Employee Expenses	0	106	#	109	112	112
0	Superannuation Expenses	0	18	#	19	19	19
0	Administrative Expenses	0	408	#	406	406	406
0	Other Expenses	0	29 962	#	29 962	32 362	32 362
0	Total Expenses	0	30 494	#	30 496	32 899	32 899
0	Operating Result	0	5 690	#	6 354	4 646	5 346
0	Accumulated Funds - Start of Period	0	0	-	13 528	19 882	24 528
0	Inc/Dec in Net Assets from Admin Restructure	0	7 838	#	0	0	0
0	Accumulated Funds - End of Period	0	13 528	#	19 882	24 528	29 874

**ACT Insurance Corporation
Statement Of Financial Position**

Budget as at 30/6/00 \$'000	Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
Current Assets						
0	Receivables	0	45	#	45	45
0	Investments	0	33 399	#	43 953	54 599
0	Total Current Assets	0	33 444	#	43 998	54 644
0	TOTAL ASSETS	0	33 444	#	43 998	54 644
Current Liabilities						
0	Creditors	0	5 719	#	6 559	7 759
0	Employee Entitlements	0	15	#	15	15
0	Total Current Liabilities	0	5 734	#	6 574	7 774
Non Current Liabilities						
0	Creditors	0	14 128	#	17 488	22 288
0	Other Provisions	0	54	#	54	54
0	Total Non Current Liabilities	0	14 182	#	17 542	22 342
0	TOTAL LIABILITIES	0	19 916	#	24 116	30 116
0	NET ASSETS	0	13 528	#	19 882	24 528
REPRESENTED BY FUNDS EMPLOYED						
0	Accumulated Funds	0	13 528	#	19 882	24 528
0	TOTAL FUNDS EMPLOYED	0	13 528	#	19 882	24 528

**ACT Insurance Corporation
Cashflow Statement**

1999-00 Budget \$'000	1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
0		14 200	#	14 200	14 200	14 200
0	User Charges					
0	Interest Received	1 417	#	2 083	2 778	3 478
0	Other Revenue	22 697	#	22 697	22 697	22 697
0	Operating Receipts	38 314	#	38 980	39 675	40 375
Payments						
0	Related to Employees	124	#	128	131	131
0	Related to Administration	408	#	406	406	406
0	Other	27 292	#	27 892	28 492	28 492
0	Operating Payments	27 824	#	28 426	29 029	29 029
0	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	10 490	#	10 554	10 646	11 346
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
0	Purchase of Investments	10 490	#	10 554	10 646	11 346
0	Investing Payments	10 490	#	10 554	10 646	11 346
0	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-10 490	#	-10 554	-10 646	-11 346
CASH FLOWS FROM FINANCING ACTIVITIES						
0	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	0	-	0	0	0
0	NET INCREASE/(DECREASE) IN CASH HELD	0	-	0	0	0
0	CASH AT THE END OF THE REPORTING PERIOD	0	-	0	0	0

Notes to the Budget Statements

From 1 July 2000, subject to the passage of legislation, the Corporation is to undertake functions previously provided by SIPU. The 1999-2000 budget and the estimated outcome are reported in the departmental budget statements for SIPU. There are no significant variations between the 1999-2000 estimated outcome and the original budget, or between the estimated outcome and the 2000-01 budget.

Operating Statement

The operating revenue includes \$14.2m in user charges from government agencies representing insurance premiums, \$20.262m in other revenue for workers compensation premiums, and an insurance brokerage commission of \$0.305m.

Other expenses include insurable risk liability costs, the recognition of workers compensation expense and insurance placement costs.

Statement of Financial Position

Current and non current creditors reflect the insurance liabilities incurred after the start of the fund.

