

**NSW
Resources
Regulator**

○ **Mine safety
levy report**

2017 - 2018



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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (December 2018). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of the NSW Department of Planning and Environment or the user's independent advisor.



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About us

The NSW Resources Regulator, established on 1 July 2016, is a stand-alone regulator within the Department of Planning and Environment.

The NSW Resources Regulator was created on 1 July 2016 as a stand-alone regulator responsible for compliance and enforcement functions across NSW's mining and petroleum sectors.

The primary focus of the NSW Resources Regulator is on compliance activities within the NSW mining and petroleum sectors including:

- > regulating safety and health performance at NSW mines and petroleum sites
- > compliance with the *Mining Act*.

To enable and support industry to understand and fulfil its obligations

MISSION

In administering its functions, the Regulator undertakes various regulatory activities such as:

- > receiving and considering complaints, safety incident notifications and requests from interested parties
- > conducting inspections, audits and investigations
- > assessing licensing and registration applications
- > issuing prohibition and other statutory notices
- > taking enforcement action such as issuing penalty infringement notices or commencing prosecution proceedings
- > taking other administrative actions such as suspension or cancellation of authorities.

FURTHER DETAILS OF THE REGULATOR'S ACTIVITIES, INCLUDING SECTOR BREAKDOWNS, CAN BE FOUND ON OUR WEBSITE.



[CLICK HERE TO VISIT THE WEBSITE](#)

VISION

A safe and responsible mining, extractive and petroleum industry

The creation of the NSW Resources Regulator was designed to ensure a consistent and responsive regulatory approach and provide increased transparency and community confidence.

About the Mine and Petroleum Site Safety Levy

***The Mine and Petroleum Site Safety (Cost Recovery) Act 2005 (the Act)* establishes the Mine and Petroleum Site Safety Fund, commonly referred to as the Mine and Petroleum Site Safety Levy. It is a levy charged by the NSW Government to pay for health and safety regulation of the state’s mining and petroleum workplaces.**

The levy applies to employers in the mining and petroleum industry who have obligations under mine and petroleum site safety legislation for the health and safety of workers. The levy is collected by the workers compensation insurers of mining and petroleum industry employers and transferred to the NSW Department of Planning and Environment. The levy is calculated as a percentage of worker wages.

Under the Act, the fund can only be used to meet specified expenses incurred by the department in carrying out:

- > regulatory activities connected with mine and petroleum site safety legislation, the *Explosives Act 2003* and *Radiation Control Act 1990*
- > expenses incurred in the administration or execution of the mine and petroleum site safety legislation, and the *Explosives Act 2003* and *Radiation Control Act 1990*
- > administrative expenses related to the fund.

The Mine and Safety (Cost Recovery) Regulation 2013 requires the Secretary of the NSW Department of Planning and Environment to publish a report (this report) containing an overview of payments made from the fund. It must be published within six months after the end of the financial year on the department’s website.

ADMINISTERING THE LEVY

Payments into and out of the Mine and Petroleum Site Safety Fund in accordance with Sections 6 and 7 of the Act are captured within the department’s financial accounting system. To ensure these payments are in accordance with the Act, the Mine and Petroleum Site Safety Levy accounts are periodically audited so that expenditure is in relation to mine safety regulatory activities.





THE AMOUNT CONTRIBUTED TO THE MINE AND PETROLEUM SITE SAFETY FUND FOR 2017-18 WAS

\$34.284 million

PAYMENTS FROM THE MINE AND PETROLEUM SITE SAFETY FUND

The Mine and Petroleum Site Safety Levy (the amount contributed to the Mine and Petroleum Site Safety Fund) for 2017-18 was \$34.284 million. The financial report on pages 7-9 is an overview of payments made from the fund. Details of the regulatory activities undertaken in 2017-18 can be found in the Regulator's [Annual Business Activity Report](#).

MINE SAFETY LEVY REVIEW

An Independent Review of the Mine and Petroleum Safety Levy was undertaken to investigate the determination and administration of the levy and make recommendations, as appropriate, on improvement to the management and expenditure of these funds.

The [Report](#) released in December 2017, outlines the findings and recommendations of the review.

The Regulator has since released a [response](#) to the recommendations of the review, including actions arising.



Mine and petroleum site safety legislation means any of the following Acts and the regulations and other instruments made under them:

- > *Mine and Petroleum Site Safety (Cost Recovery) Act 2005,*
- > *Work Health and Safety (Mines and Petroleum Sites) Act 2013,*
- > *Work Health and Safety Act 2011, and*
- > *Petroleum (Onshore) Act 1991, to the extent that it relates to work health and safety requirements.*

FOR MORE INFORMATION, SEE THE [MINE SAFETY LEVY PAGE](#) ON OUR WEBSITE.

Financial report

Payments made from the Mine and Petroleum Site Safety Fund for the 2017-18 financial year

REFER NOTE	DESCRIPTION	AMOUNT \$,000
	Total payments from the fund	37,243
	Employee related	22,797
1	Salaries and wages - direct	19,205
	Salaries and wages - on costs	3,592
	Operating Expenses	9,404
2	Advertising	54
3	Boards & Committees	116
4	Consultants & Professional Services	1,859
5	Entertainment & Events	371
6	Legal	4,284
7	Printing, Postage, Stationery & Phones	271
8	Rent, Repairs & Maintenance	30
9	Research & Technology	604
10	Training	414
11	Travel	642
12	Motor Vehicles	381
13	Other costs - audit fees	-
14	Other costs - clothing - uniforms	71
15	Other costs - equipt - hire	2
16	Other costs - equipt - maintenance	23
17	Other costs - equipt - minor purchase	163



REFER NOTE	DESCRIPTION	AMOUNT \$,000
18	Other costs - P/M - Org M/Ship(Aust)	20
19	Other costs - Medical exam costs	9
20	Other costs - Union contribution	90
	Internal department service charges	4,637
21	Accommodation costs	1,504
22	Legal branch services	823
23	Other corporate costs	2,310
24	Capital	405

Note: Expenditure figures are based on accrued expenses, and the same consistent approach has been used for reporting from year to year.

Payments made into the Mine and Petroleum Site Safety Fund for the 2017-18 financial year

REFER NOTE	DESCRIPTION	AMOUNT \$,000
	Total Operating Revenue	36,968
	Levy contributions for 2017-18	34,284
25	Legal costs recovered	275
26	Moieties	63
27	Costs recovered under enforceable undertakings	593
28	Other revenue	1,496
29	Interest	257



Summary of movements in the Mine and Petroleum Site Safety Fund for the 2016-17 and 2017-18 financial years

DESCRIPTION	AMOUNT \$,000
Opening balance @ 1 July 2016	9,560
Plus: revenue for 2016-17	36,346
Plus: accrued revenue from 2015-16 received in 2016-17	837
Less: expenditure for 2016-17	35,098
Opening balance @ 1 July 2017	11,645
Plus: Mine Safety Levy 2017-18	34,284
Plus: Miscellaneous other revenue 2017-18	2,684
Less: Expenditure for 2017-18	37,243
Opening balance @ 1 July 2018	11,370
Plus: Budgeted Mine Safety Levy 2018-19	34,986
Plus: Budgeted Miscellaneous other revenue 2018-19	1,500
Less: Budgeted expenditure for 2018-19	40,708
Opening balance @ 1 July 2019	7,148

Note: In accordance with the recommendations from the Independent Review of the Mine and Petroleum Site Levy (see page 6), the 2019-20 levy budgeting process will reduce the reserve to 10% of the levy determination.

Comments on financial report

NOTE NUMBER	DESCRIPTION
1	Includes ongoing, temporary and contingent staff costs.
2	Includes Resources Regulator vehicle branding.
3	Payments to board and committee members - Mine Safety Advisory Council, Mining and Petroleum Competence Board and Mine Safety Assessment and Review Committee. In previous years, this was included in salaries and wages.
4	Includes professional and consultancy fees for: <ul style="list-style-type: none"> > the independent review of the mine safety levy > identification of competencies for statutory functions > administrative costs associated with the collection of the mine safety levy > review of the registration and licensing framework > development of a safety management system > review of small mines guidance > external review of mine safety regulatory reform > review of the functions of the Mine Safety Technology Centre > development of critical control taxonomy > specialist consultants to assist investigations into serious or fatal injuries > development of bowties for principal mining hazards > audits of recognised service facilities > strategic advice in relation to mine safety (\$266,732).
5	Costs for internal and external mine safety events hosted by Resources Regulator including: <ul style="list-style-type: none"> > Mechanical Engineering Safety Seminar > Electrical Engineering Safety Seminar > Health Control Plan Workshops > Metalliferous Industry Safety Advisory Council > Health Management Advisory Committee > Australasian Mining Competency Advisory Council > Mine Safety and Health Representatives Seminar. <p>Also includes sponsorship for NSW Minerals Council Health Safety & Environment Conference, NSW Mines Rescue Challenge and the Cement Concrete & Aggregates Australia Construction Materials Industry Dinner.</p>

NOTE NUMBER	DESCRIPTION
6	<p>Legal advice obtained from Crown Solicitors Office and external providers in relation to major incident investigations and prosecutions. Matters include:</p> <ul style="list-style-type: none"> > Fatality at CSA Mine > Fatality at Karuah Quarry > Fatality at Ridgeway Mine > Fatality at Cudal Limestone Quarry > Fatality at Lightning Ridge Opal Mine > Fatality at Rixs Creek Mine > Serious injury at Mannering Colliery > Serious injury at Sibelco Salt Ash > Serious injury at Perilya Broken Hill > Serious injury at Mount Thorley Warkworth > Serious injury at Ulan West <p>Costs awarded as a result of successful prosecutions or recovered via an enforceable undertaking are reported as payments into the fund (see items 25 and 27). There is often a significant delay between the incurrence and recovery of these costs.</p>
7	Includes courier & freight, printing, photocopying, stationery/office consumables, postage and office equipment.
8	Majority of expenses associated with the Mine Safety Technology Centre. Offset by commercial revenue.
9	Includes mobile and data charges and costs associated with the Resources Regulator’s database ACES (\$321,279).
10	Training for regulatory staff. Topics include G2 risk, investigations, issuing of notices, human factors, emergency management and ACES training (\$186,765).
11	Includes domestic and overseas travel undertaken by mine safety personnel. Overseas travel expenses totalled \$3,380 for Senior Engineer - Electrical Assessment attending 81st IEC General Meeting in Russia.
12	Operational costs (fuel, maintenance and lease) of fleet vehicles.
13	An independent audit of the mine safety levy is to be conducted every three years, commencing 2018/19 period (December 2019).
14	Provision of uniform and PPE for mine safety staff.
15	See comment # 17.
16	See comment # 17.

- 17 Includes purchase of government radio network equipment and other low value assets and equipment.
- 18 Membership fees for external organisations including Joint Accreditation System of Australia and New Zealand (JAS-ANZ) (Mine Safety Technology Centre).
- 19 Medical examination costs for mine safety staff.
- 20 Yearly contribution to trade union for industry safety and health representatives appointed by the Minister under part 5 of the *Work Health and Safety (Mine and Petroleum Sites) Act 2013*.
- 21 Costs associated with providing office accommodation to mine safety personnel in Maitland, Thornton, Sydney, Wollongong, Lithgow, Orange, Cobar, Broken Hill, Lightning Ridge and Armidale.
- 22 Legal services provided by departmental in-house legal team.
- 23 Costs associated with providing corporate services such as finance, payroll, IT, human resource, records and asset management for mine safety personnel in Maitland, Thornton, Sydney, Wollongong, Lithgow, Orange, Cobar, Broken Hill, Lightning Ridge and Armidale.
- 24 Capital purchases associated with the Mine Safety Technology Centre including \$250,067 for the new Explosives Testing Facility.
- 25 Cost settlements in relation to prosecution.
- 26 Moieties received in relation to prosecutions.
- 27 Recovery of legal, investigation and compliance and monitoring costs.
- 28 Other revenue includes fees collected in relation to the services provided by the Mine Safety Technology Centre, certificates of competence, opal safety courses, workshops and conferences. It also includes reimbursement of costs associated with undertaking investigations into matters referred from Safework NSW.
- 29 Interest earned on Levy bank balance.

