



**NSW
Resources
Regulator**

Mine safety levy report

2018 - 2019



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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (December 2019). 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, Industry 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, Industry and Environment.

The NSW Resources Regulator was created on 1 July 2016 as a stand-alone regulator. We are the state's work health and safety regulator for mines and petroleum sites. This includes open-cut and underground mines, petroleum sites, quarries and extractive operations, tourist mines, opal and other small scale mines and mining exploration activities.

We also undertake compliance and enforcement activities under the Mining Act.

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

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.



VISION

A safe and responsible mining, extractive and petroleum industry



MISSION

To enable and support industry to understand and fulfil its obligations

Further details of the Regulator's activities, including sector breakdowns, can be found on our [website](#).

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, Industry 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, Industry 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.

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 2018-19 was \$34.989 million. The financial report on pages 6-8 is an overview of payments made from the fund. Further details regarding the regulatory activities undertaken in 2018-19 can be found on the Regulator's [Business activity reports](#) webpage.

For more information, see the [Mine Safety Levy page](#) on our website.

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*
- *Petroleum (Onshore) Act 1991*, to the extent that it relates to work health and safety requirements.

Financial report

Payments made from the Mine and Petroleum Site Safety Fund for the 2018-19 financial year

REFER NOTE	DESCRIPTION	AMOUNT \$,000
	Total payments from the fund	40,985
	Employee related	27,085
1	Salaries and wages - direct	22,914
	Salaries and wages - on costs	4,171
	Operating Expenses	8,696
2	Advertising	110
3	Boards & Committees	113
4	Consultants & Professional Services	1,223
5	Entertainment & Events	306
6	Legal	3,731
7	Printing, Postage, Stationery & Phones	321
8	Rent, Repairs & Maintenance	9
9	Research & Technology	428
10	Training	247
11	Travel	964
12	Motor Vehicles	656
13	Other costs - audit fees	-
14	Other costs - clothing - uniforms	236
15	Other costs - equipt - maintenance	102
16	Other costs - equipt - minor purchase	146
17	Other costs - P/M - Org M/Ship(Aust)	9



THE AMOUNT CONTRIBUTED TO THE MINE AND PETROLEUM SITE SAFETY FUND FOR 2018-19 WAS

\$34.989 million

REFER NOTE	DESCRIPTION	AMOUNT \$,000
18	Other costs - Medical exam costs	3
19	Other costs - IHSR contribution	92
	Internal department service charges	4,636
20	Accommodation costs	1,504
21	Legal branch services	822
22	Other corporate costs	2,310
23	Capital	568

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 2018-19 financial year

REFER NOTE	DESCRIPTION	AMOUNT \$,000
	Total Operating Revenue	38,038
	Levy contributions for 2018-19	34,989
24	Legal costs recovered	646
25	Moieties	336
26	Costs recovered under enforceable undertakings	383
27	Other revenue	1,499
28	Interest	185

Summary of movements in the Mine and Petroleum Site Safety Fund for the 2017-18 and 2018-19 financial years

DESCRIPTION	AMOUNT \$,000
Opening balance @ 1 July 2017	11,641
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	11,366
Plus: Mine Safety Levy 2018-19	34,989
Plus: Miscellaneous other revenue 2018-19	3,049
Less: expenditure for 2018-19	40,985
Opening balance @ 1 July 2019	8,419
Plus: Budgeted Mine Safety Levy 2019-20	38,206
Plus: Miscellaneous other revenue 2019-20	2,100
Less: budgeted expenditure for 2019-20	42,145
Opening balance @ 1 July 2020	6,580

Comments on financial report

NOTE NUMBER	DESCRIPTION	
Employee Related		
1	Salaries and wages-direct	Includes ongoing, temporary and contingent staff costs.
Operating Expenses		
2	Advertising	Includes mine safety video production including animations.
3	Boards and committees	Payments to board and committee members - Mine Safety Advisory Council, Mining and Petroleum Competence Board and Mine Safety Assessment and Review Committee.
4	Consultants and professional services	<p>Includes professional and consultancy fees for:</p> <ul style="list-style-type: none"> • specialist consultants to assist investigations into serious or fatal injuries • development of safety management system (finalisation of project initiated in 2017/18) • strategic advice in relation to mine safety (finalisation of project) • administrative costs associated with the collection of the mine safety levy • critical control and risk training program • review of the functions of the Mine Safety Technology Centre (finalisation of project initiated in 2017/18) • assessment of licensing for diesel exhaust testing • ACARP subsidence engineering software • internal discussion paper on issues associated with the application of a diesel particulate exposure standard for NSW mines • identification of competencies for statutory functions (finalisation of project initiated in 2017/18) • review of certificates of competencies • executive search.
5	Entertainment and events	<p>Costs for internal and external mine safety events hosted by Resources Regulator including:</p> <ul style="list-style-type: none"> • Mechanical Engineering Safety Seminar • Electrical Engineering Safety Seminar • Health Control Plan Workshops • Metalliferous Industry Safety Advisory Council • Mine Safety and Health Representatives Seminar. <p>Also includes sponsorship for NSW Minerals Council Health Safety & Environment Conference.</p>

NOTE NUMBER		DESCRIPTION
6	Legal	<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 Cudal Limestone Quarry • Fatality at Karuah Quarry • Fatality at Ridgeway Mine • Fatality at CSA Mine • Fatality at Lightning Ridge Opal Mine • Fatality at Rixs Creek Mine • Fatality at Peak Gold Mine • Serious injury at Perilya Mine • Serious injury at Sibelco Salt Ash Quarry • Serious injury at Mannering Colliery • Serious injury at Mt Arthur Coal Mine • Serious injury at Ashton Coal Mine • Serious incident at Appin Colliery • Serious incident at Bates Quarry • Serious incident at Austar Coal Mine • Serious incident at Moolarben Coal mine • Serious incident at Maules Creek Coal Mine.
7	Printing, postage, stationery and phones	Includes courier & freight, printing, photocopying, stationery/ office consumables, postage and office equipment.
8	Rent, Repairs & Maintenance	Minor office repairs and maintenance. Majority of expenses associated with the Mine Safety Technology Centre which is offset by commercial revenue.
9	Research & Technology	Includes mobile and data charges and software licensing fees, including the Resources Regulator's database ACES. Also includes implementation training costs for ACES.
10	Training	Training for regulatory staff. Topics include learning from disasters, government investigations, emergency management and self escape. Also includes training in associated non-technical skills.
11	Travel	<p>Includes domestic and overseas travel undertaken by mine safety personnel. Overseas travel expenses included:</p> <ul style="list-style-type: none"> • Deputy Secretary to Health and Safety Executive (London, UK) (\$7,886) • Chief Inspector attendance at Chief Inspectors Conference (Queenstown, NZ) (\$2,823) • US consultant to advise on coal burst elimination (\$4,931).
12	Motor vehicles	Operational costs (fuel, maintenance and lease) of fleet vehicles.

NOTE NUMBER	DESCRIPTION	
Other costs		
13	Audit fees	An independent audit of the mine safety levy is to be conducted every three years, commencing 2018/19 period (audit late 2019).
14	Clothing - uniforms	Provision of uniform and PPE for mine safety staff.
15	Equipment maintenance	Maintenance and associated consumables of MSTC and safety inspector equipment.
16	Equipment minor purchase	Purchase of low value assets and equipment including computer hardware, software and accessories.
17	P/M-Org M/Ship(Aust)	Membership fees for external organisations including Joint Accreditation Australia and New Zealand (JAS-ANZ) (Mine Safety Technology Centre).
18	Medical exam costs	Medical examination costs for mine safety staff.
19	ISHR contribution	Yearly contribution to trade union for industry safety and health representatives appointed by the Minister under part 5 of the <i>Work Health and Safety (Mine and Petroleum Sites) Act 2013</i> .
Internal department service charges		
20	Accommodation costs	Costs associated with providing office accommodation to mine safety personnel in Maitland, Thornton, Sydney, Wollongong, Lithgow, Orange, Cobar, Broken Hill, Lightning Ridge and Armidale.
21	Legal branch Services	Legal services provided by departmental in-house legal team.
22	Other corporate costs	Costs associated with providing corporate services such as finance, payroll, human resources, records and asset management for mine safety personnel.
23	Capital	Wollongong office refit and ACES 2.0 software development.

NOTE NUMBER	DESCRIPTION	
Total Operating Revenue		
24	Legal Costs recovered	Cost settlements in relation to prosecutions.
25	Moieties	Moieties received in relation to prosecution.
26	Costs recovered under enforceable undertakings	Recovery of legal, investigation and compliance monitoring costs.
27	Other Revenue	Other revenue including fees collected in relation to the services provided by the Mine Safety Technology Centre, certificates of competence, opal safety courses, workshops and conferences.
28	Interest	Interest earned on Levy bank balance.

