



MINE SAFETY LEVY

The NSW Government has introduced a mine safety levy as recommended by the Wran Mine Safety Review. The *Mine Safety (Cost Recovery) Act 2005* was passed last November to enable the levy to be raised.

While safety in NSW has improved markedly during the past few years, the Wran Review made 31 recommendations to further improve mine safety. This levy will fund the implementation of these recommendations and the safety functions of the Department of Primary Industries in relation to mining, together with the administrative costs of collection.

The levy will apply to employers in the mining industry and will bring the mining industry into line with other industries which currently pay the costs of their workplace safety regulation through the WorkCover scheme. In the case of contractors, the levy applies to a 'mining industry employer' which is defined as a person who employs workers in the mining industry and who has obligations under the mine safety legislation for the health and safety of those workers.

The levy will go into a special fund which will only to be used for mine safety purposes. The levy will be raised from the broad mining industry. This includes the coal mining sector, metalliferous and other mines, the extractive industries sector, all exploration activities, and oil and gas extraction. These are the areas covered by the Department of Primary Industries safety regulation functions.

The amount of the levy will be estimated by the Director-General of the Department of Primary Industries each year. A determination of contributions from coal and non-coal sectors will be calculated on wages data provided by the insurers. Other factors, including the intensity of resources applied to the regulation of safety, the comparative numbers employed in the coal and non-coal sectors, and the comparative sizes of the coal and non-coal sectors of the industry may also be used. The Director-General will notify each insurer of the amount of contributions payable following consultation with the Mine Safety Advisory Council.

For the current financial year, employers will be invoiced separately before 30 June 2006 for the first levy collection period which began on 30 January 2006.

From next financial year the levy will be collected through workers compensation insurers including Coal Mines Insurance Pty Limited, WorkCover and some self insurers. The levy is separate from workers compensation, but for convenience levy collection will happen at the same time as workers compensation premium notices are issued. The amount of the safety levy will be shown separately on the notices.

The NSW Government will continue to consult with key industry stakeholders on how the levy will be used and the benefits it will provide.