



# Mines Safety and Inspection Levy



## 1. What is the Mines Safety and Inspection Levy?

The Mines Safety and Inspection Levy Regulations 2010 (Levy Regulations) came into effect on 24 April 2010.

The levy was introduced to fund the delivery of improved services for mines safety regulation under the Reform and Development at Resources Safety (RADARS) strategy. The objective is to generate an amount of revenue that matches expenditure on administering safety and health within the mining industry in Western Australian.

The levy rate is reviewed as part of the Government's annual review of fees, charges and tariffs, and the new rate applies from 1 July of the next financial year.

## 2. How is the levy rate determined?

The new levy rate for the next financial year is calculated by dividing the forecast total cost to be recovered to fund regulatory activities by the forecast industry hours worked.

*Note: The cost to be recovered takes into account the forecast balance of a special purpose account at the end of the current financial year.*

Costs associated with regulatory activities includes items such as:

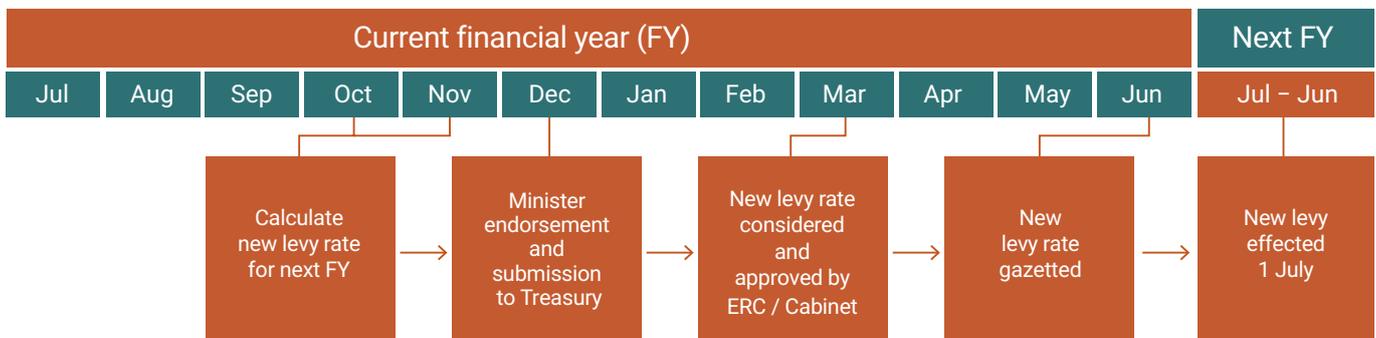
- salaries and superannuation
- training and development
- supplies and services
- office accommodation
- depreciation
- corporate costs.

## 3. What happens to the monies collected?

To ensure levy funds are used only for paying costs associated with administering the *Mines Safety and Inspection Act 1994*, the monies collected through the Levy Regulations are held in the special purpose account established under the *Financial Management Act 2006*.

## 4. Which mines are liable to pay the levy?

All mining operations, including exploration, regulated by the *Mines Safety and Inspection Act 1994* are required to pay the levy if the quarterly total of hours worked is more than 5,000 hours.



ERC = Expenditure Review Committee

## 5. Who pays the levy?

The Principal Employer, who, in relation to a mine, is the employer who is the proprietor, lessee, or occupier of the mine and who has overall control and supervision of the mine, mining operations at the mine, and the manager of the mine.

## 6. How is the levy assessed?

Mining and exploration operations supply monthly data on levy hours worked using the Department's online Safety Regulation System (SRS).

The Principal Employer is responsible for timely submission of levy information (by the 15th day after the end of the month).

## 7. Are visitors included in the total levy hours worked?

This depends on the nature of their visit. Visitors (e.g. CEO or OHS officer working in head office who visits to inspect operation) are included in levy hours if they are being paid for the purpose of performing work in the course of mining operations.

Visitors on tour or an investor coming for an appointment are not included as they are not working for remuneration or performing work in the course of mining operations. They are not considered to be a "worker" under the Levy Regulations.

## 8. Is travel time included for reporting purposes?

No. Only time spent working on site is to be reported for levy hours. For example, items such as sick leave, annual leave, off-site training and on-site rostered days off (RDOs) are excluded.

## 9. Who pays the levy for contractors?

The Principal Employer for each mining or exploration operation is liable to pay the levy and is responsible for any commercial arrangements with its contractors.

## 10. Must levy hours be reported if a mining operation is on private property?

Yes. Regardless of size, mines and quarries are defined by activity and not by lease type. Mines or quarries on private land that sell a product are subject to the levy.

## 11. Does a railway operating on a mining lease pay the levy?

No. While separate advice should be sought as each case can vary, levy hours do not need to be included for time spent within an area operating under the *Rail Safety Act 2010*.

## 12. Do Port Authorities pay the levy?

No. Port Authorities established under the *Port Authorities Act 1999* do not pay the levy.

## 13. Who is responsible for paying the levy where a Port Authority leases a site within its boundary to a mining company?

If a Port Authority leases a site within its boundary to a mining company, the Principal Employer of the mine is required to pay the levy.

## 14. Does the levy apply to construction on a mine site?

Yes. "Mining operation" is defined in section 4(1) of the *Mines Safety and Inspection Act 1994* and includes developmental and construction work associated with commissioning or operating a mine.

## 15. How does the levy apply to exploration activities?

The levy is calculated for each exploration company regardless of how many tenements are being explored. The total number of hours worked by workers at exploration operations must be submitted to the Department by the Principal Employer. The total levy hours does not include hours worked by staff at offices, laboratories or yards that are not on the exploration sites.

## 16. Does the levy apply to prospectors?

No.

## 17. How does the Department calculate the levy Notice of Assessment for each operation?

Each Principal Employer submits monthly data on worker hours, using SRS.

The levy hours are totalled at the end of each quarter. If more than 5,000 hours have been worked in the quarter, the total hours are multiplied by the current hourly levy rate to arrive at the amount payable for that operation.

## 18. If I have less than 5,000 hours to report for the quarter, will I receive a levy Notice of Assessment?

No.

## 19. Will the levy apply if an operation commences part way through a quarter?

Yes. New mining operations commencing during the quarter will be required to report worker hours from the time that the mining tenure or exploration permit is granted.

## 20. Will the levy apply if operations cease part way through a quarter?

Yes. Operations that cease part way through a quarter will still be assessed for the levy for the period during which they were operating.

Written proof must be provided if operations ceased due to administration or receivership. The Department will then determine an appropriate course of action.

## 21. What happens if the reported levy hours are incorrect?

Using SRS, Principal Employers can submit amended data together with an explanation of why the initial report was incorrect.

Penalties may apply to Principal Employers that submit a report:

- that is late, or
- that knowingly contains false or incorrect information, or
- with reckless disregard as to whether or not the entry is false or incorrect.

## 22. What if the Department is advised of an error in the report submitted?

The Principal Employer must still pay the original Notice of Assessment. The Department will then adjust the reported worker hours and a Notice of Reassessment/Adjustment will be issued showing the increase or decrease in levy hours, and the amount to be paid or refunded.

A reassessment may be done within two years of the original assessment.

## 23. Who audits the information supplied by industry?

The Department authorises people to perform auditing functions for the purpose of investigating and enforcing the levy. These auditors have the power to enter a mine site and other premises of the Principal Employer to conduct inspections of records for the purpose of verifying worker hours.

Further information on the levy audit process is available in an information sheet available in the mining publications section at [www.dmirs.wa.gov.au](http://www.dmirs.wa.gov.au)

## 24. What if a Departmental audit reveals an incorrect submission of data?

The Department will write to the Principal Employer advising of the audit outcome and how it will be addressed.

## 25. What if a Principal Employer disagrees with the levy amount on the Notice of Assessment?

A Principal Employer has the right to seek a review of the levy assessment if it is believed that the assessment or reassessment of the number of hours worked at the mine by workers in the period is incorrect.

Objections are made to the Department's Chief Executive Office (i.e. Director General) or authorised Departmental officer and must:

- be in writing
- identify the person making the objection
- attach a copy of the notice relating to the assessment or reassessment the subject of the objection
- give details of the grounds of the objection.

An objection may be lodged by email to [levyprocessing@dmirs.wa.gov.au](mailto:levyprocessing@dmirs.wa.gov.au)

To avoid being charged the penalty for late payment, the original Notice of Assessment should still be paid by the due date. The reviewer will consider and determine your objection within 28 days.

## 26. What payment methods are accepted?

Payment may be made through Electronic Funds Transfer or by cheque. Payment terms are 30 days.

## 27. Are part-payments or instalments accepted?

No. Levy assessment notices must be paid in full.

## 28. How long are records required to be kept?

Although a reassessment of levy hours may only be done within two years, the Principal Employer is required to keep records for a period of five years. The Department may conduct audits on the information at any time.

## 29. Where can I get the Levy Regulations?

The Mines Safety and Inspection Levy Regulations 2010 are available to view, download and print from the State Law Publisher's website at [www.slp.wa.gov.au](http://www.slp.wa.gov.au)

### Questions about the Mines Safety and Inspection Levy?

Email: [minenessafety@dmirs.wa.gov.au](mailto:minenessafety@dmirs.wa.gov.au)

### Questions regarding the audit of hours reported or recorded?

Email: [minenessafety@dmirs.wa.gov.au](mailto:minenessafety@dmirs.wa.gov.au)

### General questions regarding recording hours for the online monthly status reports?

Email: [srsmanager@dmirs.wa.gov.au](mailto:srsmanager@dmirs.wa.gov.au)

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