

Independent Review of the Mine and Petroleum Site Safety Levy - Response to Recommendations

Recommendation	RR Response
<p>1. Provide greater transparency relating to expenditure of funds from the Levy. In particular, more detail should be provided relating to financial reporting, including itemised expenditure for items over \$150,000 in value. The regularity of the reporting should also be reviewed, with quarterly reporting considered, in addition to the Annual Report.</p>	<p>Agreed. More detailed financial reporting was included within the Annual Report released in December 2017.</p> <p>The regulator is currently consulting with the department's finance team in order to continue to refine and improve the level of detail provided.</p> <p>Quarterly reporting will also be considered but is dependent on internal systems that are still being established since the regulator's transition to Department of Planning.</p>
<p>2. Provide greater transparency relating to commercial revenue generated from the funds. In particular, commercial revenue should be included within the financial reporting with commentary provided detailing the nature of this revenue.</p>	<p>Agreed. More detailed financial reporting was included within the Annual Report released in December 2017.</p> <p>The regulator is currently consulting with the department's finance team in order to continue to refine and improve the level of detail provided.</p>
<p>3. Consider conducting a detailed review on current contributors to the levy. This review should identify if there are any segments of the mining industry who are not currently paying the Levy but should be. Consideration should then be made to prepare a strategy to resolve this issue.</p>	<p>Partially agreed. The collection of the determination of the Levy lies with the Insurers. The regulator will work closely with the insurers to help understand their role.</p>
<p>4. Consider conducting a detailed examination of the methodology for calculating the Levy to determine if a more suitable alternative exists.</p>	<p>Partially agreed. The increased level of reporting and transparency will assist industry in understanding the operation of the Levy. The regulator will monitor the more transparent process over the next 12 to 18 months and consider if further changes or reviews are necessary.</p> <p>An independent audit will also be commissioned following the 2018/19 year which will further inform whether further changes are necessary.</p>
<p>5. Include information within the reporting of regulatory activities, that is released to industry on a regular basis, that clearly articulates the breakdown of regulatory effort for each sector. In particular a breakdown of incident notifications, pro-active inspections and other regulatory activities should be disclosed per sector.</p>	<p>Agreed The regulator currently release monthly and annual activity reports. A number of changes have already been made to more clearly articulate the breakdown of activities via industry sector. The information in these reports will be further reviewed to better meet stakeholder needs.</p>
<p>6. Introduce a budget planning process that includes two year forward estimates. In the development of this budget:</p> <ul style="list-style-type: none"> • any new projects and/or initiatives should be clearly identified. • the budget process should include consultation with stakeholders, particularly those who represent industry who pay the Levy • timing of consultation should be scheduled for January/February each year 	<p>Agreed. The regulator is currently working with the department's finance team to implement this cycle and timeframe.</p> <p>To ensure a meaningful and considered approach to both forward estimates and consultation this process will be rolled out for the 2019/2020 budget period.</p>
<p>7. Determinations should be issued no later than March of each year, with processes put in place to ensure this occurs. These processes should be clearly communicated to insurers and industry.</p>	<p>Agreed. The regulator will be implementing processes to ensure the determination is delivered within the required timeframe.</p>
<p>8. A reserve of 10% of the levy determination should be kept within the fund but should not exceed this level. Adjustments should be made to the levy determination to ensure that the reserve is maintained at this level and not above. This information should be clearly disclosed in the Annual Report.</p>	<p>Agreed. The regulator is working with the department's finance team to reduce the current reserve to 10% by June 2019.</p>
<p>9. A protocol should be established for accessing the budget reserve and adequately reporting this. This protocol should state what the reserve funds can and cannot be used for. A copy of the protocol should be published on the Department's website.</p>	<p>Agreed. Greater transparency will be put in place regarding the reserve and a protocol established for accessing it. This will form part of the consultation process during development of the budget and reporting.</p>
<p>10. Consideration should be given to the development of a regular audit program. This audit program should include the completion of an audit of the Mine Safety Levy Funds every three years.</p>	<p>Agreed. A regular audit program will be put in place.</p>