

Mine Safety (Cost Recovery) Bill 2005

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to provide for the payment of contributions by mining industry workers compensation insurers to fund the costs incurred by the Department of Primary Industries (the **Department**) in carrying out its regulatory activities under the mine safety legislation and in generally administering that legislation. The contributions by the mining industry insurers will be paid into a Mine Safety Fund to be administered by the Director-General of the Department.

Outline of provisions

Part 1 Preliminary

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides that the proposed Act commences on assent.

Clause 3 defines certain words and terms used in the proposed Act. The word **insurer** covers 3 different types of workers compensation insurers (namely licensed mining industry insurers, mining industry self-insurers and specialised mining industry insurers) covering mining industry employers. The term **mine safety legislation** covers the proposed Act, the *Occupational Health and Safety Act 2000* to the extent that it relates to mines and several other Acts administered by the Minister for Mineral Resources.

Clause 4 defines **mining industry employer** for the purposes of the proposed Act. In particular, the term covers employers only to the extent that they employ workers in the mining industry.

Part 2 Funding of mine safety regulatory activities

Division 1 Establishment of Mine Safety Fund

Clause 5 establishes the Mine Safety Fund (the **Fund**) which is to be administered by the Director-General.

Clause 6 specifies the amounts that are to be paid into the Fund, which include the contributions paid by insurers under the proposed Act.

Clause 7 specifies the amounts that are to be paid out of the Fund. These amounts include payments required to meet the costs incurred by the Department in administering the mine safety legislation and money required to reimburse the WorkCover Authority for expenses incurred when it exercises functions under an arrangement with the Director-General.

Clause 8 provides for the investment of money in the Fund.

Division 2 Contributions to Mine Safety Fund

Clause 9 requires the Director-General to make an estimate of the amount required to be contributed to the Fund to meet the required payments out of the Fund. Each estimate will be in respect of a financial year commencing 1 July (or, in the case of the current financial year, an interim period leading up to the next full financial year).

Clause 10 provides that the Director-General's estimate will be met by way of contributions by insurers in accordance with the proposed section. The Director-General will determine the insurers who are liable to contribute and the amounts payable. Special provision is made for the adjustment of premiums in the case of certain insurers (including licensed insurers whose premiums are set by insurance premiums orders under the Workers Compensation Acts). If a contribution is not paid within the required time, the defaulting insurer will be guilty of an offence and the amount of the contribution (along with a late payment fee) may be recovered as a debt for payment into the Fund.

Part 3 Miscellaneous

Clause 11 provides that the Crown is bound by the proposed Act.

Clause 12 enables the Director-General to enter into arrangements with the WorkCover Authority for various purposes, including exchanging information for the purpose of making determinations as to the contributions payable by insurers, enabling the Authority to collect contributions from insurers for payment into the Fund and authorising the Authority to notify insurers of certain matters and take debt recovery action against defaulting insurers.

Clause 13 enables authorised officers to require certain classes of insurers to provide specified documents and information so as to enable the Director-General to make determinations as to the contributions payable by insurers under the proposed Act. The regulations may also require the provision of documents and information by insurers and the keeping of records.

Clause 14 enables the Director-General to delegate the Director-General's functions under the proposed Act.

Clause 15 provides for the service of documents on persons under the proposed Act.

Clause 16 provides for the manner in which proceedings for offences under the proposed Act may be dealt with.

Clause 17 enables the Governor to make regulations for the purposes of the proposed Act, including regulations of a savings or transitional nature consequent on the enactment of the proposed Act.

Clause 18 amends the *Coal Industry Act 2001* to make it clear that the workers compensation company (within the meaning of that Act) is liable to pay contributions under the proposed Act.

Clause 19 provides for the review of the proposed Act in 5 years.