



# MHF Fees 2014-15

In 2008, the Independent Pricing and Regulatory Tribunal (IPART) was engaged to review the fees for major hazard facilities (MHFs) and recommend an equitable fee schedule sufficient to cover WorkCover NSW's (now SafeWork NSW) reasonable costs of administering MHF legislation. IPART recommended a fixed annual fee to cover all non-licence based costs, and variable fees to cover all licence based costs. This is now legislated in Schedule 2 of the *Work Health and Safety Regulation 2011*.

IPART's final report, *Review of WorkCover NSW's proposed fee schedule for regulating major hazard facilities (IPART Report)*, was released on 25 May 2009. The NSW Government accepted all recommendations in the report, including that SafeWork NSW should publish annual measures of the MHF section's performance, which forms the basis for this report. This is the annual report for 2014-15.

## Income and expenditure

Summary of income and expenditure for July 2014 to June 2015

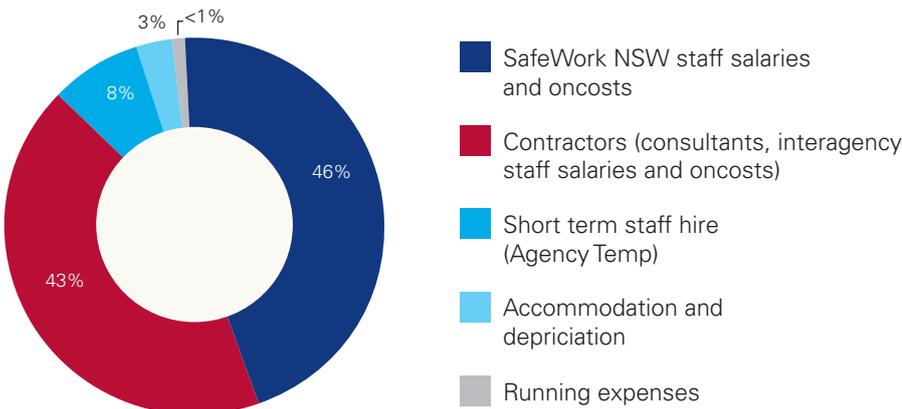
	Q1 Jul-Sep14	Q2 Oct-Dec14	Q3 Jan-Mar15	Q4 Apr-Jun15	Total Jul14-Jun15
Income	\$4,015	\$103,399	\$82,164	\$1,476,882	\$1,666,459
Expenditure	\$438,627	\$374,055	\$423,502	\$430,901	\$1,667,085
Operating result	(\$434,612)	(\$270,656)	(\$341,388)	\$1,045,981	(\$626)

The cost recovery model of the budget means that the operating result is immaterial as the income is calculated to only recover the total expenditure. If the operating result is positive or negative at the end of the financial year, the difference will be reconciled in the following financial year so that operating result is nil.

## MHF expenditure distribution

A summary of expenditure for July 2014– June 2015 is presented in the chart. Contractors include consultants and staff seconded to SafeWork NSW's MHF section from other agencies, including:

- NSW Police Force
- Fire & Rescue NSW
- Department of Planning & Environment
- Environment Protection Authority.



## Revenue from MHF fees

	Q1 Jul-Sep14	Q2 Oct-Dec14	Q3 Jan-Mar15	Q4 Apr-Jun15	Total Jul14-Jun15
Base fees	\$0	\$0	\$0	\$1,347,319	\$1,347,319
Variable fees	\$103,399	\$82,164	\$68,604	\$74,058	\$328,225
					<b>Total \$1,675,544</b>

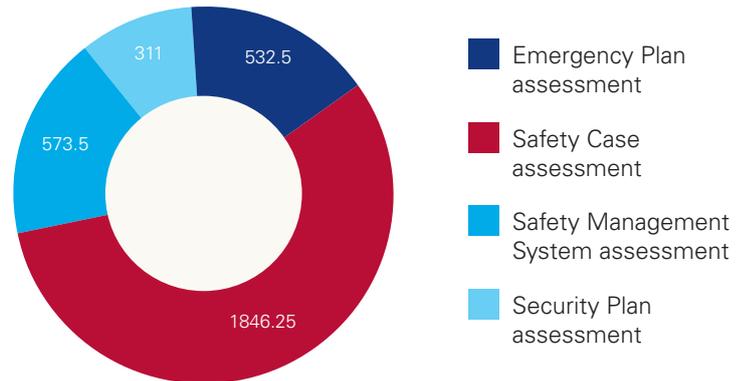
Base fees cover all non-licensing costs and are charged at the end of the financial year.

Variable fees cover all licensing costs and are charged at the end of each quarter.

## Fee calculation

### Variable fees

Variable fees were charged at the hourly rate of \$101 as per Schedule 2 of the *Work Health and Safety Regulation 2011*. The chart shows a summary of the hours spent on each licensing activity from 1 July 2014 to 30 June 2015.



### Base fees

Base fees are charged towards the end of the financial year, therefore the expenditure and revenue for the month of June is only an estimated amount. The difference from the actual expenditure and revenue is reconciled in the following financial year so that operating result is nil.

Expenditure	
Actual expenditure (1 July 2014 to 31 May 2015)	\$1,531,907.24
Forecast expenditure for June 2015	\$138,694.78
<b>Total</b>	<b>\$1,670,602.02</b>
Revenue	
Actual revenue (1 July 2014 to 31 May 2015)	\$254,267.50
Forecast revenue for Quarter 4 (accrued to next financial year)	\$64,993.50
<b>Total</b>	<b>\$323,275.75</b>
<b>Total net expenditure (expenditure less revenue)</b>	<b>\$1,347,326.27</b>
Number of determined MHFs 2014/15	43
Base fee per facility (to nearest dollar)	\$31,333

### Disclaimer

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