STATEMENT OF INTENT – COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) CORPORATION

This Statement of Intent is the response of the Coal Mining Industry (Long Service Leave Funding) Corporation to the Government's Ministerial Statement of Expectations, which provides strategic direction in line with the Government's Deregulation Agenda.

Coal LSL's Role

Coal LSL is the Australian Government corporation established to regulate and manage long service leave entitlements for eligible employees in the black coal mining industry.

We maintain records of the employment, qualifying service and long service leave entitlements of eligible employees of the Scheme; employer levy submission records; and manage and invest the fund into which levies are paid, and from which, long service leave payments are reimbursed to employers.

Exercising the functions and powers of our governing legislation, it is Coal LSL's role to ensure employers pay the prescribed payroll levies and lodge accurate records of service for all eligible employees under the Scheme.

In doing so, Coal LSL safeguards long service leave entitlements for eligible employees and facilitates the accrual of, as well as access to, these entitlements.

We provide compliance guidance for employers and processes to facilitate access to entitlements for employees. Additionally, we work with employers to assist them in understanding their obligations under the legislation in order for them to communicate accurate information about the Scheme to their eligible employees.

We are committed to the provision of open, transparent processes and guidance for employers to facilitate ease of compliance with the Scheme.

Coal LSL's Approach to Regulator Best Practice

Guided by our purpose, vision and strategic goals, Coal LSL will embed and act in accordance with the Government's principles of regulatory best practice and strive for continuous improvement against these principles.

We aim to deliver best practice regulation and achieve regulatory outcomes that benefit the community and industry we serve.

1.   Continuous Improvement and Building Trust

Our regulatory workforce is a key component of our practices. As Coal LSL's workforce grows and transforms to meet the demands of an enhanced compliance program and an evolving industry, we will continue to ensure the capability of our staff matures in line with Government expectations.

We will do so by further consolidating governance frameworks and operational processes to maintain alignment between individual roles and organisational goals, particularly in regard to our legislated responsibilities. Clarification of roles in the context of our regulatory purpose will empower individuals and teams to identify where practices and processes can be improved or streamlined to encourage industry compliance and enhance service delivery.

Coal LSL will progress our cross-organisation digitalisation of client transactions to optimise the service experience, simplify compliance processes and create greater efficiencies.

We will continue to enhance our quality assurance practices to facilitate continuous improvement through standardised documentation, quality controls and review.

Coal LSL will continue to engage with external stakeholders through collaboration and education. We will build trust by maintaining procedural fairness; by highlighting our strategic priorities and risks in our corporate plan; by being accountable; through consistent messaging at all levels of the organisation; and by measuring our success and reporting on outcomes against the Government's expectations for regulator performance in our annual report.

Coal LSL is one of only a few Australian regulators maintaining responsibility for the management of investment funds. As such, safeguarding and ensuring the sustainability of the Fund through prudent and transparent financial management is a cornerstone of Coal LSL's functions and we will continue to do so through robust financial discipline and fiscal accountability.

2. Risk-Based and Data-Driven

In the context of making industry compliance easy, Coal LSL is committed to further evolving as a professional, data-driven organisation and advancing the use of data intelligence to inform regulatory risk and regulatory activities.

We will continue to strengthen our data maturity and use information prudently to deliver an efficient and reliable service for clients, to inform regulatory-based decision-making and to better assess the outcomes and efficacy of our regulatory and operational actions.

We will optimise the insight our industry data and intelligence provide to make risk-based regulatory decisions using a transparent and proportionate approach. We will do so by remaining attuned to and responsive to the environment in which we operate. By keeping in lockstep with contemporary technology, industry practices and stakeholder expectations, Coal LSL will remain equipped to adjust regulatory and procedural processes when needed.

Ongoing enhancement of data analysis systems will advance our approach of early non-compliance detection and intervention, thereby minimising the regulatory burden on employers and allowing us to prioritise and strategically manage our activities.

We will continue to build capability and data literacy within the business as we enhance Coal LSL's four pillars of data management:

- Data governance
- Business intelligence
- Data quality
- Technology

3. Collaboration and Engagement

Coal LSL is aware the Australian black coal mining industry is confronting challenges, including a shifting industrial relations landscape and evolving employment practices. In light of this, it is imperative Coal LSL remains attuned to the priorities and parameters of its stakeholders as we manage and regulate the Scheme.

To this end, we will continue to monitor the environment in which we are operating and further enhance communication with employers of eligible employees on essential decisions impacting the regulatory or administrative burden of the Scheme.

We will communicate openly with those we regulate to ensure they understand the reasons behind the decisions we make.

Coal LSL will maintain its strong ties to industry with a collaborative approach in keeping with our intent of making compliance easy. We will continue to pursue positive regulatory outcomes via our compliance program, which is based on three principles:

- engagement and education
- early detection and intervention
- dispute resolution

We will deliver by providing enough guidance and information to create an environment in which employers can make informed determinations about their legislative obligations under the Scheme. Hand-in-hand with this is a commitment to ensuring our guidance materials are current, easy to understand and readily accessible to our staff and stakeholders.

Coal LSL will continue to focus on engagement and collaboration with eligible employees of the Scheme by maturing our complaints and feedback processes; and by further developing operational efficiencies to facilitate access to information and make employer compliance easy.

Innovation and Regulatory Change

We will approach non-compliance with consistent application of our governing legislation, policies and guidelines. Coal LSL will be transparent about our processes; and continue to provide accessible information and guidance around compliance; as well as our regulatory and operational processes.

Our focus on the principles of quality control will facilitate continuous improvement; greater efficiency through standardisation; and consistent control of business processes.

At the same time we will review and adjust policies, protocols, operating procedures and regulatory processes when required to enable us to optimise the implementation of our functions in accordance with our governing legislation.

Operationally, Coal LSL will continue to pursue process improvements aimed at minimising the regulatory burden on employers and optimising client services. We will retain a focus on innovation to improve our operational efficiency by streamlining transactions and refining responsiveness.

In honing our data capabilities, we will increase accessibility to relevant information and further embed an innovation discipline.

Coal LSL will also advance its corporate data management systems to consolidate and communicate best practices, insights, case studies and intelligence in tandem with relevant legislation and Government requirements.

It is incumbent on us to be attuned to external issues that are affecting the industry we service. To this end, we will remain apprised of the environment in which we operate to ensure our regulatory and operational processes remain efficient and effective.

The Government's Policy Priorities and Objectives:

Deregulation Agenda

Coal LSL's Regulator Statement of Intent outlines our contribution to the Government's Deregulation Agenda through our commitment to regulatory best practice in our decision-making, operational practices, policy-setting, communications and compliance activities.

In keeping with this, we will apply the *Regulator Performance Guide July 2021* to our regulatory functions as part of our performance and engagement assessment process.

Coal LSL will continue to evolve our regulatory functions in a number of ways, including the development of a tailored regulatory framework aligning with the principles of Government's expectations of regulator best practice.

Relationship with Minister and Portfolio

Coal LSL welcomes the Government's recognition of Coal LSL's role and its respect for our knowledge and expertise of the Scheme.

We are committed to a collaborative approach with Government and will provide accurate, timely advice on significant issues impacting the Scheme.

Coal LSL will continue to work closely and collaboratively with the Attorney-General's Department; participate in external reviews where required; share our insights on the black coal mining industry; and report on performance outcomes in line with our statutory obligations.