



Australian Government  
Coal Mining Industry  
(Long Service Leave Funding) Corporation



2025-26  
CORPORATE PLAN

**COALS** 



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## Acknowledgement of Country

Coal LSL acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the Elders past and present.

## STATEMENT OF PREPARATION AND COVERAGE PERIOD

We, the Board, as the accountable authority of the Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL), are pleased to present the 2025–26 Corporate Plan, which covers the four year period from 2025–26 to 2028–29, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

# A MESSAGE FROM OUR CHAIR AND CEO

We are extremely pleased to present this year's corporate plan.

The corporate plan process is not only the opportunity to plot the course for the years ahead, it is also a valuable way to assess the progress we've made over the life of previous plans.

This year finds us well into the second phase of Coal LSL's multi-year transformation – our strategic pathway to becoming a best-practice organisation delivering on our purpose of ensuring eligible employees are connected with their long service leave benefits.

It is difficult for words on a page to capture the real energy and drive that goes into an ambitious transformation like the one we embarked on three years ago, particularly when the first phase meant a lot of hard work for many people across the organisation in strengthening our foundations to give Coal LSL a solid base on which we could build.

As we settle into the next phase of our transformation, we are focusing our energy on uplifting our core systems and processes. Adopting a phased, risk-based approach will enable us to fulfil our vision of being a Scheme enabled by effective and transparent regulatory and administrative functions driven by scalable, efficient and high-quality processes, practices and engagements with the capability of ongoing digital transformation.

In addition to considering the expectations our stakeholders have of a best practice government agency, the backdrop of the complex environment in which we operate plays an important role in our approach to this plan. While it is broadly accepted that significant changes within the black coal mining industry are unlikely over the next four years, the reality of dynamic markets, fluctuating prices and efforts towards an energy transition are always front of mind for us as the corporate plan is devised.

Hand in hand with these moving parts will be our approach to operationalising legislative changes that result from the government's decision to progress policy for payment plans for employers with historical levy debts to the Scheme. We will advance our planning for streamlined education,

engagement and operational processes for the benefit of stakeholders affected by the changes and we will continue to provide our support as experts on the Scheme to government and the Department of Employment and Workplace Relations throughout the process.

Enjoy the read – we are very proud of this plan and look forward to the years ahead as it comes to fruition and both employers and employees enjoy the benefits of our transformation.



*C Langby*

**Christina Langby – Chair**

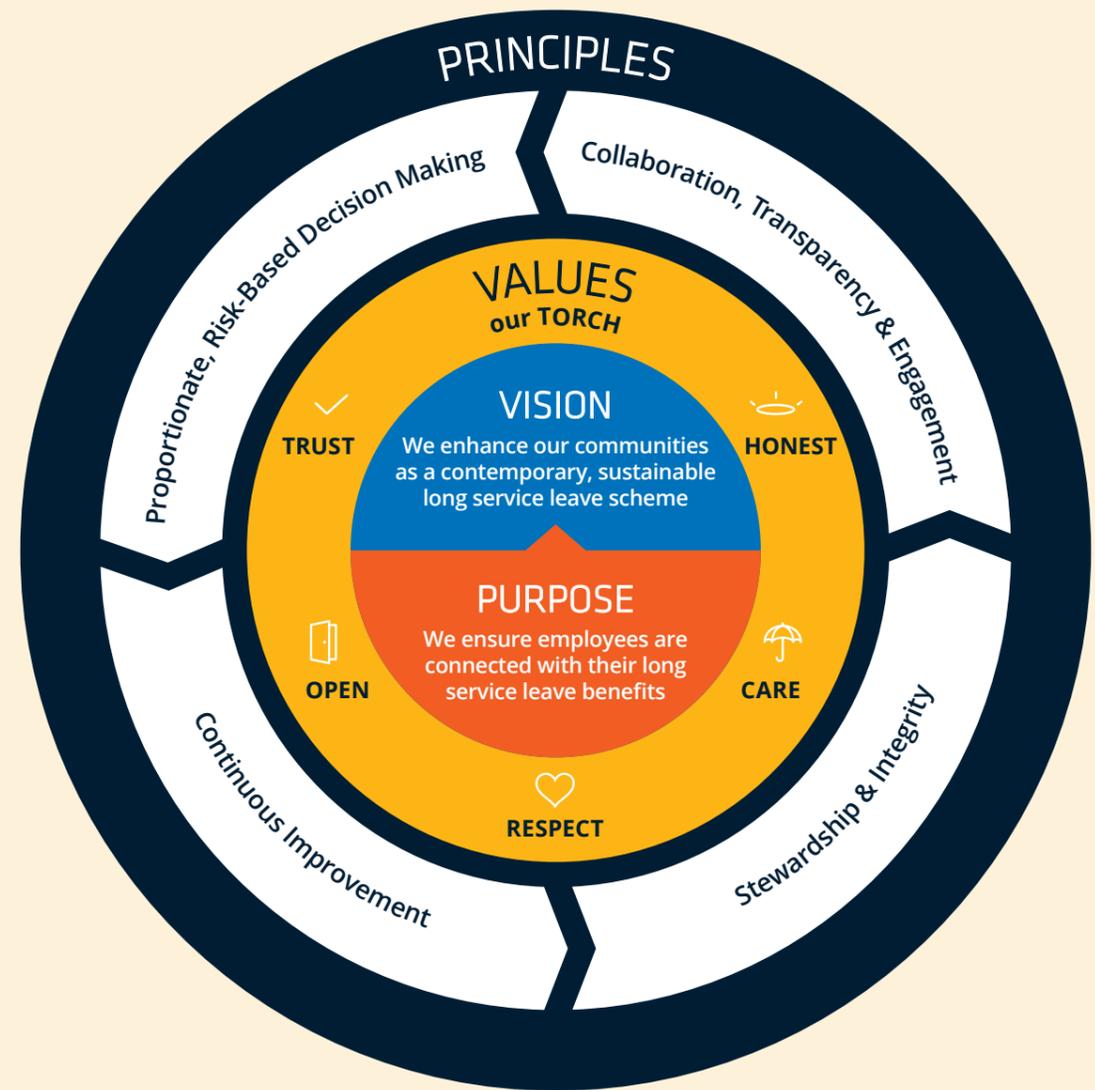


*D Perks*

**Darlene Perks – Chief Executive Officer**



## PURPOSE, VISION AND VALUES



## STRATEGIC PRIORITIES

- Prudent financial management
- Engaged, active and compliant participants
- Effective operations



## OUR PURPOSE

We ensure employees are connected with their long service leave benefits.



## OUR VISION

We enhance our communities as a contemporary, sustainable long service leave scheme.



## OUR VALUES

We are guided by our TORCH values.

### ✓ TRUST

We act with **integrity, accountability** and **consistency** by saying what we do and doing what we say.

### OPEN

We listen with **curiosity** and communicate with **transparency** to set **expectations** and guide outcomes.

### RESPECT

We value **diversity** of thought and appreciate the **contributions** of our people in carrying out an **important role** in our community.

### CARE

We promote **wellbeing** and empower our people to work **together** to have a meaningful impact.

### HONEST

We value respectful **candour** in a safe space to foster **genuine and courageous** interactions.



## OUR PRINCIPLES

We are committed to our principles.

### Collaboration, transparency and engagement.

We provide clear, timely and accessible information to remove barriers and ensure genuine, open, two-way communication for meaningful stakeholder participation.

### Proportionate, risk-based decision making.

We consider individual circumstances and data to support decisions that minimise regulatory burden and remove barriers to compliance.

### Continuous improvement.

We cultivate a culture of reflection and learning, following best practice and acting on feedback to improve the way we operate.

### Stewardship and integrity.

We build capabilities and harness our collective experience, diversity, and knowledge to ensure the long-term sustainability of the Scheme.





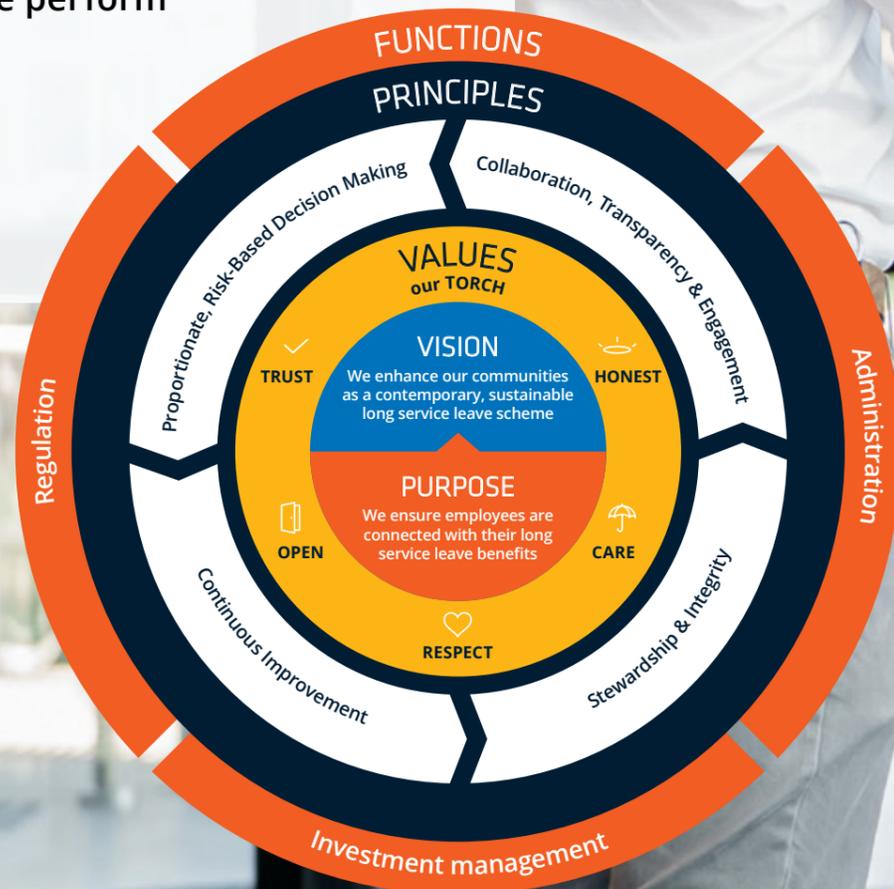
## OUR ROLE

Established under the *Coal Mining Industry (Long Service Leave) Administration Act 1992* (the Admin Act), our role is to:

- collect funds from employers by way of levy
- invest funds and ensure Fund sufficiency to finance the cost of reimbursements of long service leave
- ensure accurate and compliant record keeping
- reimburse employers' authorised payments of long service leave
- enable recognition of long service leave entitlement for eligible employees.

In fulfilling our role we perform 3 core functions:

- Regulation
- Administration
- Investment management.



## REGULATION

In line with our Statement of Intent and the Government's principles of regulator best practice, Coal LSL adopts a collaborative and transparent approach to regulation.

We do so by working with our stakeholders to effectively achieve our purpose of connecting eligible employees with their long service leave benefits.

Through engagement and education, we keep employers informed of their responsibilities under the Scheme and use the regulatory tools we have available to us to monitor compliance and hold employers accountable to their obligations.



### Our Regulatory Framework is built on three principles:



#### Education

We provide assistance to employers to help them understand how the Scheme operates and what their obligations are.



#### Engagement

We proactively communicate with employers to encourage voluntary compliance.



#### Enforcement

We are transparent about our enforcement undertakings, to which we have a proportionate approach in accordance with our regulatory tools.

### Statement of Intent

Coal LSL's Statement of Intent, which responds to the Ministerial Statement of Expectations (12 December 2024) documents how we will deliver on the Government's expectations of us as a regulator. The Ministerial Statement of Expectations provides clarity about government policies and objectives relevant to Coal LSL's statutory objectives, and the priorities the Minister expects Coal LSL to address in conducting our operations.

Coal LSL's Statement of Intent is integrated into our performance and planning processes. Both the Ministerial Statement of Expectations and Coal LSL's Statement of Intent are published on Coal LSL's website [coallsl.com.au/about-us/governance-ops/practices#statement-of-intent](https://coallsl.com.au/about-us/governance-ops/practices#statement-of-intent).

### Regulatory priorities

Our refreshed regulatory priorities for FY2025-26 reflect our continued focus on connecting eligible employees with their long service leave benefits by improving employer compliance.

- 1 On-time submission of accurate employer levy returns**  
We will engage with employers who submit late or inaccurate levy returns to ensure our records accurately reflect employees' eligible service and long service leave accrual.
- 2 Resolution of off-scheme employer non-compliance**  
We will continue to engage with employers who dispute the interpretation of coverage in the Scheme. Where appropriate, the need for regulatory action will be assessed and taken if considered necessary.
- 3 On-time payment of levy owing**  
The reintroduction of additional levies will support efforts to mitigate the negative financial impact on the Fund created when employers fail to pay levies when they fall due.

## ADMINISTRATION

As administrator of the Scheme, we deliver processes and services to ensure effective custodianship of employee and employer records.

Our commitment to continuous improvement of our administration processes and practices ensures a constant focus on delivering service consistency and quality.

Through our digital transformation we will continue to improve the quality and productivity of our core processes using technology to scale and automate and deliver a seamless, integrated, and consistent experience across all employee and employer interactions.



### Scheme administration services

Our administration processes and services are designed to ensure the effective delivery of long service leave benefits to eligible employees.



#### Registration and onboarding

We help employers register and employees onboard into the Scheme.



#### Records management

We maintain employee and employer records.



#### Payment management

We receive levy payments from and pay reimbursements to employers.



#### Ongoing engagement

We provide timely responses to queries and service requests.

### Administration priorities

Our priorities for FY2025-26 are focused on continuous improvement in operational processes, service quality, and workforce capability.

#### 1 Operational processes

We will review efficiencies and turnaround times in the processing of leave applications for employees and levy returns from employers to ensure accurate and timely long service leave balances for eligible employees.

#### 2 Service quality

We will continue to improve enquiry service levels to enrich our interactions with employees and employers. Refining our procedures and work instructions to ensure a scalable and standardised approach to service quality.

#### 3 Workforce capability

We will build capabilities to ensure the efficient management of changes in operational demands and contact volumes, supported by knowledge management and ongoing training on core processes and procedures.

## INVESTMENT MANAGEMENT

As investment manager, our role is to ensure the long-term sustainability of the Fund by adopting a disciplined and risk-based approach to investment decisions to capitalise on opportunities and safeguard against market volatility.

Ensuring the adequacy of the Fund through the collection of funds – via payroll levy – to reimburse employers for long service leave benefits when they become due, is a primary focus for Coal LSL.

Funds are invested in a disciplined manner to ensure sufficient assets are available to meet future liabilities, which are assessed by the fund's actuary at a minimum every three years.

Our corporate objective is to maintain a fund surplus of 115%, meaning the fund's assets exceed its liabilities by 15%. The fund surplus is impacted by both asset and liability volatilities, and therefore the fund surplus is managed within a tolerance range around the 115% corporate objective of 110% - 130%.

As at 30 June 2025, the fund surplus is estimated at around 138%, above the tolerance range. With ongoing market volatility and the next actuarial review scheduled for October 2025, no immediate action is required to bring the fund surplus within the tolerance range.

Our investment objective remains CPI plus 3% p.a. over rolling eight-year periods. This target reflects the fund's strong strategic growth bias and a volatility measure to match.

The Strategic Asset Allocation (SAA) guides the management of the investment portfolio, in a risk adjusted way to support achieving the investment objective. The SAA is reviewed at least once a year.

The SAA is calibrated using capital market assumptions, which are forward looking returns for each type of investment, provided by Coal LSL's asset consultant, Frontier and assessed by our Investment team. These assumptions are reviewed throughout the year, and if there are significant changes to these or to investment markets more generally, the SAA is reviewed outside the annual cycle with oversight from the Investment Committee and the Board.

The current SAA is as shown below:

ASSET CLASS	FY2025	FY2026
Australian shares	17.5%	17.5%
International shares	34.5%	34.5%
Property	7.0%	5.0%
Infrastructure	12.0%	12.0%
Alternative debt	13.5%	15.0%
Bonds	8.5%	11.0%
Cash	7.0%	5.0%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
Growth Assets Exposure	70.25%	69.5%
Currency Exposure	22.5%	22.5%
Illiquid Exposure	21.75%	21.5%
<b>Risk (volatility p.a.)</b>	<b>8.4%</b>	<b>8.4%</b>



**138%**  
Estimated fund surplus at 30 June 2025



**19**  
Investment managers across our portfolio



**CPI+3%**  
Targeted over rolling 8-year periods



### Defensive levers

The portfolio's most significant and effective defensive lever is diversification. Our SAA is designed to ensure that assets are well diversified across types of assets, geographies, size and risk characteristics. Bonds, cash and foreign currency exposures also serve as important levers, often providing good downside protection when growth assets sell-off.

Coal LSL has appointed 19 investment managers across 20 strategies to manage our investment portfolio. The different style of each manager is blended to balance the investment objective of the Fund with downside protection.

### Stress testing

Each year, the SAA is stress tested using both historical and forward-looking scenarios. The objective is to assess the potential impact on the fund surplus and to mitigate, as much as

possible, the risk of the full funding status of the fund being jeopardised.

The triennial actuarial review, conducted by Mercer, Coal LSL's actuary, provides the forward-looking baseline for liabilities and the average annual earnings rate required to fund the estimated liabilities. This is based on a range of assumptions, such as wage inflation, age and tenure of eligible employees. Additionally, Coal LSL actively stress tests the future liabilities and assets. This enables us to explore the impact of different scenarios on both the assets and liabilities, enhancing our ability to manage the fund surplus effectively.

Given the nature of the industry in which Coal LSL operates, and its inherent uncertainty, stress testing includes modelling future potential unfavourable cash flow scenarios. These insights help inform the SAA and ensure the Fund has sufficient liquid assets to meet future cash flow requirements, even under adverse circumstances.

# OUR ENVIRONMENT

## Coal LSL operates in an increasingly complex and changing environment.

Geopolitical shifts, technological changes, economic uncertainty, industry changes and climate volatility are driving global uncertainty and will shape our organisational priorities. Being aware of our environment and staying abreast of changes that impact us, and our stakeholders will ensure Coal LSL remains resilient and adaptable to deliver our purpose and realise our vision.



Industry



Policy



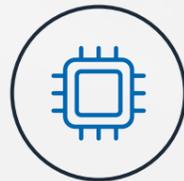
Investment markets



Sustainability



Labour market



Technology





## INDUSTRY

(stats and sentiments taken from the [Resources and Energy Quarterly, March 2025](#))

The Australian black coal mining industry remains the world's second largest exporter of black coal, with 80% of coal mined in the country shipped to meet the demands of our major global markets – India, Japan, South Korea, China, Taiwan and Vietnam.

The industry is currently facing a complex and evolving landscape, defined by dynamic markets, fluctuating prices and efforts toward an energy transition. Export earnings, export volumes and spot prices are expected to fall slowly over the coming years; however, the effect this is expected to have on the global demand for coal is immaterial for the life of this plan.

At June 2025, there were more than 1,500 employers providing services within the black coal mining industry registered with Coal LSL.

Collectively, levies were being paid for more than 65,000 eligible employees.

While significant changes within the black coal mining industry are unlikely over the next four years, Coal LSL remains attuned to the evolving landscape in order to best meet our purpose of ensuring employees are connected with their long service leave benefits. As part of that, we have been working with the Net Zero Economy Authority to provide unique and targeted insights into the coal mining industry regions that fall into the scope of the Authority.



## POLICY

On 24 June 2025, the Australian Government publicly acknowledged the impacts recent decisions handed down by the Federal Court in the Hitachi and Orica cases may have on some employers in the coal mining industry.

To address these impacts, the government announced plans to progress legislation for a payment plan with a debt waiver component for employers with historical levy debts to the scheme.

The government committed to supporting employers and employees impacted by these decisions and to working closely with Coal LSL and industry representatives on a balanced approach that supports employers to meet their financial obligations.

We will continue to work with the government and the Department of Employment and Workplace Relations to offer our expertise on the Scheme, particularly regarding the operationalisation of the legislation.

While details of the legislation were not available at the time of publishing this corporate plan and will be subject to the passage of parliament, Coal LSL anticipates the enactment of the Bill will have an impact on the operations of the Scheme.

Coal LSL foreshadows the legislation will see a material number of new employers and their eligible employees coming into the Scheme, and while quantifiable data is not yet available, we continue to plan for streamlined education, engagement and operational processes for the benefit of all affected stakeholders.



## INVESTMENTS MARKETS

Coal LSL continues to keep abreast of ongoing changes in global investment markets and remains committed to our Strategic Asset Allocation (SAA) as our long-term strategic roadmap.

The SAA allows us to constructively identify risks and opportunities, likely to be more frequent due to heightened market volatility caused by changes to global supply chains and defence alliances.

What we are seeing in markets today is a result of 12 months of solid investment returns in a year when a recession was avoided, inflation fell, and central banks cut rates.

### Key themes driving international markets include:

- Recession fears, particularly in the US, spiked in August 2024 and April 2025 as a result of the introduction of US tariffs, but potential negative impacts were cushioned by actual and pledged fiscal stimulus
- Changes in the US's approach to global trade has had an impact on supply chains, but that impact had not manifested in the macro data in a meaningful way at the end of June 2025

- Increased geopolitical risks as a result of ongoing conflict in Ukraine and the Middle East. In response, a significant number of NATO members have committed to increased defence and related infrastructure spending
- The falling US dollar resulting in some overseas investors diversifying away from US assets
- Ongoing worries about the state of the Chinese economy, which nevertheless grew by around 5% during the last financial year.

In response to the issues contributing to volatility in financial markets, Coal LSL creates a base case, which is embedded in the SAA. The base case is stress tested via a broad range of scenarios including the acceleration of global inflation, the acceleration of global growth and stagflation.

This scenario analysis helps Coal LSL explore return pathways and calculate the potential impact on the fund surplus.



## SUSTAINABILITY

Accelerating global shifts – including climate volatility, geopolitical unrest, economic uncertainty, and rapid technological change – are contributing to an increasingly unpredictable operating environment.

In a changing world, Coal LSL remains firmly committed to ESG principles and we will continue to adapt our approach to reflect evolving stakeholder expectations, policy directions, and technological advancements. In the first half of 2025, several multinational organisations and foreign governments scaled back climate action efforts and begun dismantling Diversity, Equity, and Inclusion (DEI) initiatives.

Amid this global uncertainty, Australia’s commitment to climate action, social equity, and strong governance remains steadfast. This is reflected in national policies and legislative frameworks that continue to drive progress in these areas. As a signatory to the Paris Agreement, Australia reaffirmed its pledge through its 2022 Nationally Determined Contributions (NDC) to reduce emissions by 43% below 2005 levels by 2030.

The Net Zero Economic Authority in Australia aims to facilitate the transition to a net zero economy by supporting workers, industries, and communities affected by this transformation. As a corporate Commonwealth entity (CCE), we are committed to upholding our reporting and disclosure obligations. Aligned with our guiding principles, we remain dedicated to transparent reporting of our ESG performance.

We will continue to meet our responsibilities under the *Modern Slavery Act 2018*, the *Workplace Gender Equality Act 2012*, and applicable Federal and State work health and safety legislation. Our commitment to addressing the gender pay gap is formally outlined in our [Employer Statement](#).

Strong governance remains the cornerstone of our decision-making and risk management. We continue to prioritise full compliance with the *Public Governance, Performance and Accountability Act 2013* and other relevant legislative requirements.



## LABOUR MARKET

The labour market is undergoing significant changes which are being shaped by converging forces that demand a proactive organisational response.

Coal LSL is committed to building a connected, capable, and engaged workforce. Rapid technological advancements are redefining roles and amplifying the need for new skills, continuous reskilling, and strong digital capabilities as foundations for performance and innovation.

Psychological safety has become a critical element of workplace culture. Legislative updates, including amendments to the *Work Health and Safety Act 2011*, require proactive management of psychosocial hazards, reinforcing the need for employers to create environments that prioritise psychological health and holistic wellbeing.

Employee expectations are also evolving, with growing emphasis on purpose-led leadership, flexibility, and authenticity in organisational values. This shift demands targeted strategies to attract, engage, and retain talent in a competitive and dynamic environment.

Our Workforce Strategy prioritises investment in developing both organisational and individual capabilities; nurturing a safe, inclusive, and innovative culture; and embedding a human-centred approach that champions continuous learning and inclusive leadership, to build long-term organisational resilience and deliver on our strategic intent.



## TECHNOLOGY

Trends in cyber security, data management, automation and AI present both risks and opportunities.

Coal LSL continues to stay attuned to the evolving technology landscape where growing reliance on digital infrastructure is driving the need to strengthen resilience against data breaches, ransomware attacks, and third-party security risks.

Cybersecurity breaches pose a growing and multifaceted risk with the potential to disrupt operations, compromise sensitive data, damage reputations, and incur financial and regulatory consequences.

A comprehensive response is essential, including investment in advanced security technologies, comprehensive risk assessments, employee training programs, strengthened third-party risk management, and integration of cybersecurity into governance frameworks. Coal LSL continues to mature its cyber security posture by adopting mitigation strategies published by the Federal Government and industry-leading cyber governance and control frameworks.

The data landscape is undergoing significant change, driven by exponential growth in data volumes, complexity in information management,

evolving regulatory frameworks, and increasing frequency of data breaches. Navigating these changes with robust data governance frameworks, investment in advanced security measures and fostering a data-driven culture will ensure data is secure, reliable, and readily accessible—enabling confident, data-driven decision-making. Coal LSL continues to progress its data management framework by enhancing data quality and consistency and integrating data sources to align with key deliverables in its digital transformation program.

Opportunities to enhance efficiency, automate tasks, improve insights, and optimise operations are driving the growing adoption of automation and AI. Acceleration of digital transformation is driving integration of AI-driven analytics and automation to optimise data management and security. The use of AI is not without risks which continue to centre on data privacy breaches, biased decision-making, transparency, and cybersecurity vulnerabilities. Coal LSL is in a foundation stage of AI adoption and continues to stay abreast of the Federal Government’s guidance and policy development as we progress our strategy.





## OUR STRATEGIC PRIORITIES

Our strategic priorities guide the activities we focus on to fulfil our purpose and realise our vision.



## PRUDENT FINANCIAL MANAGEMENT

Coal LSL continues to prioritise delivering on each of our investment objectives which are consistently met year-on-year.

With a portfolio value of \$2,644 million as at June 2025, and heightened market volatility, our focus for the corporate plan period is to further strengthen our processes to mitigate our strategic investment risk, ensure scheme employees can access their entitlements when they come due and provide for the long-term sustainability of the Scheme.

The outcome for this strategic priority is to ensure the ongoing adequacy of the Fund to meet long service leave liabilities.

### Key activities

- **Strategic asset allocation (SAA).** Ensure the SAA is fit for purpose in an expected volatile investment environment.
- **Portfolio management.** Implement a dynamic rebalancing approach with the dual objective of strengthening the downside protection in the portfolio and enhancing performance.
- **Liability modelling.** Engage the actuary to conduct the triennial actuarial report to inform the setting of the payroll levy rate. The payroll levy rate must be adequate to ensure the Fund is sufficient to reimburse employers in accordance with the Employer Reimbursement Rules. Further to this, we will conduct financial modelling to enhance stress testing of both assets and liabilities.
- **Industry monitoring.** Monitor the global energy transition and its potential impact on the Australian Black Coal industry.



## ENGAGED, ACTIVE AND COMPLIANT PARTICIPANTS

Coal LSL remains committed to delivering on its purpose of connecting eligible employees with their long service leave benefits by driving employer compliance through embedding and strengthening regulatory activities to capture employee entitlements accurately and on time.

The outcome for this strategic priority is to ensure employers comply with their obligations under the Scheme.

### Key activities

- **Onboarding employers.** Consistent with our regulatory priority of resolving off-scheme employer non-compliance, we will onboard several large employers during the corporate plan period, connecting a significant number of new employees to the Scheme. Through focused education and engagement activities Coal LSL will ensure that new employers are aware of and continue to meet their compliance obligations.
- **Additional levies.** To support the regulatory priority of on-time payment of levy owing we will reinstate the charging of additional levies for late levy payments. Use of additional levies as a regulatory tool was suspended during the COVID-19 pandemic to minimise the regulatory burden on businesses, however, remains a key regulatory tool for enforcing ongoing compliance of on-time levy payment.
- **Regulatory processes.** In keeping with our regulatory priorities of on-time submission of accurate levy returns and on-time payment of levy owing, we will focus on continual improvement of existing regulatory processes to drive employer compliance and improve the quality of data submitted by employers. Working in tandem with the broader transformation of Coal LSL's core processes, these changes will ensure the ongoing accuracy of employee records and enable eligible employees to access their entitlements.

## EFFECTIVE OPERATIONS

Our vision is to be a contemporary, sustainable long service leave scheme enabled by effective regulatory and administrative functions and driven through scalable, efficient, and high-quality processes, practices, and engagements. Our multi-year transformation program is at the heart of this strategic priority. We are investing in our core platforms to establish the foundations that will enable further digital innovation. We have adopted a phased, risk-based approach to transforming our core processes through uplifting technology, automating and streamlining processes and services and optimising data management.

### The transformation program will deliver:

- improved compliance; consistent application of business rules; real-time feedback; and the evolution of Online Services as the primary tool for interactions with Coal LSL

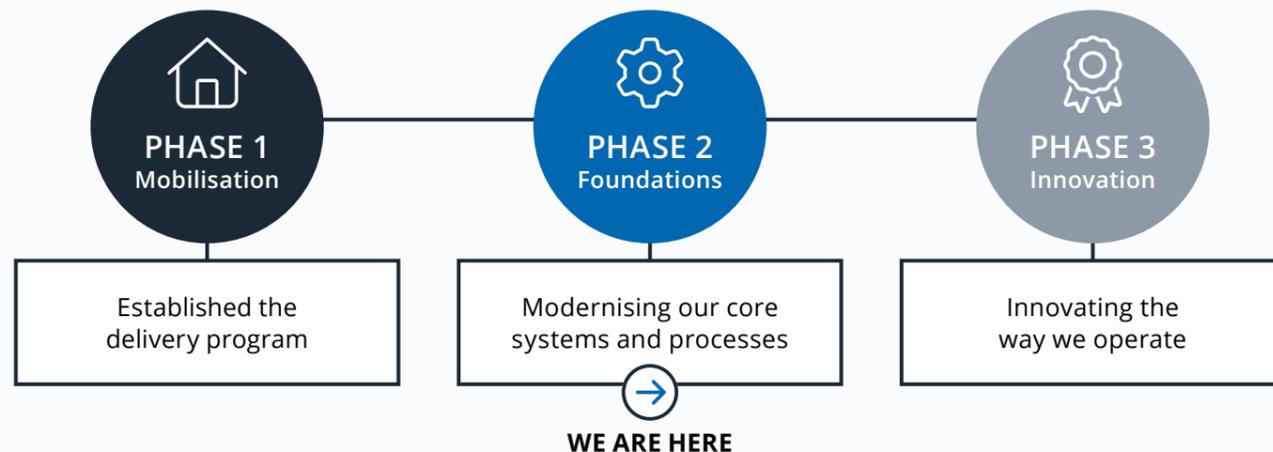
- greater access to long service leave benefits with real time access to information and services; effective processing of leave applications; proactive communication and education; and a new Employee Online Services platform
- improved quality and productivity of core processes supported by technology to streamline and automate repeatable processes; development of new and emerging people capabilities; and a user centred approach to design and delivery of digital first solutions.

The outcome for this strategic priority is to deliver digital and streamlined processes to enhance stakeholder interactions and improve core process productivity. We expect an initial drop in core process productivity as we transition to our new registry system, particularly for FY2025-26.

### Key activities

- **Core platform uplift.** We will replace our core registry system and integration platform, uplift our Customer Relationship Management (CRM) system and online portals, and advance our governance practices to manage our new technology capabilities.
- **Digital services.** We will continue to digitise processes to make it easier for employees and employers to interact with us. Building on the launch of our Digital Leave Submissions in June 2025 and the core system uplift in 2026, we will turn our focus to streamlining and automating stakeholder interactions by reducing manual handling and delivering real time in-built data validations in years 2 and 3 of this plan.
- **Data quality.** In the coming years, we will continue to invest in initiatives that unlock the full potential of our data to inform service design and our regulatory approach. We will prioritise data modelling, remediation, and testing activities over the next year to support migration to the new core registry system.

### Our transformation journey



## PHASE 2 – Foundations

Uplifting our core systems and processes will provide the foundation for further digital innovation.



### Core registry system replacement

The new registry system will provide capabilities to manage leave and levy records.

Using contemporary technologies to enable process orchestration between different platforms, the core registry system replacement initiative will ensure existing functionality is maintained and the quality and integrity of data is protected as we transition to the new system.

Replacement of the core registry system will provide the foundation for innovative digital solutions in subsequent phases of the transformation.



### Scheme management interface

While the new registry will provide the capabilities to manage leave and levy records a new scheme management interface will see the administrative functions shift out of the registry and into the Salesforce platform.

The new interface will enable our people to view information and perform transactions from the one system allowing for more effective and efficient processing.

This new interface will allow us to further streamline and enhance administrative and regulatory processes in subsequent phases of the transformation.



### Employee portal replacement

Replacement of the registry system necessitates the need to replace the existing employee portal to ensure eligible employees can continue to interact with Coal LSL online.

The new employee portal will look and feel different but will provide similar functionality to the existing portal.

The new employee portal will integrate with the registry system and other systems to enable selfservice digital processes and enhance the employee experience in subsequent phases of the transformation.



### Stakeholder journey mapping

We will work closely with internal and external stakeholders to understand pain points and opportunities to enhance and streamline the stakeholder experience.

Development of stakeholder journey maps will define the key stages and needs throughout the stakeholder lifecycle.

The maps will guide the design and implementation of future processes and stakeholder interactions that make it easier for employers to understand and comply with their obligations and for eligible employees to access their entitlements.



## OUR ENABLING CAPABILITIES

We strive to uplift our capabilities to align with industry best practice maturity models.



**258**  
Coal LSL  
workforce



**>3,800**  
Training courses  
completed



## PEOPLE

As we modernise and transform our operating processes, we continue to build a resilient, future-ready workforce that is aligned with our purpose, equipped to meet evolving demands, and empowered to deliver meaningful outcomes for our stakeholders.

At the heart of the transformation is our people. We are fostering a psychologically safe environment in which people can contribute ideas, raise concerns, and bring their authentic selves to work knowing they are respected, supported, and valued.

We will continue to invest in our workforce through skill development and reskilling programs that respond to emerging needs. We are strengthening our leadership capability at all

levels to develop adaptive, inclusive leaders who can guide their teams through transformation with clarity and confidence.

We are building organisational resilience by fostering a culture of continuous learning, innovation, and strong shared values. Through the delivery of our Workforce Strategy and by evolving our Employee Value Proposition, we will continue to cultivate a connected, capable, and engaged workforce.

### Key activities

- **Leadership and capability development.** We will embed our capability development framework and deliver targeted programs to strengthen core competencies and elevate leadership capability at all levels.
- **Connection and belonging.** We will foster a positive, inclusive culture through the evolution of our safety and wellbeing framework, and the development and implementation of a Diversity and Inclusion Strategy.
- **Talent and performance management.** Attracting, developing, and retaining talent remains a priority. We will evolve our Employee Value Proposition (EVP) and strengthen our talent pipeline through targeted attraction and retention initiatives. Additionally, we will provide clear expectations and structured development pathways to enable career growth, build capability, and drive performance.
- **People processes and governance.** We will use strategic workforce data and insights for reporting on key metrics that evaluate performance and support proactive responses to emerging workforce trends. We will strengthen our policies and governance structures to provide transparency and ensure a consistent experience for our people.



## TECHNOLOGY

We are developing a contemporary, scalable, and secure technology environment that enables operational effectiveness and regulatory excellence.

We are focused on maturing our technology environment to enable and support our transformation program. Embedding enterprise architecture governance will ensure technology capabilities and initiatives align with our strategic direction, deliver on transformation program outcomes, and meet the needs of

the organisation in response to changes in the external environment.

We will continue to strengthen our cyber security maturity, advance our IT service management practices, and improve our platform management capabilities to uplift our technology environment and enable contemporary service delivery.

### Key activities

- **Cyber security.** We will continue to advance our cyber security posture based on industry-leading frameworks by maturing our governance practices and strengthening our control measures for endpoint devices and identity and access management.
- **IT service management (ITSM).** Maturing our ITSM practices will be a continued focus, with the development and adoption of new guidelines and procedures, and the implementation of a Configuration Management Database (CMDB) to centralise and improve the information and management of IT assets.
- **Platform management.** We will uplift our monitoring tools to strengthen management and reporting against performance thresholds and metrics for system availability and uptime, backup and recovery, cyber security incidents and events, and service levels.

## DATA

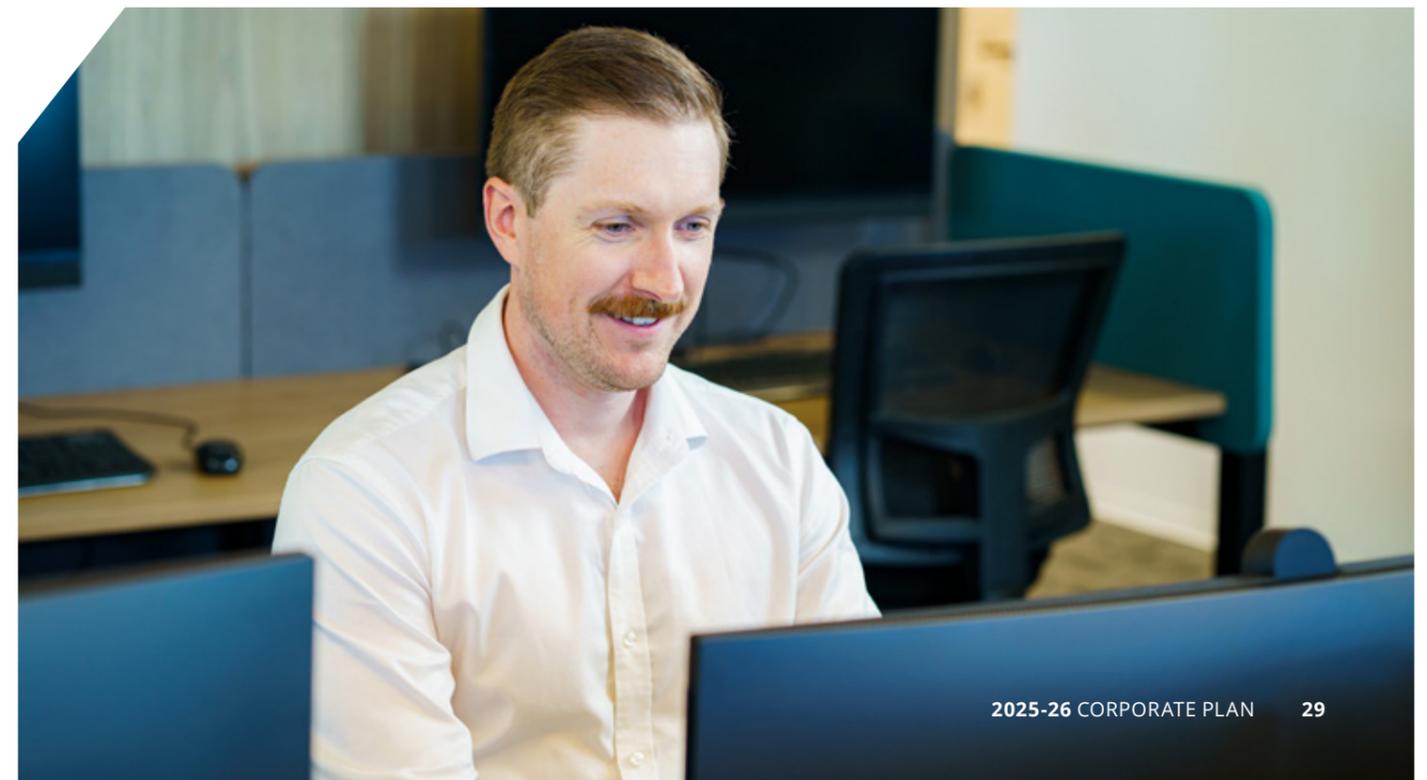
As custodian, we continue to prioritise the safety, integrity and quality of the data we collect and hold.

We use our data to inform our activities, and we are committed to optimising its strategic value by embedding contemporary governance and management frameworks. We will continue to focus on ensuring our data landscape is ready for the organisation's migration to a new core registry system.

To progress our data and information management capabilities, we will ensure a fit-for-purpose approach to data governance that reflects the organisation's strategic and operational agenda, matures data intelligence and insights, and continue to uplift our information management practices.

### Key activities

- **Data governance.** We will refine our data governance priorities to focus on data remediation, consolidation, and migration activities to meet the needs of our transformation program, while enabling continuous improvement in our operations.
- **Data intelligence.** Advancing the use of data intelligence to enable insights-based decision making in our administrative and regulatory activities will be a continued focus, supported by the migration of our data warehouse to a contemporary solution to ensure scalable and efficient management and analysis of data.
- **Information management.** We will continue to improve our information management practices by maturing our standards and procedures and developing our SharePoint architecture as a foundational capability in our longer-term information management roadmap.





## RISK MANAGEMENT



### OUR RISK CULTURE

Sound risk management practices and an embedded mature risk culture are essential to achieving our purpose and strategic priorities.

We promote a positive risk culture in which identifying and managing risk is everyone's responsibility. Through open dialogue we strive to embed risk management into our day-to-day activities and make decisions to align with the organisation's risk appetite. We continue to prioritise the building of risk awareness and capabilities across the organisation.

We periodically review and assess our risk management against the 6 Commonwealth Risk Management Capability Maturity Model attributes to inform and focus our efforts on maturing our risk management practices.

### OUR RISK MANAGEMENT FRAMEWORK

Our Risk Management Framework (the framework) is aligned with the Commonwealth Risk Management Policy and the international risk management standard (ISO 31000:2018).

The framework supports us to proactively identify, assess, treat, monitor, and report risks, while ensuring appropriate strategies are in place to mitigate risk and maximise opportunities.

Over the period of this Corporate Plan, we will continue to improve the integration of risks with our decision-making, operations, planning, control, and reporting frameworks. We will build our risk capability through targeted risk training and evolve the way we report on risk across the organisation, to the Audit, Risk Management and Compliance Committee and to the Board.



## OUR STRATEGIC RISKS

Coal LSL has 6 strategic risks and 4 enterprise risks, each with mitigations that are regularly monitored for alignment with our risk appetite statement. Oversight of Coal LSL's strategic and enterprise risks (including mitigation strategies for risks outside of tolerance) is provided to the Board and its sub-committees.

Risk description	Risk mitigation
<p><b>Organisational sustainability</b>  <i>– we are unable to operate effectively, flexibly and responsively to ensure sustainable operational delivery.</i></p>	<p>Operating effectively as an organisation means delivering our regulatory and administrative functions through scalable, efficient, and high-quality processes, practices and engagements.</p> <p>We will modernise Coal LSL's operating environment through a range of initiatives to streamline and digitise our processes. Leveraging the new core registry system, the system that holds entitlements for eligible employees, we will standardise and simplify our core processes.</p> <p>We will continue to enhance cyber governance and controls through initiatives based on industry-leading frameworks to protect our information and data. We will continue with our investment in data and information management practices to enhance the integrity of our data and records.</p>
<p><b>Culture and capability</b>  <i>– we fail to have the capabilities or culture necessary to successfully perform our roles as custodian of the Scheme and regulator of the Scheme in an evolving environment.</i></p>	<p>We are people-centric and dedicated to building a connected, capable workforce that is engaged and proud of the work they do. Through our workforce strategy we will continue to build leadership and people capabilities and competencies; mature our talent and performance management processes; and evolve our culture to nurture a connected and capable workforce.</p> <p>By embedding our employee value proposition (EVP), we aim to enshrine our organisational values and expectations in day-to-day operations, which will further support the attraction and retention of organisational capabilities.</p>
<p><b>Effective regulator</b>  <i>– we are unable to effectively fulfil our regulatory intent of engagement, education, and enforcement.</i></p>	<p>We will continue to mature and evolve our regulatory activities in accordance with Regulatory Best Practice, ensuring transparent and consistent decision making and maintain integrity and independence.</p> <p>We will mature our regulatory frameworks and engage regularly with stakeholders to provide forums and processes for feedback.</p> <p>We will further develop our education and engagement activities, enabling us to take a collaborative, transparent and proportionate approach to maximise regulatory outcomes.</p>

Risk description	Risk mitigation
<p><b>Stakeholder trust</b>  <i>– we fail to uphold public and government trust as the custodian of the Scheme.</i></p>	<p>We proactively support tripartism, collaboration and stakeholder feedback, fostering trust and genuine two-way communication. Underpinned by policies and protocols our decisions are made in the best interest of the Scheme, adhering to our obligations as a corporate Commonwealth entity.</p> <p>We will further embed privacy and fraud and corruption awareness activities in the organisation, evolving training programs and staff knowledge to protect the organisation's assets. We stay close to emerging internal and external issues, allowing us to proactively manage reputational risk and build stakeholder trust wherever possible.</p>
<p><b>Funding adequacy</b>  <i>– we fail to have adequate funds to meet scheme entitlements.</i></p>	<p>Maintaining Coal LSL's funding adequacy is supported by a range of developed risk-based response plans and reporting mechanisms. The Investment Committee have stringent oversight over the governance of the portfolio which includes investment performance and strategic reviews, utilising the expertise of our investment advisers for longer term forecasts and recommendations.</p> <p>We have a system of ongoing monitoring of the investment environment, which includes scenarios of ongoing geopolitical tensions that may impact the Fund. We will continue to develop our emerging risk and environment scanning approach, which include the organisation's approach to Environmental, Social, and Governance related risks.</p>
<p><b>Successful transformation</b>  <i>– we are unable to successfully deliver our transformation agenda and realise its benefits.</i></p>	<p>We have and will continue to apply significant amounts of rigour to the transformation program to ensure it remains aligned to approved costs, timing and benefits. We have implemented a tiered governance model that balances oversight from the Board and Executive team with day-to-day operations of the program within approved boundaries.</p> <p>The oversight is supported with ongoing monitoring and reporting on progress which allows for early indication and rectification of deviations from approved budget, time and quality constraints. In addition, Coal LSL has partnered with third party vendors with significant expertise and capability in transformation programs to further strengthen the likelihood of successfully delivering our transformation agenda.</p>

## OUR ENTERPRISE RISKS

Risk description	Risk mitigation
<p><b>Data risk</b>                      – we fail to maintain accurate and complete corporate data.</p>	<p>Data is fundamental to delivering on our purpose. Our commitment to our core registry replacement means we are prioritising initiatives for data remediation and strengthening our data platform.</p> <p>Data quality work on historical and source data, combined with contemporary technology capabilities, will enhance system and data integration and improve data integrity.</p>
<p><b>Information security</b>                      – we fail to maintain the confidentiality, access, and availability of all official information to only authorised users of the information.</p>	<p>We recognise the dynamic risk landscape associated with information security and we will continue to implement preventative and detective controls to manage this risk.</p> <p>Our cyber roadmap is based on industry-leading frameworks and will ensure that we continue to strengthen our cyber security posture and maturity.</p>
<p><b>Fraud and corruption</b>                      – we fail to prevent and/or detect instances of fraud and corruption, including following appropriate investigation protocols.</p>	<p>We have refined our Fraud and Corruption Framework in line with the Commonwealth Fraud and Corruption Framework. To ensure the framework is embedded, all staff receive Fraud and Corruption training and Conflicts of Interest training annually.</p> <p>Our Third Line of Defence (Internal Audit) perform a Levy Funding and Reimbursement Payments audit annually to mitigate the risk of these internal processes.</p>
<p><b>People safety</b>                      – we fail to maintain an environment that provides for the health, safety, and wellbeing of workers, visitors, and others involved in our operations.</p>	<p>We are committed to implementing actions to proactively build safety and reduce hazards in our workplace.</p> <p>We will enhance our leadership training on safety and wellbeing and implement an awareness program for our staff including both physical and psychosocial hazards.</p> <p>This will be supported by a reporting system uplift to improve visibility of incidents, investigation processes, and assessment of hazards.</p>



# STAKEHOLDERS



## HOW WE ENGAGE – ENGAGEMENT STRATEGY



Coal LSL takes a tripartisan approach to our relationship with our stakeholders, who include those who have obligations under the legislation, those who benefit from the Scheme, those who have an interest in our operations, and those who are impacted by the outcomes of Coal LSL.

Guided by our core principles of collaboration, transparency, and engagement, we are committed to fostering two-way communication that enables stakeholder participation and informs our decision-making.

Engagement is embedded in our operations – we consult with stakeholders to draw on their expertise and ensure our decisions are well-informed and sustainable. Ongoing dialogue with government and other stakeholders helps us stay

ahead of and proactively manage changes that impact our organisation and stakeholders.

We build trust in our custodianship of the Scheme by engaging with our stakeholders, so they understand our processes and the obligations they have under the Scheme. In line with our TORCH values – Trust, Open, Respect, Care, and Honest – we strive for transparent and purposeful engagement that ensures stakeholders are well-informed and have opportunities to contribute to decisions that affect them.



# PERFORMANCE

Our purpose is to connect employees with their long service leave benefits, and our performance measures are designed to support this goal.

Ensuring eligible employees can access clear and accurate information about their entitlements is a key indicator of our success. As of June 2025, we hold over 71 million hours of long service leave on behalf of more than 160,000 employees, including over 65,000 currently active in the industry.

We are clear in our purpose and committed to improving employee access to their entitlements. Our corporate plan outlines a path to achieving our goal – enabling more than 95% of active employees to access their information anytime, anywhere.



Our goal is that **>95%** of active employees can access their long service leave record in real time



**71.2 million**

Hours of long service leave held at 30 June 2025



**2.1 million**

Long service leave hours taken in FY2024-25



**>65,000**

Active employees in the industry at 30 June 2025



## STRATEGIC PRIORITY: Prudent financial management

**Outcome:** Adequate fund surplus to meet long service leave liabilities.

Measure	Description	2024-25 <sup>#</sup>	TARGETS			
			2025-26	2026-27	2027-28	2028-29
Fund Surplus	The ratio of funds under management over the actuarial discounted liability provision.	138%	115% (+15/ -5%)	115% (+15/ -5%)	115% (+15/ -5%)	115% (+15/ -5%)
Investment Portfolio Return	The annual portfolio return expressed as an 8-year rolling average.	7.3%	CPI + 3% over rolling 8-year period	CPI + 3% over rolling 8-year period	CPI + 3% over rolling 8-year period	CPI + 3% over rolling 8-year period
Administration Expense Ratio (AER) <sup>^</sup>	The ratio of operational expenditure* over fund income** expressed as a 12-month rolling average.	0.56%	≤ 0.80%	≤ 0.64%	≤ 0.56%	≤ 0.56%

<sup>^</sup> The costs associated with Coal LSL's multi-year transformation will temporarily increase our AER.

\* Excludes depreciation and portfolio management expenses. # Actuals as at 30 June 2025.

\*\* Fund income = appropriated levy receipts divided by payroll levy rate %.

## STRATEGIC PRIORITY: Engaged, active and compliant participants

**Outcome:** Employers comply with their obligations under the legislation.

Measure*	Description	2024-25 <sup>#</sup>	TARGETS			
			2025-26	2026-27	2027-28	2028-29
Employer Compliance	The % of employers who submit both levy returns and payments by the due date	64%	64%	70%	85%	90%
On-time Levy Submissions	The % of employers who submit levy returns by the due date	84%	88%	90%	91%	95%
On-time Levy Payments <sup>^</sup>	The % of employers who submit payments by the due date	64%	64%	70%	85%	90%
Entitlement Recorded On-time	The % of active employees whose entitlements were recorded on a levy return received by the due date	88%	92%	94%	95%	95%

\* All measures are based on a 6-month rolling average. <sup>^</sup> The method for calculating On-time Levy Payments has been amended to reflect the date the payments were submitted, rather than the date they were processed. The change in calculation has seen the average compliance rate increase by approximately 20%.

# Actuals as at 30 June 2025.

## STRATEGIC PRIORITY: Effective operations

**Outcome:** Improved productivity through digital and streamlined processes that enhance stakeholder interactions

Measure*	Description	2024-25 <sup>#</sup>	TARGETS			
			2025-26	2026-27	2027-28	2028-29
Core Process Effectiveness	The % of core processes that meet or exceed their SLAs.	45%	43%	61%	91%	93%
Levy Lines Processed	The % of levy lines processed within 3 business days.	47%	40% <sup>^</sup>	60%	90%	95%
Leave Applications Processed	The % of leave applications processed in 1 business day.	50%	60%	75%	95%	95%
Reimbursement Claims Processed	The % of reimbursement claims processed within 3 business days.	38%	30% <sup>^</sup>	50%	90%	90%
Transformation Milestones Achieved	The % of milestones achieved on time and within budget (+/- 5%).	n/a	Core registry replaced	n/a	n/a	Program benefits achieved

\* All measures are based on a 6-month rolling average. # Actuals as at 30 June 2025.

<sup>^</sup> The decline in metrics from baseline for FY2025-26 assumes a temporary loss in productivity as Coal LSL transitions to the new Core Registry System.

## ENABLING CAPABILITIES: Strengthening organisational capabilities

**Outcome:** Improved maturity across our four enabling capabilities.

Measure	Description	Baseline	TARGETS			
			2025-26	2026-27	2027-28	2028-29
Capability Maturity	The # of enterprise capability elements that meet maturity targets	5 out of 27	10 out of 27	18 out of 27	25 out of 27	27 out of 27
People Capability*	1 - Initial	4	2	-	-	-
	2 - Repeatable	2	3	3	-	-
	3 - Defined	-	1	3	6	6
	4 - Managed	-	-	-	-	-
	5 - Optimised	-	-	-	-	-
Technology Capability*	1 - Initial	-	-	-	-	-
	2 - Repeatable	10	7	4	1	-
	3 - Defined	-	3	6	8	8
	4 - Managed	-	-	-	1	2
	5 - Optimised	-	-	-	-	-
Data Capability*	1 - Initial	2	1	1	-	-
	2 - Repeatable	3	3	2	1	-
	3 - Defined	1	2	2	3	3
	4 - Managed	-	-	1	2	2
	5 - Optimised	-	-	-	-	1
Risk Capability*	1 - Simple	-	-	-	-	-
	2 - Established	-	-	-	-	-
	3 - Defined	-	-	-	-	-
	4 - Embedded	5	5	5	5	5
	5 - Advanced	-	-	-	-	-

\* Measured as the number of capability elements at each maturity level.

# COALLSL



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