

COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) CORPORATION
STATEMENT OF EXPECTATIONS – 2021

Ministerial Statements of Expectations provide greater clarity about government policies and objectives relevant to the regulator in carrying out its statutory functions. As the Commonwealth Minister for Industrial Relations responsible for the *Coal Mining Industry (Long Service Leave) Administration Act 1992* (the Administration Act), *Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992* (the Levy Act) and the *Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992* (the Collection Act), this statement sets out those expectations in relation to the Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL).

Overview

Coal LSL is the Australian Government corporation established to manage and administer the Coal Mining Industry (Long Service Leave) Fund (the Fund) for the black coal mining industry. Payments are made from the Fund in relation to portable long service leave entitlements (portable scheme) for eligible employees in the black coal mining industry in New South Wales, Queensland, Western Australia and Tasmania.

Under the Administration Act, Coal LSL's functions are to:

- (a) to establish and maintain the Fund,
- (b) to make payments into and out of the Fund, and invest the Fund, in accordance with this Act and the Collection Act,
- (c) to advise the Minister as to the rates of payroll levy that should be imposed on employers,
- (d) to monitor payments of the payroll levy and keep the Minister informed of any failure by an employer to pay the payroll levy, and
- (da) to maintain records relating to:
 - (i) the employment of eligible employees
 - (ii) the qualifying service completed by, and the long service leave entitlements of, eligible employees
 - (iii) employers of eligible employees
 - (iv) amounts that are, or may become, payable to employers under Part 7 of the Act
- (e) to advise the Minister generally on the operation of this Act, the Levy Act and the Collection Act, and
- (f) such other functions as are conferred on the Corporation by the Collection Act.

The Government recognises and respects the independence of the Chief Executive Officer of Coal LSL and their responsibility for regulation of the Fund. I expect the Coal LSL to exercise its functions and powers in good faith and to the best of its ability.

Principles of regulator best practice

Under the *Regulator Performance Guide July 2021*, the principles of regulator best practice are:

1. **Continuous improvement and building trust:** regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture, to build trust and confidence in Australia's regulatory settings.
2. **Risk-based and data-driven:** regulators maintain essential safeguards, using data and digital technology to manage risks proportionately to minimise regulatory burden and to support those they regulate to comply and grow.
3. **Collaboration and engagement:** regulators are transparent and responsive, implementing regulations in a modern and collaborative way.

I expect Coal LSL to embed and act in accordance with the Government's principles of regulator best practice when conducting its operations, as well as strive for continuous improvement against these principles.

In exercising its functions and powers in accordance with these principles, I expect Coal LSL to:

1. Continuous improvement and building trust

- Actively build staff capability, including ensuring staff have relevant knowledge of Coal LSL's legislated responsibilities, and are empowered to identify and implement improved practices.
- Have in place transparent external accountability processes encouraging procedural fairness, accessibility and responsiveness that builds stakeholder trust and confidence in the performance of Coal LSL's functions.
- Demonstrate a commitment to internal accountability through processes that foster a culture of continuous improvement and reflection, including considering best practice examples.

2. Risk based and data driven

- Consider the risks, cost effectiveness and impact of regulatory action, both before and after the regulatory action has commenced.
- Build staff and organisational data capability and digital literacy, drawing on expertise to support effective use, including the development of regulatory technology solutions.
- Maintain a compliance and enforcement strategy that articulates Coal LSL's approach to risk and how this informs decision making, including measures to encourage voluntary compliance and focus on compliance activity where risks and impact of harm are greatest.
- Take into account the cumulative burden of regulation, including the impact on smaller businesses, when establishing and implementing processes.
- Be receptive to diverse views about implementation of regulation, while ensuring the integrity of the regulatory system.

3. Collaboration and engagement

- Engage genuinely and regularly with stakeholders, seeking out real-time feedback including on the development of, and reporting against, meaningful performance measures.
- Establish processes that enable meaningful and timely stakeholder engagement by providing early notification of operational changes.
- Provide guidance and information that is relevant, clear, concise and easily accessible to help employers of eligible employees understand their obligations and responsibility and encourage voluntary compliance.
- Be transparent in decision-making and, where possible, provide reasons for regulatory decisions or share anonymised compliance ‘case summaries’.

Innovation and regulatory change

I expect Coal LSL to continually monitor the environment they operate in to ensure that regulatory approaches keep pace with changes in technology, industry practices and community expectations. I also expect Coal LSL to regularly review and, where necessary, adjust policies, protocols and operating procedures, to ensure it can respond to the changing social, technological and commercial context in which it operates.

The Government’s policy priorities and objectives

Deregulation Agenda

The Deregulation Agenda is a key component of the Government’s plan to support economic recovery by making it easier for businesses to grow and create jobs. Ensuring our regulatory settings are the best they can be helps boost productivity and competitiveness and supports well-functioning markets, business investment, job creation and growth.

Under the Deregulation Agenda, the Australian Government is taking a new whole-of-government approach to regulatory policy. This will focus on reducing barriers affecting Australia’s productivity growth and competitiveness. It will also make sure regulations are well-designed, fit-for-purpose and support businesses to grow and create jobs.

I expect Coal LSL to contribute to the deregulation process by:

- seeking opportunities to remove duplication and streamline processes in order to improve efficiency and lift productivity
- acting in accordance with regulator best practice in its decision-making, policies, processes and communication practices, in order to maximise transparency and minimise compliance costs
- applying the *Regulator Performance Guide July 2021* to its regulatory functions to assess its performance and engagement with stakeholders
- incorporating regulator performance reporting into the entity’s reporting processes, as required under the *Public Governance, Performance and Accountability Act 2013* and *Public Governance, Performance and Accountability Rule 2014*, in order to support greater transparency and accountability of regulator performance.

Relationship with Minister and portfolio

Coal LSL plays an essential role in ensuring that the Government and I, as the Minister responsible for the Administration Act, Levy Act and Collection Act, are well placed to respond promptly to issues impacting the portable scheme. The Attorney-General's Department (the department) also supports and advises me by providing advice on policy development and the performance of the portfolio's regulatory systems. The department takes into account the knowledge and expertise of Coal LSL when considering changes to policy and legislation that impact on the operation of the scheme.

Accordingly, I expect Coal LSL to work collaboratively with the department on significant issues relating to strengthening the operation of the administration of the Fund and operation of the scheme.

As the responsible Minister, I will provide an enabling environment for Coal LSL to consistently implement best practice by ensuring you are well informed of the Government's policy direction, as specific initiatives and strategies are being considered.