

COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) CORPORATION STATEMENT OF EXPECTATIONS-2024

Ministerial Statements of Expectations provide greater clarity about government policies and objectives relevant to the regulator in carrying out its statutory objectives. As the Australian Government Minister responsible for Employment and Workplace Relations, my responsibilities include 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 my 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 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 for eligible employees in the black coal mining industry.

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

1. to establish and maintain the [Fund](#);
2. to make payments into and out of the [Fund](#), and invest the [Fund](#), in accordance with the Administration Act and the Levy Act;
3. to advise the Minister as to the rates of [payroll levy](#) that should be imposed on [employers](#);
4. to monitor payments of the [payroll levy](#) and keep the Minister informed of any failure by an [employer](#) to pay the [payroll levy](#); and
5. to maintain records relating to:
 - i. the employment of [eligible employees](#); and
 - ii. the [qualifying service](#) completed by, and the long service leave entitlements of, [eligible employees](#); and
 - iii. [employers](#) of [eligible employees](#); and
 - iv. amounts that are, or may become, payable to [employers](#) under Part 7 of the Administration Act; and
6. to advise the Minister on the operation of the Administration Act, Levy Act, and the Collection Act; and
7. such other functions as are conferred on the [Corporation](#) by the Collection Act.

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

In applying the following expectations, Coal LSL should consider the recommendations of the 2021 KPMG report: *Enhancing Certainty and Fairness: Independent Review of the Coal Mining Industry (Long Service Leave Funding) Scheme*, specifically, those recommendations directed at Coal LSL.

Principles of regulator best practice

In exercising its functions and powers in accordance with these principles, I expect Coal LSL to follow the principles of best regulatory practice, found under the Department of Finance's *Regulator Performance Resource Management Guide 128*:

1. Continuous improvement and building trust

- Support trust and tripartism through constructive dialogue with stakeholders including industry, government and workers and their representatives, to ensure continuous improvement and best practice
- 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
- Consider 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 responsibilities and encourage voluntary compliance
- Be transparent in decision-making and, where possible, provide reasons for regulatory decisions or share anonymised compliance 'case summaries'.

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.

Innovation and regulatory change

As a modern regulator, I expect Coal LSL to continually monitor the environment it operates 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

In addition to the core functions noted above, the Government expects Coal LSL to observe and contribute to the following Government priorities and objectives. The Government is committed to a stewardship approach to its regulators, and believes that regulators, such as Coal LSL, will act responsibly and ethically at all times.

1. Regulatory reform agenda

The Government's regulatory reform agenda is a key component of the Government's plan to support economic recovery by working with States and Territories to effect regulatory reform to reduce duplication and boost productivity, and to account for impacts of regulation on individuals (not just businesses). 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 regulatory reform agenda, the Australian Government is also focusing on improving regulator performance, capability, and culture through regulatory stewardship.

I expect Coal LSL to contribute to the regulatory reform process by:

- Seeking opportunities to remove duplication and streamline processes to improve efficiency and lift productivity
- Acting in accordance with regulator best practice in its decision-making, policies, processes, and communication practices, to maximise transparency and minimise compliance costs
- Applying the *Regulator Performance (Resource Management Guide 128)* to its regulatory functions to assess its performance and engagement with stakeholders; and incorporating regulator performance reporting into its reporting processes, as is noted as best practice in the *Regulator Performance (Resource Management Guide 128)*.

2. Adapt modern data and digital functionality

I expect Coal LSL to uptake modern data and digital functionality in its role as a regulator. The Australian Government is committed to putting people and business at the centre of the data and digital transformation. Technology is central to everything that people, business, and government do in today's world. The Government recognises the importance of data and digital capabilities to create more insightful data-driven policies and to deliver easy, accessible, and secure services for people and business.

3. Stakeholder engagement

Recognising recent reforms to the legislation underpinning the black coal mining industry portable long service leave scheme (the scheme), the Corporation has an integral role in assisting with a smooth transition to implementing the new requirements. Open, transparent, and consistent engagement with stakeholders including industry, government and workers is crucial to maintaining competent and innovative regulatory practices.

Consequently, I expect Coal LSL to build tripartism by:

- Seeking opportunities to engage and consult genuinely with employers, employees, and their respective representative groups where appropriate.
- Being receptive to feedback and diverse views from those stakeholders.
- Seeking to increase transparency in decision-making processes.
- Providing up-to-date, clear, and accessible guidance and information to assist employers of eligible employees with compliance with the scheme.
- Maintaining the integrity and independence of the agency as an accountable regulator.

Relationship with Minister and portfolio

Coal LSL plays an essential role in ensuring that the Government and I, as the Minister for Employment and Workplace Relations responsible for the legislation which establishes the scheme, are well placed to respond promptly to issues impacting the scheme. The Department of Employment and Workplace Relations (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 to enable the department to provide accurate and timely policy advice 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.

March 2024