



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



COALS L

CORPORATE PLAN 2024/25



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Acknowledgement of Country

Coal LSL acknowledges the traditional custodians of the land on which we work. We pay our respects to its people, cultures and elders past, present and emerging.

A MESSAGE FROM OUR CHAIR AND CEO

It is with great pleasure that we present this year's corporate plan.

As Coal LSL progresses with our multi-year transformation, our initiatives are directed toward becoming a best-practice organisation delivering our purpose of ensuring eligible employees are connected with their long service leave benefits.

Our strategic direction over the past few years has laid much of the foundation for this transformative work and aligns with recommendations directed at Coal LSL in the 2021 KPMG Report *Enhancing certainty and fairness: Independent Review of the Coal Mining Industry (Long Service Leave Funding) Scheme*.

The recommendations outlined in the report align with our strategic view on how Coal LSL needs to advance as a contemporary corporation, serving the needs of its stakeholders. These recommendations are comprehensively addressed in our transformation program, which will gain significant momentum under this year's plan.

Operating effectively as an organisation means delivering our regulatory and administrative functions through scalable, efficient, and high-quality processes, practices and engagements.

During the next 12 months we will focus on the development of our core registry platform, a critical investment in the infrastructure that holds the entitlement for eligible employees under the Scheme. The heavy lifting required to build our registry will be the basis of our online services to allow us to offer all the seamless interactions the community expects from a contemporary government agency.

Our operating environment continues to be dynamic, with many factors at play, including fast-paced changes in technology and cyberspace, the black coal mining industry itself, the volatility of global investment markets and changes in the industrial relations landscape.

At the beginning of the year we successfully implemented the changes required operationally and legislatively as a result of the *Protecting Workers Entitlements Bill 2023*. The changes to our governing legislation were recommended to Government in the 2021 KPMG Report and were specifically for casuals in the industry. We remain positioned to work closely with the Department of Employment and Workplace Relations and the relevant stakeholders as required on any future legislative changes.

We are proud to present the 2024-25 Corporate Plan and we look forward to the year ahead.



Christina Langby
Chair



Darlene Perks
Chief Executive Officer

Statement of preparation and coverage period

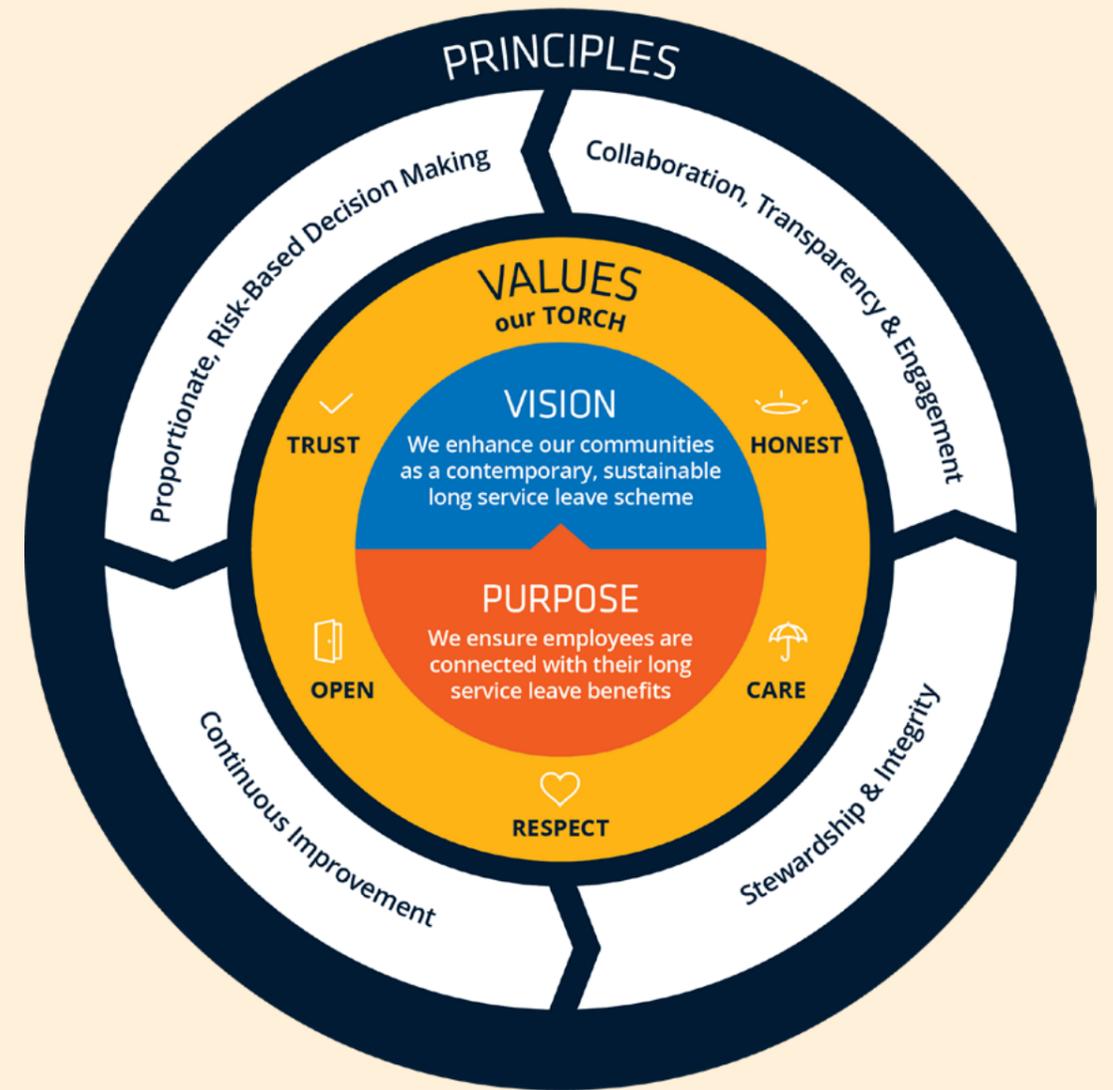
We, the Board, as the accountable authority of the Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL), are pleased to present the 2024-25 Corporate Plan, which covers the four-year period from 2024-25 to 2027-28, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).



ABOUT US



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

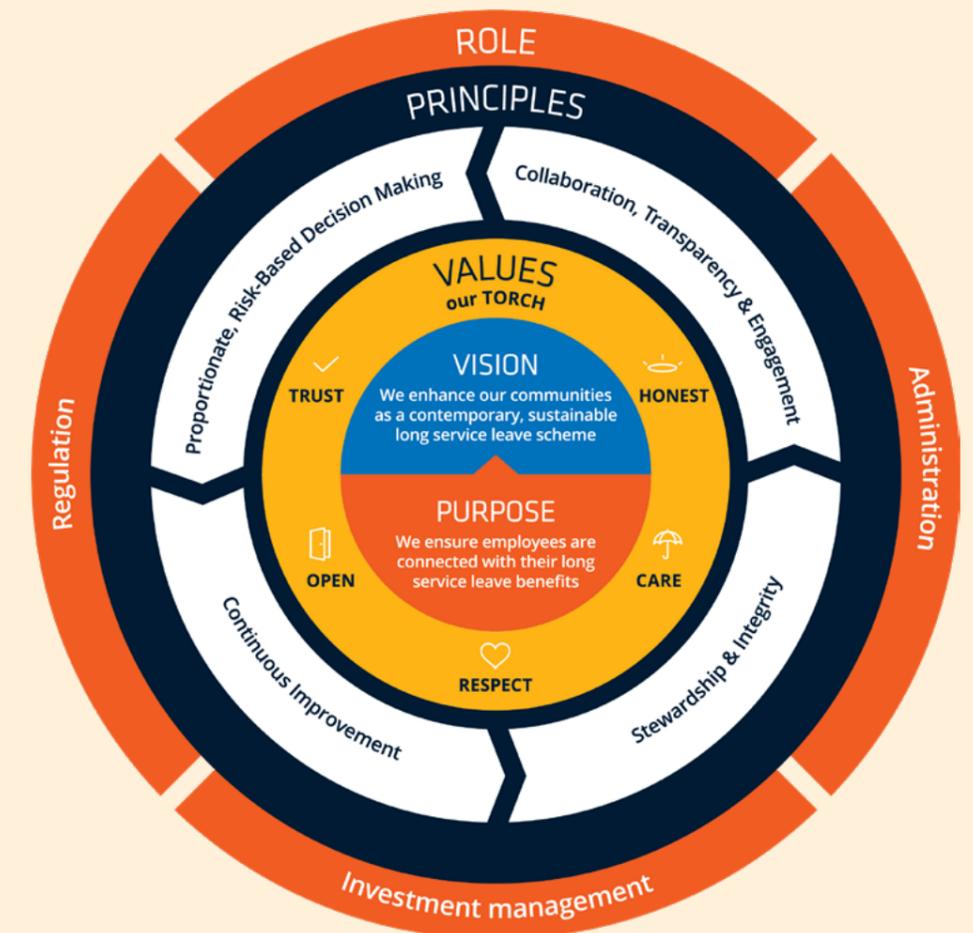


Established under the *Coal Mining Industry (Long Service Leave) Administration Act 1992* (the Admin Act), our role is to:

- 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.

As the custodian of the Coal Mining Industry Long Service Leave Scheme (the Scheme) we perform 3 core functions:

- Regulation
- Administration
- Investment management.



REGULATION

Coal LSL takes a collaborative, transparent and proportionate approach to maximising regulatory outcomes and minimising the regulatory burden for participants in the Scheme.

We prioritise making compliance easy for employers by keeping them informed about their obligations; and, just as importantly, we ensure eligible employees have access to – and understand – the information they need about their long service leave entitlements.

Our Compliance and Enforcement Policy sets out Coal LSL's approach to its regulatory functions and powers under the Admin Act and the *Coal Mining Industry (Long Service Leave) Payroll Levy Collection*

Act 1992 (the Collection Act), and guides our decisions on when and how we undertake specific regulation activities. These activities are a strategic combination of proactive and reactive risk-based measures with escalating processes to resolve ongoing non-compliance.

Further, we use data and feedback to continually improve our regulatory practice and deliver on our purpose of connecting employees with their long service leave benefits.

We aim to deliver regulatory outcomes that benefit the community and industry we serve. We have a proportionate approach to resolving issues and our decisions are consistently guided by procedural fairness.



Education

We help employers and employees understand how the Scheme operates through accessible education programs and information designed to make compliance easy.



Engagement

We work with employers, fostering an engagement approach to enhance voluntary compliance with the Scheme.



Enforcement

We deliver enforcement activities transparently, proportionately and progressively in accordance with regulator best practice and our Statement of Intent.

Statement of Intent

Coal LSL's Statement of Intent, which responds to the Ministerial Statement of Expectations, 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.

ADMINISTRATION

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

We strive to provide a seamless, integrated, and consistent experience across all employee and employer interactions with Coal LSL. We are evolving our information and data management practices in line with best practice to improve efficiency and productivity, optimise service quality, enhance decision-making, and foster stakeholder trust in our operations.

Our commitment to continuous improvement of our administration processes and practices

ensures a constant focus on delivering service consistency and quality. Being responsive to feedback from stakeholders supports the ongoing development of scalable and optimised operational delivery.

Guided by our principles and values, we empower our people and invest in technology to deliver contemporary services to eligible employees and employers in the Scheme.

Scheme Administration Services



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.



Coal LSL manages the assets that support payment of long service leave benefits.



128%
Estimated fund surplus at 30 June 2024



18
Investment managers across our portfolio



CPI+3%
Targeted over rolling 8-year periods

INVESTMENT MANAGEMENT

The Strategic Asset Allocation (SAA) is our plan for managing the investment portfolio, which is reviewed at least once a year.

Our plan is designed to ensure that assets are well diversified and sufficient to finance liabilities, which are the projected cost of long service leave reimbursements paid to employers.

Our investment objective is to achieve CPI plus 3% p.a. over rolling 8-year periods.

Our corporate objective is for the fund surplus to be 115%, meaning assets are more than liabilities by 15%. The fund surplus is impacted by both asset and liability volatilities. To mitigate the impact of such volatilities, the Fund operates with a tolerance range around the 115% corporate objective; 110% - 130%. The fund surplus at 30 June 2024 is estimated at around 128%, which is within the set tolerance range.

The SAA investment planning uses capital market assumptions which are forward-looking returns for each type of investment, provided and researched by Coal LSL's asset consultant, Frontier. These assumptions are reviewed throughout the year by the asset consultant, and if there are significant changes to these or to investment markets more generally, the SAA is reviewed outside the annual cycle.

The types of investments (or asset classes) in Coal LSL's investment portfolio are shown in the table below.

In setting the plan for the financial year 2025, we have considered the ability to meet the investment and corporate objectives and the level of liquidity in the portfolio. The SAA has illiquid assets of around 22% and the SAA has been stress tested using adverse investment assumptions, to ensure its suitability. The amount of liquid cash held is also carefully considered and monitored throughout the year to ensure there is sufficient cash for making reimbursement payments as they fall due.

Coal LSL has appointed 18 investment managers across 19 strategies to manage our investment portfolio.

Strategic Asset Allocation	SAA Target	SAA Target
Asset Class	FY2024	FY2025
Australian Equities	16.5%	17.5%
International Equities	35.5%	34.5%
Property	7.0%	7.0%
Unlisted Infrastructure	13.5%	12.0%
Alternative Debt	12.0%	13.5%
Fixed Interest	8.5%	8.5%
Cash	7.0%	7.0%
Total	100.0%	100.0%



OUR ENVIRONMENT

We are attentive to changes in our operating environment and respond by adapting our priorities to support our stakeholders and our vision of being a contemporary and sustainable long service leave scheme.

Coal LSL will potentially be affected by a range of environmental factors in the future, both in the black coal mining industry and more broadly.

ENVIRONMENTAL LANDSCAPE



Industry



Policy



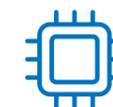
Investment markets



Sustainability



Labour markets



Technology



INDUSTRY

The Australian black coal mining industry is retaining its strength on the world stage and remains the second largest exporter of black coal behind Indonesia, with our major export markets being India, Japan, South Korea, China and Taiwan.

 **2nd**
Largest exporter of black coal

 **1,400**
Employers paying levies into the Scheme for employees

 **64,000**
Active eligible employees in the Scheme

At June 2024, there were more than 1,400 employers paying levies into the Scheme for more than 64,000 eligible employees.

Despite the transition to clean energy and renewables remaining at the forefront of the collective mind at home and overseas, the effect this is expected to have on the global demand for coal is immaterial for the life of this plan.

The Government's 2023/2024 workplace relations agenda has brought some new measures to legislation affecting the industry, including changes aimed at ensuring casual employees are treated no less favourably than permanent employees under the Scheme.

Additionally, under the *Fair Work Legislation Amendment (Closing Loopholes) Act 2023* amending the *Fair Work Act 2009*, the many labour hire employees in the industry now have access to apply to the Fair Work Commission for an order that labour hire employees must be paid at least what they would receive under a host business's enterprise agreement.

Coal LSL remains keenly aware of the changing landscape within the black coal mining industry and will continue to do so to keep pace and remain relevant to the needs of scheme participants.

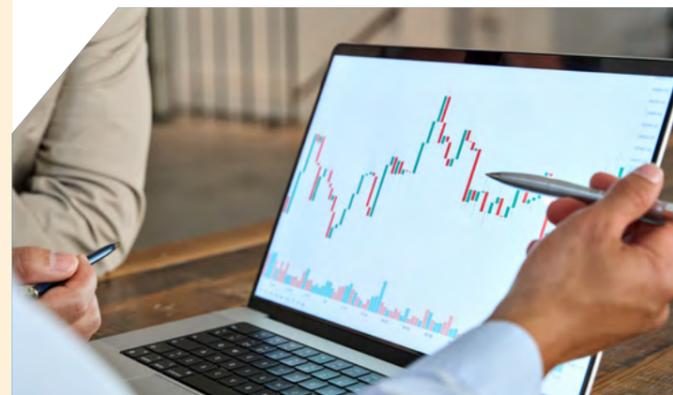
POLICY

The *Fair Work Amendment (Protecting Worker Entitlements) Act 2023* (the Act) came into effect on 1 January 2024.

Addressing Recommendation 4 of the 2021 KPMG Report (the Report), the Act amends the calculation of the accrual of a casual employee's long service leave entitlement. It also legislates the application of a casual employee's casual loading to the levy paid and to the payment of their long service leave benefit. Operational changes have been implemented within Coal LSL to accommodate the new legislation and we will continue to fine-tune them as needed over the Corporate Plan period.

The Report outlined additional recommendations to improve the Scheme, some directed to Coal LSL and others requiring legislative change. As committed to in our Statement of Intent, Coal LSL will work collaboratively with the Department of Employment and Workplace Relations to facilitate the provision of accurate and timely policy advice on matters relating to strengthening the operation of the Fund and the Scheme. We remain attuned to, and plan for, the possibility of further legislative amendments impacting Coal LSL.

The 10 recommendations addressed to Coal LSL in the Report will continue to be addressed and operationalised through our Transformation Program and other strategic programs outlined in this Corporate Plan.



INVESTMENT MARKETS

Coal LSL's investment portfolio follows a disciplined long-term strategy that is guided by our Strategic Asset Allocation (SAA), resulting in a return for the year to 30 June 2024 of 10.8%.

The benchmark return for global shares (MSCI World ex. Australia (net) unhedged) was 19.9% driven by strong performance from US tech stocks that benefited from the artificial intelligence (AI) boost. Japanese and Indian shares also did well. In contrast, Chinese shares fell due to a weak property market and weak consumer spending having broad impact. The weakness of China had flow-on effects to Australian shares. The ASX300 Accumulation Index returned 11.9%, which is still a strong result.

Global inflation expectations moderated during the year, which saw bond yields stabilise resulting in modest returns from both Australian and international bonds. The RBA cash rate reached 4.35% during the year and term deposits offered favourable spreads above the official rate.

All asset class benchmark returns were positive except unlisted property, which was negatively impacted by higher bond yields and reduced space demand for office and retail.

Current and emerging topics to watch in the investment environment are unfolding under a backdrop of ongoing geopolitical tensions. Inflation has historically occurred in waves, which may result in central bank caution in cutting interest rates. Coal LSL also monitors the global energy transition and its potential impacts on the Australian coal industry including its workforce. Topics such as these, and the potential effect on strategies within the portfolio are considered in consultation with Coal LSL's asset consultant, Frontier.

Adjustments to the SAA investment plan for financial year 2025 are relatively minor. The total allocation to equities is unchanged at 52% of the portfolio. The allocation to unlisted infrastructure is reduced by 1.5% (from 13.5% to 12.0% of the portfolio) and alternative debt increased by 1.5% (from 12.0% to 13.5% of the portfolio) which provides further access to loan opportunities and reduces the level of overall illiquidity.



SUSTAINABILITY

Societal expectations are shifting with greater pressure on organisations to be responsible global citizens by proactively contributing to a sustainable future.

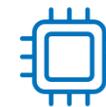
Governments and organisations have committed to minimising their environmental footprints and set strong targets for carbon neutrality. The Australian Government has set an APS Net Zero Emissions by 2030 target and has introduced legislation aimed at creating transparency of progress being made on public and private sector climate commitments.

Protection of human rights, equality, and demonstrating care for the wellbeing of all stakeholders has become imperative. Coal LSL

continues to meet its obligations as required by the *Modern Slavery Act 2018*, the *Workplace Gender Equality Act 2012*, and relevant Federal and State-based work, health and safety laws.

Recent inquiries, reviews, and Royal Commissions have brought greater scrutiny to corporate governance practices and behaviours, and stakeholders expect accountability, integrity, and transparency from all organisations. As our operating environment continues to evolve, strengthening our governance and risk management practices to remain best practice is essential.

Coal LSL's vision is to enhance our communities as a contemporary, sustainable long service leave scheme and we remain focused on further embedding Environment, Social and Governance (ESG) practices into our ways of operating.



TECHNOLOGY

The rapidly changing technology landscape in Australia presents both risks and opportunities for Coal LSL. At the forefront are cyber security; data management; and automation and AI.

Recent high-profile cases highlight the significant risks of cyber attacks and data breaches. Expectations of government and stakeholders are increasingly turning to what organisations are doing to safeguard data. Coal LSL continues to adopt key mitigation strategies published by the Federal Government and by industry-leading cyber governance and control frameworks.

Automation and AI present significant opportunities for efficiency and productivity gains, greater innovation, and growth. A key question is how to best integrate automation and AI while managing risks associated with privacy, data breaches, and transparency. Coal LSL is staying abreast of the Federal Government's

guidance and policy development on the use of AI as we consider our adoption strategy.

Data management trends in today's technology landscape centre on data-driven decision making, governance and quality, and integration and unification. While challenged with managing increasing volumes of data, we are focused on deriving actionable insights, ensuring accuracy and consistency, and integrating data sources to enable seamless flow and access.

Enhancing cybersecurity governance, maturing our data management practices and advancing mitigations and control measures are key priorities for Coal LSL.

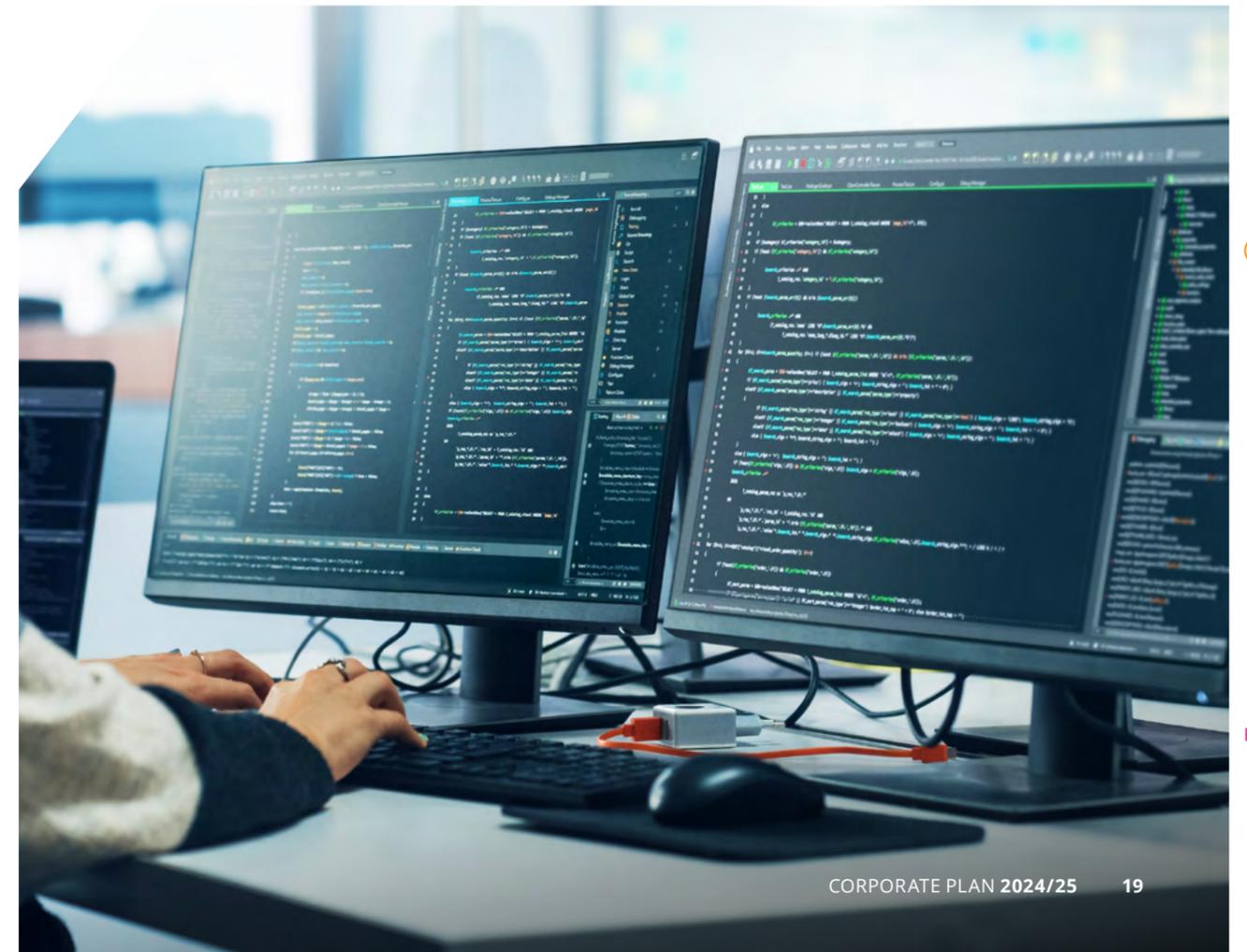


LABOUR MARKET

Expectations around flexibility continue to evolve. Employees are increasingly seeking to work for purpose-led organisations that invest in and develop their people. A strong Employee Value Proposition (EVP) and a positive culture are important differentiators that support attracting and retaining skilled talent.

The rapid advancement of technology, including the advent of AI, is driving a need for new skills and capabilities. Investment in building capabilities and retraining staff will be necessary for organisational stability and sustainability.

As we harness technology to improve our regulatory and administrative functions we will invest in training for existing staff and continue to evolve our EVP to attract and retain people with the skills and capabilities to provide a contemporary and sustainable long service leave scheme.



OUR STRATEGIC PRIORITIES



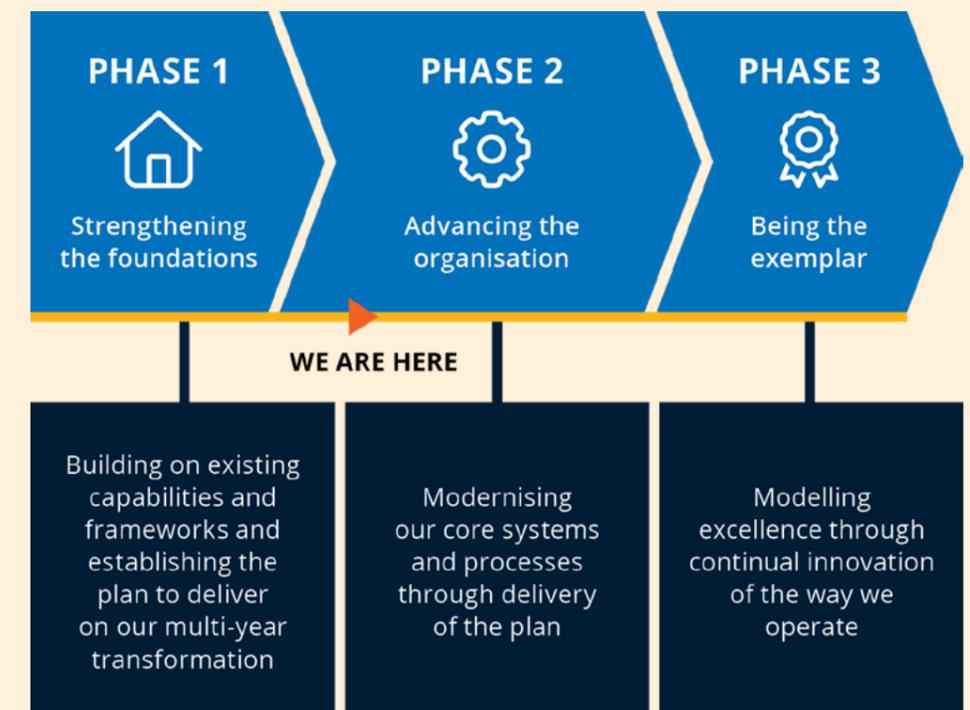
We exist to manage long service leave benefits on behalf of eligible employees in the black coal mining industry and our strategic priorities drive the activities we focus on to achieve our vision and purpose.

With our purpose front of mind, we continue to invest in our multi-year transformation as we evolve to a best practice organisation. At the core of our transformation is investment in technologies to make it easier for employees to access their entitlements. This will include technologies that streamline our processes and further enhance data collection and management.

Adopting a digital-first approach supported by service excellence, we are focused on delivering positive interactions for eligible employees in the Scheme. Our transformation will make it easier for employees to access information and services including:

- real-time visibility of leave balances and transactions
- self-service through our Online Services platform
- transparent updates on the status of leave applications
- education on entitlements and our processes.

Our transformation journey





We have a strong focus on liquidity management to ensure reimbursements are paid when claimed.

PRUDENT FINANCIAL MANAGEMENT

The costs associated with Coal LSL's multi-year transformation and investment in its initiatives will temporarily increase the Fund's expenditure, which in turn impacts the Fund surplus and liquidity requirements.

The desired outcome for this strategic priority is to ensure the adequacy of the fund surplus to meet long service leave liabilities.

Key activities

- **Custodian transition.** One of the Fund's key service providers is the custodian, which provides custody, administration and investment accounting services to the Fund. Following a tender process, a new custodian has been selected and during financial year 2025 Coal LSL will transition to the new provider.
- **Strategic asset allocation.** We review the Strategic Asset Allocation at least annually unless significant market movements trigger an intra-period review. Such reviews will include a review of the Fund's investment objective, the expected return, volatility and the probabilities of achieving the Fund objective under normal and stressed conditions.
- **Portfolio risk management.** Our portfolio risk management framework consists of a series of triggers designed to identify outlier events from either a risk or return perspective. These triggers are regularly monitored and evaluated to ensure they are fit for purpose. The risk management framework also focuses on the identification of emerging risks to ensure risk mitigants are considered. The focus areas include a review of the long-term structural risks and opportunities arising from the global energy transition and its potential impacts on the Australian coal industry including its workforce.
- **Liquidity management.** We have a strong focus on liquidity management to ensure reimbursements are paid when claimed. Our monitoring activities include the assessment of the Fund's exposure to illiquid assets and the redemption conditions for such investments. We also actively manage our short-term cash to achieve the best possible low-risk return and create flexibility should mispricing opportunities occur between the strategies in the portfolio.

ENGAGED, ACTIVE AND COMPLIANT PARTICIPANTS

Participants in the Scheme fall into two categories – employers with obligations under Coal LSL's governing legislation; and eligible employees accruing their long service leave entitlements.

In previous plans we have called this priority 'Easy to do business with'. This year, we have renamed it to better reflect Coal LSL's regulatory intent and purpose. Making compliance easy for regulated entities is key to Coal LSL's effectiveness and helps protect long service leave entitlements held by Coal LSL for employees in the Scheme.

The desired outcome for this strategic priority is for employers to comply with their obligations under the legislation. We will achieve this by developing enduring regulatory priorities spanning a horizon longer than this plan. In the short term, we will focus on existing levers for compliance and information delivery.

Key activities

- **Regulatory priorities.** We will document and communicate our enduring and short-term regulatory priorities to stakeholders so they understand our areas of focus. Internal escalation protocols will provide the opportunity for collaborative resolution of non-compliance before enforcement.
- **Education and engagement.** Over the 2025 financial year we will target our education and engagement efforts for employers to facilitate greater understanding of, and compliance with, legislative requirements. We will expand our education and engagement programs for employees in the Scheme to uplift their awareness of entitlements under the legislation and how they can be accessed. We will proactively engage with stakeholders on changes that impact them and invest in our education infrastructure, including an eLearning portal in subsequent years.
- **Data monitoring practices.** Over the course of this plan we will implement data monitoring practices to inform proactive education for employers and improve first-submission compliance and real-time availability of long service leave balances for employees.

EFFECTIVE OPERATIONS

Operating effectively as an organisation means delivering our regulatory and administrative functions through scalable, efficient, and high-quality processes, practices and engagements.

The desired outcome for this strategic priority is to deliver digital and streamlined processes to enhance stakeholder interactions and improve productivity. This will ensure our operations are sustainable, agile, and responsive.

We will achieve this through a staged, risk-based approach to uplifting technology and developing digital platforms, automating and streamlining processes and services, and optimising data management.

Key activities

- **Technology platforms.** Over the 2025 financial year, we will invest in our core systems to bring them in line with contemporary cloud-based technology solutions and provide the foundations for further digital innovation. We will replace our core registry system by the end of the 2025 calendar year and decommission obsolete legacy technology solutions shortly thereafter.
- **Digital services.** Over the next 3 years we will incrementally introduce new digitalised processes to make it easier for employers and employees to interact with us. We will digitalise the lodging of leave request forms before moving on to processes such as employer reimbursements, employer levy lodgements and account detail updates.
- **Data management.** Over the course of the next 3 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 embed new data governance policies and procedures, improve data quality ahead of migration to the new registry and improve self service capabilities across our Business Intelligence and analytics platforms ensuring that our staff can access high quality insights in a timely manner.

OUR ENABLING CAPABILITIES

People, technology and data underpin the work we do to connect employees with their long service leave entitlements.

We are committed to strengthening capabilities that will enable us to deliver our vision and purpose. To do so, we will continue to invest in attracting and retaining a skilled workforce; developing contemporary, scalable, and secure technology; and optimising the strategic value of our data and information.



PEOPLE

We are people-centric and remain dedicated to building a connected, capable workforce that is engaged and proud of the work they do. Guided by our Workforce Strategy we are building a purpose-led workforce that is empowered to deliver on our purpose.

Coal LSL continues to invest in initiatives that reinforce our Employee Value Proposition (EVP) and cultivate a culture where our people can thrive.

We will focus on developing adaptive leaders who empower others and adopt collaborative approaches that leverage diversity of thought to drive meaningful change and quality outcomes for our stakeholders.

Key activities

- **Leadership and people capabilities.** We will embed a comprehensive learning and development framework that considers organisational, functional, and individual development needs; build core organisational competencies through targeted development programs; and uplift leadership capabilities across all leadership cohorts.
- **Connection and belonging.** We will introduce short, regular internal surveys to allow us to stay attuned and responsive to shifts in workforce sentiment; embed our safety and wellbeing frameworks; implement a diversity and inclusion strategy and Reconciliation Action Plan; and enrich staff engagement programs to strengthen relationships and connection with our community.
- **Talent and performance management.** We will concentrate on attracting and retaining high-performing talent through the evolution of our EVP; attraction and retention strategies including a remuneration framework; improvements to our onboarding program; and a performance framework that details how performance will be measured and pathways for development.
- **People processes and governance.** We will use data and insights to mature processes and governance, including evolving the people dashboard to capture strategic people metrics; outcome-focused reporting; and updated processes and policies that continue to align with legislative requirements, staff expectations and labour market trends.

Foundational to long-term outcomes will be embedding better practices in data and information management and continuing to mature our data literacy.



TECHNOLOGY

We continue our journey of developing a contemporary, scalable, and secure technology environment that enables operational effectiveness and regulatory excellence.

Embedding enterprise architecture governance will ensure the technology roadmap continues to align with our strategic direction and priorities. Our roadmap focuses on progressing our technology capabilities, enabling our transformation program, and mitigating strategic risks. Prioritisation and sequencing of technology initiatives will be managed to meet the evolving needs of the organisation and changes in the external environment.

To accelerate our technology capabilities and enable contemporary service delivery, we will continue to strengthen our cyber security maturity, standardise our operating environment, advance the management of our documents and records, and further our service management practices.

Key activities

- **Cyber security.** We will continue to advance our cyber security posture by strengthening our information security management system through continued maturing of our governance practices and mitigation and control measures.
- **Standard operating environment (SOE).** Developing a contemporary SOE will improve operational efficiency, productivity, and mitigate data risks by streamlining and automating IT administration and management, embedding policy and standards, and safeguarding data and privacy.
- **Enterprise content management (ECM).** We will develop an ECM strategy to improve organisational efficiency, productivity, collaboration, and data risk mitigation by optimising access to data and documents, streamlining associated workflows, and enhancing records management practices.
- **IT service management (ITSM).** Maturing our ITSM practices will drive organisational efficiency and responsiveness by streamlining IT operations, automating service requests, and improving staff experiences by developing, delivering, managing, and optimising IT services.

DATA

Our aspiration is to be a data-centric organisation to enable our vision and purpose as custodian of the Scheme.

Contemporary management frameworks and practices will ensure we optimise the strategic value of our data and information.

We will continue to progress the migration and digitalisation of historical data while ensuring our data landscape is ready for the organisation's migration to a new core registry system. Foundational to long-term outcomes will be embedding better practices in data and information management and continuing to mature our data literacy.

To advance our data and information management capabilities, we will progress our focus on building a single source of data truth, further our data governance framework, mature data intelligence and insights, and uplift our information management practices.

Key activities

- **Data governance.** We will further our data governance maturity by embedding processes, controls, and rules around data definitions and usage, including developing a data dictionary and delivering ongoing education and engagement towards strengthening the organisation's data literacy.
- **Data intelligence.** Advancing the use of data intelligence which will enable insights-based decision making and inform administrative and regulatory activities through embedding our KPI framework, improved governance of performance measures, and self-serve reporting.
- **Information management.** We will continue our focus on foundational activities to enable better practice such as our SharePoint architecture and asset classification system before implementing an Electronic Document and Records Management System (EDRMS).



RISK MANAGEMENT



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

OUR RISK CULTURE

We promote a positive risk culture that fosters an environment of continuous improvement, building risk capability and embedding risk awareness into decision making.

The Coal LSL Executive team has responsibility for championing risk management and integrating risk management activities into the work of their areas of responsibility.

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 consists of a policy, guideline, an enterprise risk management system, training, strategic, operational and project risk registers, and documentation of the Board's risk appetite.

The framework supports us in proactively identifying, treating, monitoring, and reporting 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 strengthen our risk management approach by improving 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, each with mitigations that are regularly monitored for calibration against our risk appetite statement. Oversight of Coal LSL's strategic and enterprise risks (including mitigation strategies for risks outside of tolerance) is provided by several key committees that form part of Coal LSL's governance framework.

Risk description	Risk mitigation
<p>Organisational sustainability – <i>we are unable to operate sustainably, flexibly, and responsively to ensure effective 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 platform, the system that holds entitlements for eligible employees, we will standardise, simplify and align our core processes.</p> <p>We will continue to enhance cyber governance and controls. We apply the Australian Cyber Security Centres Essential Eight mitigation strategies to safeguard against cyber threats, and protect our information and data.</p> <p>We will continue with our investment in data and information governance and records management practices to enhance the reliability of our data and information.</p>
<p>Culture and capability – <i>we fail to have the capabilities or culture necessary to successfully perform our role as custodian of the Scheme.</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.</p> <p>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 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>Effective regulator – <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>Stakeholder trust – <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.</p> <p>Supported by our integrity framework, 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 organisations assets.</p> <p>We stay close to emerging internal and external issues, allowing us to proactively manage reputational risk and build stakeholder trust wherever possible.</p>
<p>Funding adequacy – <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.</p> <p>The Investment Committee have stringent oversight of 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.</p> <p>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>Successful transformation – <i>we are unable to successfully deliver our transformation agenda and realise its benefits.</i></p>	<p>We are committed to our multi-year transformation program.</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.</p> <p>We have partnered with an external delivery partner to ensure focused, scalable, consistent, and capable commitment to program management, governance, reporting and delivery.</p>

STAKEHOLDERS



Coal LSL considers engagement to be a planned interaction with stakeholders to inform action – an important process that involves our stakeholders in decision-making and problem solving.

Consultation and cooperation enables us to harness the expertise of our stakeholders, which leads to better outcomes by enhancing our ability to make human-centric, well informed and sustainable decisions.

As custodian of the Scheme, Coal LSL engages with a broad spectrum of stakeholders, including those with an interest in our operations, those who have obligations under the legislation, and those who are impacted by the outcomes of Coal LSL. Guided by our Community Engagement Strategy, we are committed to building trusted relationships with our stakeholders and the broader community.

The benefits of successful community engagement include:

- improved efficiency, robustness and transparency in decision-making
- improved communication and education to support an increased understanding of our processes and outcomes
- trust between Coal LSL and our stakeholders
- improved awareness of the Scheme and the obligations of its participants.

We strive for transparent and purposeful engagement that aligns with our guiding principles and TORCH values (Trust, Open, Respect, Care, Honest) to deliver 2 key outcomes:

- Our stakeholders are informed about their obligations and entitlements under the Scheme
- Stakeholders have opportunities to participate in and contribute their points of view to decisions that affect them.

STAKEHOLDERS



Acronym legend

AAT	Administrative Appeals Tribunal	ETU	Electrical Trades Union
ACTU	Australian Council of Trade Unions	FCA	Federal Court of Australia
AIG	Australian Industry Group	HR	Human Resources
AMWU	Australian Manufacturing Workers' Union	MCA	Minerals Council of Australia
ANAO	Australian National Audit Office	MEU	Mining & Energy Union
APESMA	Professionals Australia (Union)	NACC	National Anti-Corruption Commission
APSC	Australian Public Service Commission	NSWMC	NSW Minerals Council
CMIEG	Coal Mining Industry Employer Group	OAIC	Office of the Australian Information Commissioner
DTA	Digital Transformation Agency	QRC	Queensland Resources Council
DEWR	Department of Employment & Workplace Relations		



PERFORMANCE



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



67 Million
Hours of long service leave held



64,000
More than 64,000 employees active in the industry



88%
Employees who accessed leave in FY24 that would not have been entitled to long service in a traditional scheme

As custodian we are accountable for ensuring employees are connected with their long service leave entitlements.

Providing eligible employees' access to information about their entitlements is the primary indicator of our organisational success.

At the end of June 2024 we held over 67 million hours of long service leave for more than 160,000 employees. More than 64,000 of these employees are active in the industry today.

We are clear on our purpose and committed to connecting employees with their entitlements. Our corporate plan paves the way for us to achieve our goal of having more than 95% of active employees able to access information about their entitlements anytime, anywhere.

STRATEGIC PRIORITY:
Prudent financial management

- Outcomes:**
- adequacy of the fund surplus to meet long service leave liabilities.

Measure	Description	Baseline	TARGETS			
			2024-25	2025-26	2026-27	2027-28
Fund Surplus	The ratio of funds under management over the actuarial discounted liability provision.	115% (+15/-5%)	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.	CPI + 3% over rolling 8-year period				
Administration Expense Ratio (AER) [^]	The ratio of operational expenditure* over fund income expressed as an 12 month rolling average.	0.52%	≤ 0.95%	≤ 0.84%	≤ 0.79%	≤ 0.65%

* Excludes depreciation and portfolio management expenses.
[^] The costs associated with Coal LSL's multi-year transformation and investment in it's initiatives will temporarily increase our AER.

STRATEGIC PRIORITY:
Engaged, active and compliant participants

- Outcomes:**
- employers comply with their obligations under the legislation.

Measure	Description	Baseline*	TARGETS			
			2024-25	2025-26	2026-27	2027-28
Employer Compliance	The % of employers who submit both levy returns and payments by the due date	45%	45%	55%	70%	85%
On-time Levy Submissions	The % of employers who submit Levy returns by the due date	87%	87%	88%	90%	91%
On-time Levy Payments	The % of employers who submit payments by the due date	45%	45%	55%	70%	85%
Entitlement recorded on-time [^]	The % of active employees whose entitlements were recorded on a levy return received by the due date	87%	90%	92%	94%	95%

*Rolling 6 month average as at 30 June 2024. [^]Figures revised as at 11 September 2024.

STRATEGIC PRIORITY:
Effective operations

- Outcomes:**
- digital and streamlined processes that enhance stakeholder interactions and improve productivity.

Measure	Description	Baseline*	TARGETS			
			2024-25	2025-26	2026-27	2027-28
Core process effectiveness	The % of core processes that meet or exceed their SLAs.	30%	33%	43%	62%	92%
Levy lines processed	The % of levy lines processed within 3 business days.	15%	20%	40%	60%	90%
Leave applications processed	The % of leave applications processed in 1 business day (reduced from 3 business days).	53%	55%	60%	75%	95%
Reimbursement claims processed	The % of reimbursement claims processed within 3 business days (reduced from 5 business days).	22%	25%	30%	50%	90%

*Rolling 6 month average as at 30 June 2024.

ENABLING CAPABILITIES:
Strengthening organisational capabilities

- Outcomes:**
- connected, capable and engaged workforce
 - contemporary, scalable, and secure technology environment
 - data-driven decision making
 - risk-based approach drives our actions.

Measure	Description	Baseline	TARGETS			
			2024-25	2025-26	2026-27	2027-28
Capability maturity	The % of core enterprise capabilities that meet or exceed maturity targets.	To be determined	Baseline established	Improvement from baseline	Improvement from baseline	Improvement from baseline
People Capability	The overall maturity of People capabilities [^]	To be determined	Baseline established	Improvement from baseline	Improvement from baseline	Improvement from baseline
Technology Capability	The overall maturity of Technology capabilities [^]	To be determined	Baseline established	Improvement from baseline	Improvement from baseline	Improvement from baseline
Data Capability	The overall maturity of enterprise Data capabilities [^] .	To be determined	Baseline established	Improvement from baseline	Improvement from baseline	Improvement from baseline
Risk Management Capability	The overall maturity of enterprise Risk Management capabilities [^] .	To be determined	Baseline established	Improvement from baseline	Improvement from baseline	Improvement from baseline

[^] As defined in Coal LSL's Business Capability Model.

M: Locked Bag 2021
Newcastle NSW 2300

A: Level 10, The Store Building
6 Stewart Ave
Newcastle West NSW 2302

P: 1300 852 625
+61 (2) 4040 0040

E: query@coallsl.com.au

ABN 12 039 670 644

COALLSL

coallsl.com.au