

## COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) CORPORATION

### STATEMENT OF EXPECTATIONS

Ministerial Statements of Expectations provide greater clarity about government policies and objectives relevant to the regulator in line with its statutory objectives, and the priorities the Minister expects it to observe in conducting its operations. As the Commonwealth Minister for workplace relations matters, my responsibilities include the:

- *Coal Mining Industry (Long Service Leave) Administration Act 1992* (the Administration Act)
- *Coal Mining Industry (Long Service Leave) Legislation Amendment Act 2011*
- *Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992* (the Levy Act) and
- *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) and its Board of Directors. It is to be read alongside the laws that apply to Coal LSL and that Coal LSL administers.

In particular, I request that that Coal LSL continues to work towards rectifying known problems with collection of levy in light of the requirements of section 83 of the Constitution.

I request that this statement of expectations be incorporated into relevant *Public Governance, Performance and Accountability Act 2013* (PGPA Act) processes that apply to Coal LSL, such as the Annual Report and Corporate Plan, where possible.

#### Overview

Coal LSL is a corporate Commonwealth entity established to manage a portable long service leave scheme for employees working in the black coal mining industry. Coal LSL collects levies from eligible employers, invests those levies into the Coal Mining Industry (Long Service Leave) Fund (the Fund), and makes payments from the Fund in relation to portable long service leave entitlements for eligible employees.

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

- to establish and maintain the Fund
- to make payments into and out of the Fund, and invest the Fund, in accordance with the Administration Act and the Levy Act
- to advise the Minister as to the rates of payroll levy that should be imposed on employers
- to monitor payments of the payroll levy and keep the Minister informed of any failure by an employer to pay the payroll levy
- to maintain records relating to:
  - a. the employment of eligible employees
  - b. the qualifying service completed by, and the long service leave entitlements of, eligible employees
  - c. employers of eligible employees, and
  - d. amounts that are, or may become, payable to employers under Part 7 of the Administration Act

- to advise the Minister on the operation of the Administration Act, Levy Act, and the Collection Act, and
- such other functions as are conferred on Coal LSL by the Collection Act.

The government recognises the independence of Coal LSL and its 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, with the appropriate checks and balances in place and with regard to its obligations and responsibilities under applicable legislation including the PGPA Act.

In applying the following expectations, Coal LSL and the Board of Directors 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, and
- its responsibility to work with the Department of Employment and Workplace Relations to ensure the efficiency and effectiveness of Scheme administration.

### **Principles of regulator best practice**

I expect Coal LSL to embed and act in accordance with principles of regulator best practice set out in Resource Management Guide (RMG) 128 *Regulator Performance*, issued by the Commonwealth Department of Finance, as well as strive for continuous improvement consistent with these principles.

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

#### **1. Continuous improvement and building trust**

- Stay informed, aware and responsive to the changing context and operating environment of Coal LSL
- Hold themselves to account through internal accountability processes that foster a culture of continuous improvements and reflection
- 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.

#### **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.
- Remain flexible and responsive to changes by adopting reasonable, supportive and transparent processes to build and maintain trust, accountability and integrity within the regulatory system to encourage compliance.

- Maintain a full suite of appropriate regulatory policies, including 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.
- Build staff and organisational data capability and digital literacy, drawing on expertise to support effective use, including the development of regulatory technology solutions.

### **3. Collaboration and engagement**

Recognising likely future 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, workers and unions is crucial to maintaining competent and innovative regulatory practices. Consequently, I expect Coal LSL to:

- engage genuinely and regularly with stakeholders, and to encourage, promote and facilitate meaningful engagement, including in relation to reform of the scheme, performance measures, and early notice of operational changes.
- work cooperatively with stakeholders to encourage voluntary compliance in the black coal mining industry
- be receptive to feedback and diverse views from those stakeholders
- be transparent in decision-making and, where possible, provide reasons for regulatory decisions or share anonymised compliance ‘case summaries’
- provide up-to-date, relevant, clear and easily accessible guidance and information
- maintain the integrity and independence of the agency as an accountable regulator.

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.

### **The government’s policy priorities and objectives**

In addition to the core functions noted above, I expect the Coal LSL and the Board of Directors to observe and contribute to the government’s priorities and objectives 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
- incorporating observations on performance in their reporting processes to support greater transparency and accountability of regulator performance, and

- increasing the use of digital technology and resources to meet stakeholder needs, reduce the cost of compliance and improve regulatory outcomes.

### **1. Relationship with Minister and portfolio**

Coal LSL plays an essential role in ensuring that the government and I, as the Minister for Workplace Relations, are well placed to respond promptly to issues impacting the scheme.

The department also supports and advises me by providing advice on policy development and the performance of the portfolio's regulatory systems. The department considers 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.

### **2. Innovation and regulatory change**

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.

December 2024