



Australian Government

Coal Mining Industry
(Long Service Leave Funding) Corporation

2025-26 ANNUAL REPORT

COALSL

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COAL LSL AT A GLANCE

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.

APPROVAL OF 2025-26 ANNUAL REPORT BY ACCOUNTABLE AUTHORITY

On behalf of the Board of Directors of the Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL), I certify that:

- the Board of Directors (the Board) is the accountable authority of Coal LSL
- the Board is responsible for preparing and providing the annual report to the Minister for Employment and Workplace Relations in accordance with section 46 of the [Public Governance, Performance and Accountability Act 2013](#)
- the Board met and approved the 2025-26 annual report for submission to the Minister for Employment and Workplace Relations by way of resolution on 11 September 2026.


Christina Langby
Chair



\$2.77 billion
funds under
management



\$228.1 million
reimbursements
paid



5.1%
investment return
over 1 year



67,572
active
employees



2.32 million
hours of long service
leave taken



More than **18,350**
long service leave
applications processed



1,503
total registered
employers



177,786
employee
records



209
missing service
reviews processed



276
Coal LSL
workforce



2,064
employer audit
reports processed



More than **31,600**
levy forms processed



74% of active employees have access to their long service
leave balance in real time

FINANCIAL YEAR FIGURES AT 30 JUNE 2026

11 September 2026

The Hon. Amanda Rishworth MP
Minister for Employment and Workplace Relations
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to submit the Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL) Annual Report for the year ended 30 June 2026 for presentation to the Parliament.

This report meets the requirements of federal law, including section 46 of the [Public Governance, Performance and Accountability Act 2013](#), and reflects the requirements as approved by the Joint Committee of Public Accounts and Audit.

Following its tabling in Parliament, the report will be published on the Coal LSL website.

Yours sincerely



Christina Langby
Chair

A MESSAGE FROM OUR CHAIR AND CEO

We are very pleased to present Coal LSL's 2025–26 annual report.

Coal LSL delivered a strong year of performance, reform and progress towards our vision of a contemporary and sustainable long service leave scheme for Australia's black coal mining industry. Throughout the year, we remained focused on our purpose: ensuring employees are connected with their long service leave benefits while safeguarding the Scheme's long-term sustainability.

At 30 June 2026, Coal LSL administered benefits for 67,572 active employees employed by 1,503 registered employers. During the year, more than 18,350 leave applications were processed, 2.32 million hours of long service leave were taken, and \$228.1 million in reimbursements were paid to employers.

The Scheme remained financially sound. Funds under management increased to \$2.77 billion and the funding ratio was 131%, above target and providing confidence in the Fund's capacity to meet future obligations. The investment portfolio delivered a positive annual return despite economic uncertainty and market volatility.

Employer compliance was a significant area of progress. Coal LSL strengthened its regulatory approach through engagement, education, monitoring and enforcement. Improved levy submissions and payments, and more timely recording of employee entitlements, helped strengthen Scheme integrity and support accurate employee records.

The passage of the [Coal Mining Industry \(Long Service Leave\) Legislation Amendment Act 2026](#) was an important milestone. The Act provides a voluntary pathway for employers with historical levy obligations and introduces a revised additional levy penalty framework. Coal LSL is prepared for implementation to support improved compliance and connect more eligible employees with their benefits.

We also continued to improve service delivery. Digital Leave Submissions and process enhancements contributed to faster leave application and reimbursement claim processing, while our multi-year transformation program laid further foundations for future digital services and operational efficiencies.

Our people remain central to Coal LSL's success. We supported professional development, leadership capability and wellbeing, while maintaining a strong focus on psychological safety. Recognition through the Hunter Safety Award for Best Health and Wellbeing Program (Large Employer) reflected our commitment to a safe, healthy and values-led workplace.

As a Commonwealth entity, Coal LSL continued to prioritise strong governance, stewardship and accountability. The Board, committees and executive leadership team maintained robust oversight of risk, financial management and performance. We also delivered our first Commonwealth Climate Disclosure, supporting the integration of climate risk into governance and planning.

As we look back on the year and think about our progress, we recognise the commitment, professionalism and expertise the Coal LSL staff bring every day to the work we do. We also thank our Board, and the many DEWR portfolio colleagues, vendors and other stakeholders we work with.

Looking ahead, we remain focused on strengthening the Scheme and ensuring Coal LSL continues to fulfil its role as a contemporary, trusted and sustainable custodian of long service leave benefits for Australia's black coal mining industry.



Christina Langby
Chair



Darlene Perks
Chief Executive Officer



ABOUT COAL LSL

It is Coal LSL's purpose to ensure employees are connected with their long service leave benefits by exercising the powers and functions of our governing legislation.



OVERVIEW

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

Coal LSL's governing legislation also includes the [Coal Mining Industry \(Long Service Leave\) Payroll Levy Act 1992](#) and the [Coal Mining Industry \(Long Service Leave\) Payroll Levy Collection Act 1992](#).

At 30 June, **67,572 active employees** in the Australian black coal mining industry were accruing long service leave benefits through the Scheme. Coal LSL is the custodian of **over 75.1 million hours** of leave for employees and, at 30 June, our funds under management were **\$2.77 billion**.

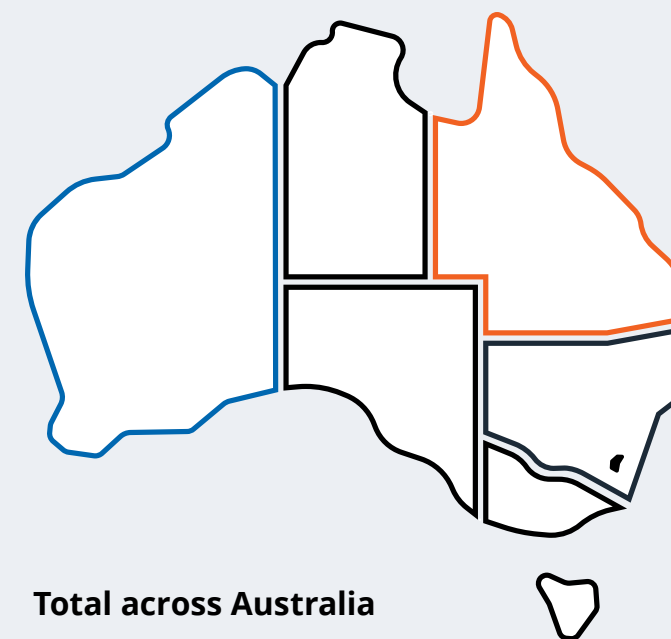
INDUSTRY AT A GLANCE

Queensland
848 employers
40,739 active employees

New South Wales
573 employers
25,461 active employees

Western Australia
52 employers
972 active employees

All other
30 employers
400 active employees



Total across Australia

 **1,503 employers**
(FY25 was 1,522)

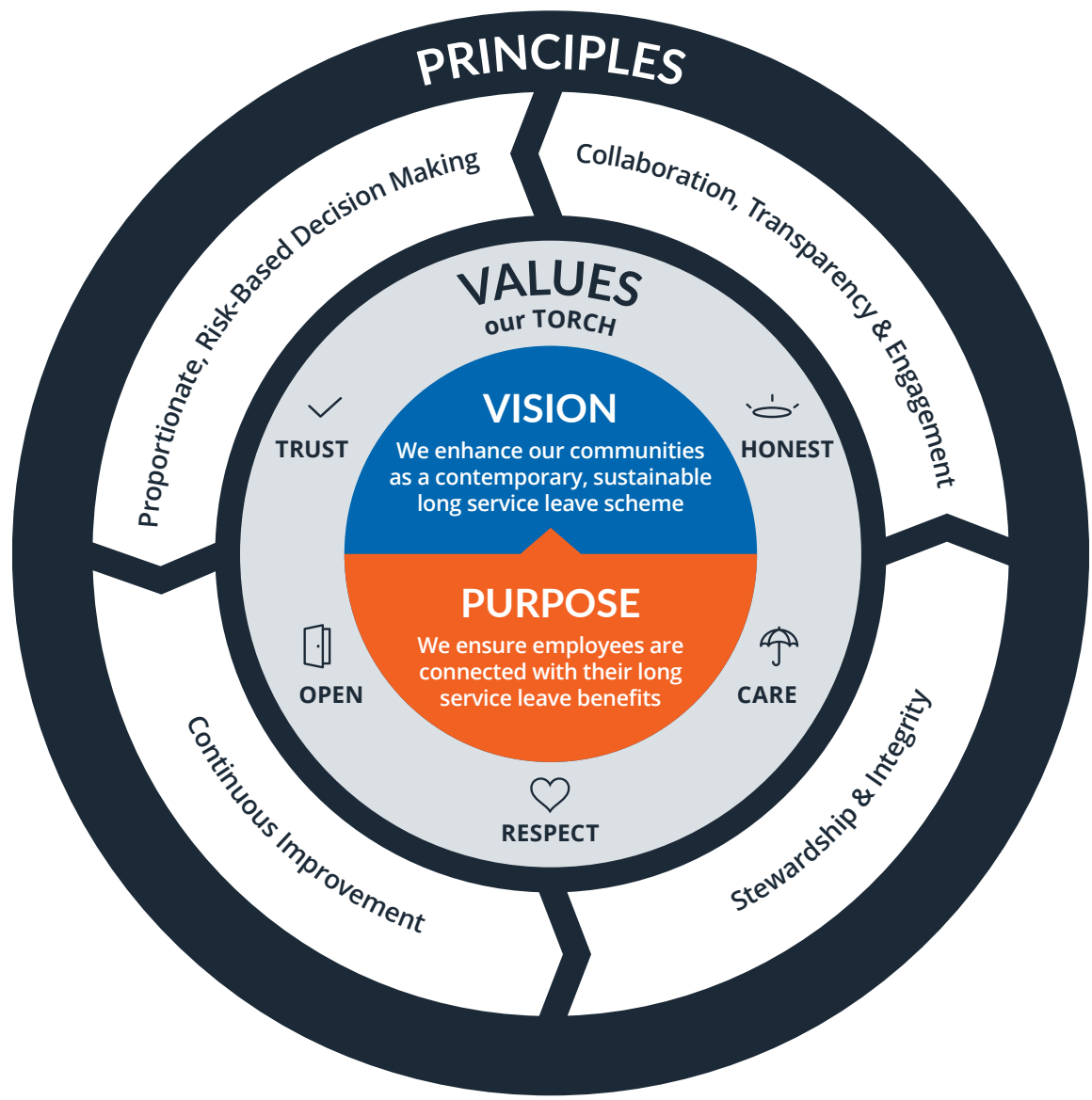
 **67,572 active employees**
(FY25 was 65,146)

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.



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

- ① Regulation ② Administration ③ Investment management

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.

RESPONSIBLE MINISTER

Our responsible Minister for the reporting period was:
The Hon. Amanda Rishworth MP (13 May 2025 – Current)
Minister for Employment and Workplace Relations

BOARD OF DIRECTORS

As per Section 13 of the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#), the Board comprises 6 directors who collectively act as the accountable authority of Coal LSL. The Board is accountable to the responsible Minister. On their appointment by the Minister, directors hold office on a part-time basis and are subject to the provisions of the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act).

The role of the Board is to:

- manage the affairs of Coal LSL, ensuring the proper, efficient and effective performance of Coal LSL's functions
- establish and oversee the purpose, objectives, policies and plans of Coal LSL
- set the scope of the investment strategies and asset allocation
- authorise the Chief Executive Officer and other employees to act for/on behalf of Coal LSL in performing delegated responsibilities.



**Christina Langby,
Chair**

Director since June 2017 and
Chair since January 2020

Christina is the CFO, Director of Finance and Operations, and Company Secretary at the NSW Minerals Council Ltd, a Director and Co-Chair of Team Super Pty Ltd, and a Director and Chair of Team Super Services Pty Ltd. Graduating from the University of Sydney with a Bachelor of Economics, Christina has extensive experience in accounting and finance, audit, risk, administration, corporate governance including board and secretariat management, insurance, consulting, and relationship management. Christina is a graduate of the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand.

Christina is a member of the Investment Committee, the People and Culture Committee and the Transformation Working Group.



**Scott Faragher,
Director**

Director since
February 2020

Scott is the Government Relations Manager WA at the National Electrical and Communications Association. Scott is an experienced corporate affairs adviser and manager and has held various roles across both the iron ore, and oil and gas sectors, including at Chevron Australia and Australian Premium Iron JV. Prior to this, Scott held various senior policy and advisory roles within the Federal Government. Scott has extensive experience in policy development and advocacy, government relations, reputation management and stakeholder engagement. Scott holds a Bachelor of Arts (Hons) from the University of Sydney and is a graduate of the Australian Institute of Company Directors.

Scott is the Chair of the People and Culture Committee and is a member of the Audit, Risk Management and Compliance Committee.



**Grahame Kelly,
Deputy Chair**

Director since June 2018 and
Deputy Chair from June 2019
to August 2023 and from
October 2023

Grahame is the General President of Mining and Energy Union (MEU) and Director of Unity Bank Ltd. Grahame spent many years working in the Hunter Valley and served as District Secretary of the Northern Mining and NSW Energy District for more than a decade before being elected to the MEU national office. Grahame has been a director on several boards and industry bodies, including Team Super Pty Ltd, Coal Services Pty Ltd, Unity Bank Ltd, the Stakeholder Panel for the Net Zero Economy Authority and the MATES in Mining Steering Committee.

Grahame is a member of the Investment Committee and the Transformation Working Group.



**Judy Bertram,
Director**

Director since
March 2025

Judy is the Deputy Chief Executive, Queensland Resources Council (QRC), a Director of Team Super Pty Ltd and a Director of the Australian Council of Superannuation Investors. Judy has been employed by the QRC since 2012 and has led a range of QRC policy areas including Community Engagement, Indigenous Affairs and Health and Safety before becoming Deputy Chief Executive in 2017. Judy served for 9 years as a Director on the Board of Deaf Services Queensland and for 3 years as the Chair of Queensland's Portable Long Service Leave Board for Contract Cleaners. Judy is a graduate of the Australian Institute of Company Directors, holds a Bachelor of Science from the University of Queensland and a Diploma of Education from the University of New England.

Judy is a member of the Regulatory Appeals Committee, Investment Committee and the People and Culture Committee.



**Robert Coluccio,
Director**

Director since
March 2023

Robert is the Director of the Collieries' Staff and Officials Association which represents the interests of supervisory, professional, administrative and technical workers in the black coal mining industry. Robert is a graduate of the Australian Institute of Company Directors, holds a Bachelor of Laws (Hons) and Bachelor of Business and Commerce from Western Sydney University, and a Master of Laws from the University of Sydney.

Robert has extensive industrial relations experience, having represented members at several trade unions across different industries.

Robert is the Chair of the Regulatory Appeals Committee and a member of the Audit, Risk Management and Compliance Committee.



**Mitch Hughes,
Director**

Director since
March 2026

Mitch is District President of the Mining and Energy Union Queensland District. Mitch spent many years working in the Queensland coal fields and served as District Senior Vice President of the Mining and Energy Union Queensland District for more than a decade before being elected to the role of District President in 2023. Mitch holds a Certificate in Executive Management and Development (AGSM, UNSW) and has completed the AICD Foundations of Directorship program.

Mitch is a member of the Regulatory Appeals Committee and a member of the Audit, Risk Management and Compliance Committee.

The CEO and divisional leaders together comprise the Executive Leadership Team, which is responsible for executing Coal LSL's strategic plan and driving operational performance.

Guided by our core values and principles, and driven by a 'one-team, one-purpose, one-vision' commitment, our team is collectively focused on advancing Coal LSL's purpose and vision while fulfilling our obligations as a public financial corporation, custodian, and regulator.



Darlene Perks
Chief Executive
Officer

Darlene has more than 25 years' experience in leading large private and public companies. Appointed as CEO of Coal LSL in January 2017, Darlene is responsible for leading the organisation through a journey of significant transformation, positioning it as a contemporary government agency providing a sustainable industry workplace benefit. Darlene is a Fellow of CPA Australia, a member of Chief Executive Women, holds a Graduate Diploma of Applied Corporate Governance and is a graduate of the Australian Institute of Company Directors.



Kylie Miller
Chief Innovation and
Strategy Officer

Kylie has more than 25 years' experience driving strategic change across the public sector, financial services and mining industries. Kylie has a strong background in developing and executing strategic plans and has led diverse teams to deliver complex transformations within Australia and globally. Kylie holds a Bachelor of Arts (Chinese) / Bachelor of Business with post graduate qualifications in change management. Kylie joined Coal LSL in November 2018 and now leads the Strategy and Development division, steering the implementation of strategies to transition Coal LSL into a contemporary, sustainable organisation.



Sharife Rahmani
Chief Regulatory
Officer

Sharife has more than 20 years' experience in financial services and regulation. Sharife has led functions spanning strategy, transformation, operations, risk, governance and regulation. Sharife holds qualifications in economics, commerce, statistics and public administration and is a graduate of the Australian Institute of Company Directors. Sharife joined Coal LSL in February 2022 to lead the Regulation division, stewarding the continued development of Coal LSL's regulatory capabilities.



Tony Windever
Chief Operating
Officer

Tony has more than 25 years' experience spanning technology, financial services, government and not-for-profit sectors. Tony has led national, Asia-Pacific and global organisations in growth and transformation environments. Tony holds a Bachelor of Economics and is a graduate of the Australian Institute of Company Directors. Responsible for the delivery of scheme administration services and core operational outcomes for external and internal stakeholders, Tony leads the Operations division and joined Coal LSL in September 2020.



Ross Etherington
Chief Investment
Officer

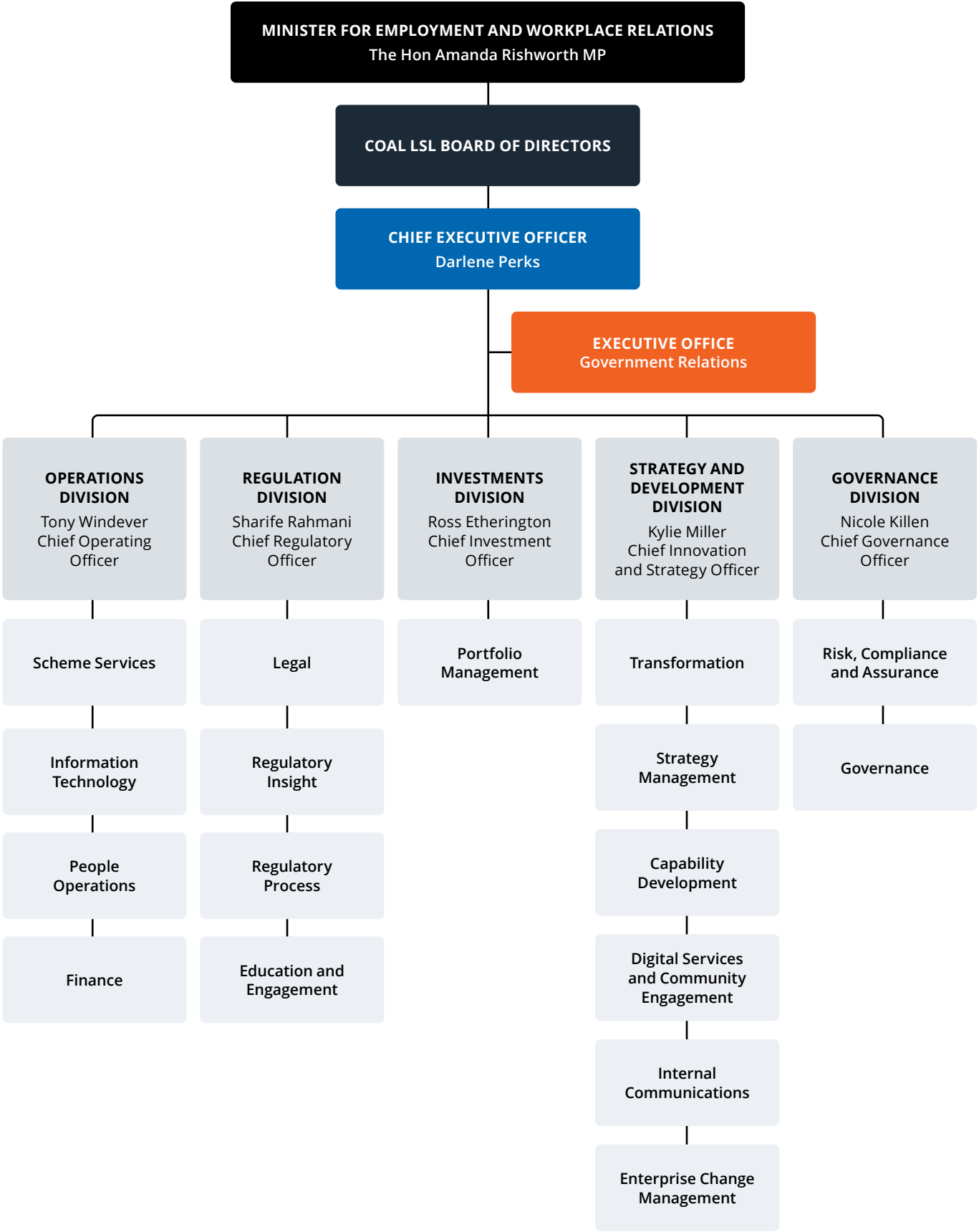
Ross has more than 30 years' experience in managing large, complex funds across diversified portfolios in the superannuation, insurance and government industries. Ross has a strong background in investment governance, strategy and implementation as well as asset allocation and portfolio construction. Ross is a Graduate of the Australian Institute of Company Directors, Fellow of the Australian Actuaries Institute, holds a Graduate Diploma in Applied Finance and Investment and a Bachelor of Science. Ross joined Coal LSL in September 2023 and leads the Investments division, responsible for overseeing the management of the investment portfolio and the Fund's ability to meet the beneficiaries' entitlements.



Nicole Killen
Chief Governance
Officer

Nicole has more than 40 years' experience in the financial services industry and has led functions spanning corporate governance, administration, operations, growth and business development. Over the past 20 years Nicole's roles have focused on leading teams responsible for Board Secretariat, Board governance, risk management, compliance, corporate governance and complaints. Nicole holds a Master of Organisational Leadership, has a Graduate Diploma in Applied Corporate Governance and is a Graduate of the Australian Institute of Company Directors. Nicole joined Coal LSL in October 2025 and leads the Governance division in working with the organisation to ensure its activities are undertaken within a safe and prudent operating environment.

ORGANISATIONAL STRUCTURE



INVESTMENTS

The portfolio increased in value to \$2.77 billion over the past year and the funding ratio was 131% at 30 June 2026, indicating a strong financial position. The return was 6.9% p.a. over the past 8 years, exceeding the CPI+3% portfolio objective of 6.3% p.a. and the current actuarial earnings rate of 6.0% p.a.

The investment portfolio follows a disciplined strategy guided by our Strategic Asset Allocation (SAA), which is reviewed annually by the Investment Committee and the Board. The SAA supports the investment objective of the portfolio, which is to generate an average annual return of CPI+3% p.a. over 8-year rolling periods.

For FY2026, the Board approved changes to the target allocations. For alternative debt and fixed interest, the target allocations were increased by 1.5% (to 15.0% of the portfolio) and 2.5% (to 11.0% of the portfolio) respectively. The target allocations for property and cash were each reduced by 2.0% (to 5.0% of the portfolio each).

For the year ended 30 June 2026, the portfolio returned 5.1%. Despite the market volatility, most asset classes generated positive returns for the 12-month period.

During the year, the investment environment was affected by geopolitics, such as the oil supply shock from the US-Iran conflict, leading to a wariness in central banks around the world that inflation would remain higher than their targets until the end of 2026 due to higher oil prices. However, despite inflation in Australia being 3.8% for the year to June 2026 (above the RBA's target range of 2 to 3%), share markets performed strongly both in Australia and overseas boosted by the prospect of productivity benefits from artificial intelligence (AI).

The value of the investment portfolio increased from \$2.64 billion at 30 June 2025 to \$2.77 billion at 30 June 2026.



The portfolio achieved the following annual returns in each of the past 5 years (ending 30 June), averaging 6.1% p.a. over that period.

2026	2025	2024	2023	2022
5.1%	10.0%	10.8%	10.7%	-5.3%

LITIGATION

Orica Australia Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation

The full bench of the Federal Court delivered its judgment, in *Orica Australia Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation*, on 15 May 2025. The full bench overturned the judgment of Perram J that had found that Orica's shotfirer employees were eligible employees. The full bench found that Orica's shotfirer employees were only eligible employees during the period when Orica was otherwise engaged in the black coal mining industry. Coal LSL sought leave to appeal to the High Court of Australia and on 6 November 2025 the court granted leave to appeal.

The matter was heard by the High Court of Australia on 9 April 2026. On 9 September 2026 (an event after the reporting period), the High Court allowed Coal LSL's appeal. The High Court found that Orica's employees whose duties involved performing shotfiring or other explosive services on black coal mine sites were at all relevant times eligible employees.

The decision resolves a significant area of uncertainty for affected employers and employees and provides important guidance on the interpretation of the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#). Orica will be required to submit levy returns for all impacted eligible employees, pay all outstanding levies and has been ordered to pay Coal LSL's legal costs on the proceedings.

WorkPac Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation

At the time of publication the Federal Court had handed down its judgment in *WorkPac Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation* [2026] FCA 874 confirming Coal LSL's approach to calculating eligible wages for casual employees paid a flat hourly rate.

WorkPac had challenged Coal LSL's published guidance on calculation of eligible wages under section 3B(3) of the [Coal Mining Industry \(Long Service Leave\) Payroll Levy Collection Act 1992](#) for casual employees. By way of cross claim, Coal LSL challenged WorkPac's approach to calculating eligible wages for its flat rate casual employees.

The matter was heard in May 2025. Workpac has sought leave to appeal certain aspects of the judgment.

POLICY

At the time of publication, a new Act of Parliament had been made amending 2 pieces of Coal LSL's governing legislation.

[The Coal Mining Industry \(Long Service Leave\) Legislation Amendment Act 2026](#) (the Act) amends the [Coal Mining Industry \(Long Service Leave\) Payroll Levy Collection Act 1992](#) and the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#).

The amendments prescribe:

- A voluntary pathway for employers with unpaid historical levy obligations to enter into a structured repayment arrangement with Coal LSL (called an Unpaid Levy Payment Arrangement – ULPA)

- A new additional levy penalty rate tied to the Reserve Bank of Australia cash rate.

The ULPA process supports Coal LSL's purpose of connecting eligible employees with their long service leave benefits by creating a structured payment arrangement for employers to meet their historical obligations to the Scheme. As employers progress through the process, historical qualifying service for eligible employees will be identified and recognised. Employee records will be updated with historical service following the approval of the employer's final ULPA submission.

UNPAID LEVY PAYMENT ARRANGEMENT (ULPA)

A pathway for employers to meet historical levy obligations



1 Lodge a Notice of Intention (NOI)

By 2 November 2026

Lodge an NOI to confirm your intent to participate in the ULPA process.



2 Submit a draft and final ULPA form

1. Submit a draft ULPA **Within 6 months of lodging an NOI**
2. Submit a final ULPA **Within 5 months of the draft ULPA**

Submissions must include employee information and supporting evidence. Final ULPA submissions also require an independent audit report.



3 Comply with ULPA repayments

Once approved, repayments commence under the ULPA

Once 80% of the unpaid levy debt has been repaid, in adherence with approved timelines, the remaining 20% will be waived.





CORPORATE GOVERNANCE

As a corporate Commonwealth entity, Coal LSL focuses on building and fostering trust and confidence among our stakeholders by upholding high standards of ethics, integrity, accountability and corporate governance.



GOVERNANCE PRACTICES

Our commitment to high governance standards is reflected in the following practices:

- integrating risk management into everyday operations, ensuring Coal LSL operates under a risk-aware decision-making framework and proactively identifying and addressing emerging risks as they arise
- driving continuous improvement initiatives and overseeing operating practices that prioritise prudence, transparency and stakeholder engagement
- overseeing an Internal Audit Plan that evaluates key risks and provides assurance over critical areas of the organisation, aligned to Coal LSL's risk appetite
- enhancing organisational resilience, operational stability and effective recovery through implementing incremental improvements in Coal LSL's business continuity framework and testing program

- maintaining a strong Fraud and Corruption Framework that supports the prevention, detection and response to any suspected misconduct.

Coal LSL nurtures an embedded governance culture and a proactive approach to risk management. This allows Coal LSL to review and enhance risk management practices and respond to emerging risks in its operating environment. We take a strategic view of risk and have aligned the Board's defined risk appetite with Coal LSL's strategic purpose, objectives and priorities.

Oversight is provided by the Audit, Risk Management and Compliance Committee (ARCC) to ensure our governance and assurance frameworks remain robust.

BOARD AND COMMITTEES

Our Board operates in accordance with the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#) (Admin Act) and accompanying legislation and the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act). Directors are appointed pursuant to the Admin Act.

The performance of the Board and committees is regularly reviewed. For 2025–26 the performance review process is being facilitated by an external provider and overseen by the People and Culture Committee. The process will conclude mid-October 2026. The results of this review will be used to inform and further define the education schedule for the Board.

Director attendance at Board meetings for 2025–26 was as follows:

Name	Appointment Term		BOARD MEETINGS							
			2025				2026			
	Start	End	7 Aug	12 Aug	12 Sep	20–21 [#] Oct	5 Dec	12 Feb	13 Mar	9 Jun
Christina Langby	05.06.2017	15.06.2029	✓	✓	✓	✓	✓	✓	✓	✓
Grahame Kelly*	18.06.2018	17.06.2030	✓	✓	✓	✓	✓	✓	✓	✓
Scott Faragher	27.02.2020	26.02.2028	✓	✓	✓	✓	✓	✓	✓	✓
Robert Coluccio	24.04.2023	23.04.2027	✓	✓	✓	✓	✓	✓	✓	✓
Eliza Sarlos	28.10.2023	22.01.2026	✓	✓	X	✓	✓	N/A	N/A	N/A
Judy Bertram	03.03.2025	02.06.2029	✓	✓	✓	✓	✓	✓	✓	✓
Mitch Hughes	03.03.2026	02.06.2030	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓

*Grahame Kelly was reappointed for a further term from 18 June 2026. Mr Kelly's previous term concluded on 17 June 2026.
[#]Board strategy session.

Audit, Risk Management and Compliance Committee (ARCC)

The ARCC’s main functions include oversight of financial reporting; performance reporting; system of risk management; system of internal control; accounting policies; business policies and practices; compliance with applicable laws and regulations; and governance matters.

Members of the ARCC include not less than 2 Board directors and an Independent Chair. Membership of this committee for 2025–26 included:

- Independent Chair: Tony Nimac
- Director: Scott Faragher
- Director: Robert Coluccio
- Director: Eliza Sarlos (Term concluded on 22 January 2026)
- Director: Mitch Hughes (Appointed to the ARCC from 9 June 2026).

Member attendance at ARCC meetings for 2025–26 was as follows:

			ARCC MEETINGS				
			2025			2026	
Name	Role	Qualifications and Experience	5 Aug	26 Aug	10 Nov	12 Feb	4 May
Tony Nimac	Independent Chair	• BEcon, USyd • GradDipAppFin, Securities Institute of Australia • Member, Chartered Accountants Australia and New Zealand (CA ANZ) • Member, Australian Institute of Company Directors (AICD) • Registered Company Auditor • Over 30 years of experience, specialising in audit, risk management and deal advisory services • Independent Board Member and Independent Compliance Committee Member, Capital Group Australia; Independent Board Member and Chair, Finance, Audit and Risk Committee, Carriageworks; Chair, Prosperity Advisers Group; Independent Board Member and Chair, Audit and Risk Committee, Care Economy CRC; Co-Founder and Director, Ocean Intelligence and Green Nova; Director, Lewis Foundation	✓	✓	✓	✓	✓
Scott Faragher	Director	Refer to page 10 (Board of Directors)	x	✓	✓	✓	✓
Robert Coluccio	Director	Refer to page 11 (Board of Directors)	✓	✓	x	✓	✓
Mitch Hughes	Director	Refer to page 11 (Board of Directors)	N/A	N/A	N/A	N/A	N/A
Eliza Sarlos	Director	• BArts, BLaws (Hons) • Director, Coal LSL (resigned Jan 2026) • Barrister, Wardell Chambers (from Sept 2025) • Prior to being called to the Bar, Eliza was Senior National Legal Officer, Mining and Energy Union (MEU) • Extensive industrial relations and employment law experience. • Has held numerous roles across programming, leadership and strategy for some of Australia’s most respected cultural institutions	✓	✓	✓	N/A	N/A

Investment Committee (IC)

The IC provides a forum to assess investment strategy, policy, initiatives and market insights. Its key objectives include ongoing assessment of Fund performance against objectives and the investment strategy; and overseeing the performance of investment managers, the asset consultant and the master custodian.

Members of the IC include not less than 2 Board directors and at least 1 other member with expert investment skills. The Chair of the IC for 2025–26 was Raewyn Williams.

Regulatory Appeals Committee (RAC)

The RAC provides an additional stage of review for regulatory decisions, triggered by external stakeholders. The RAC provides a forum to consider stakeholder requests to review previous decisions made by Coal LSL and to either ratify or overturn these decisions; and act as a source of industry knowledge and consult with Coal LSL staff, as needed, to support the development of guidance around new precedents regarding employee eligibility.

Members of the RAC include not less than 3 Board directors.

People and Culture Committee (PACC)

On 13 March 2026, the Coal LSL Board of Directors reviewed the Remuneration Committee (RC) terms of reference and concluded that ‘People and Culture’ is more reflective of its remit. The Board resolved that effective 13 March 2026 the RC would be known as the People and Culture Committee (PACC).

The PACC provides a forum for directors to assess the frameworks and related policies for remuneration, conditions of appointment, work health and safety, other people related matters, as well as the appointment and review of the Chief Executive Officer and non-directors serving as members or Chairs of committees of the Board.

The PACC consists of at least 3 members, 2 of whom must be directors of the Board.

Terms of Reference for all of our committees is available on the Coal LSL website: coallsl.com.au/about-us/governance-ops/management#board

Director membership of committees of the Board as at 30 June 2026:

COMMITTEES OF THE BOARD				
	Audit, Risk Management and Compliance Committee (ARCC)	Regulatory Appeals Committee (RAC)	Investment Committee (IC)	People and Culture Committee (PACC)
Christina Langby			✓	✓
Grahame Kelly			✓	
Scott Faragher	✓			✓
Robert Coluccio	✓	✓		
Judy Bertram		✓	✓	✓
Mitch Hughes	✓	✓		

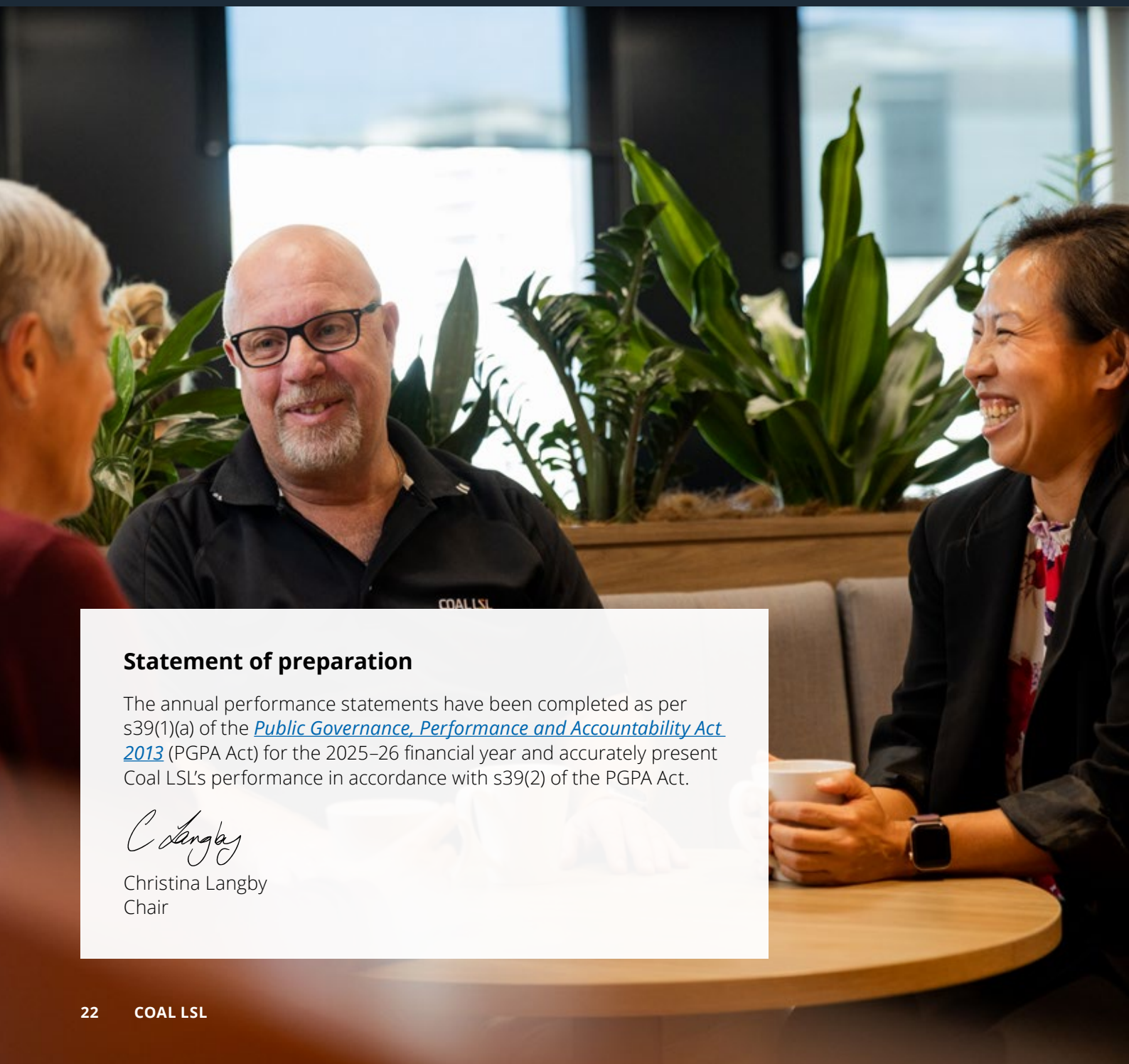
Transformation Working Group (TWG)

The TWG is a forum to provide oversight and monitoring of the transformation program of work, including the evaluation of program initiatives.

The TWG consists of a minimum of 2 Board directors. The nominated directors for the reporting period were Christina Langby and Grahame Kelly.



ANNUAL PERFORMANCE STATEMENTS



Statement of preparation

The annual performance statements have been completed as per s39(1)(a) of the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act) for the 2025–26 financial year and accurately present Coal LSL's performance in accordance with s39(2) of the PGPA Act.

Christina Langby
Chair

OVERVIEW AND ANALYSIS OF PERFORMANCE AGAINST PURPOSE

Coal LSL ended 2025–26 with strong performance against purpose, achieving a new high in our Employee Access measure while maintaining an appropriate Fund surplus, strengthening compliance and improving core administration.

This performance demonstrates effective delivery of the Scheme's obligations, although delayed transformation milestones and mixed enabling capability maturity results remain important areas for continued focus.

Employee Access is Coal LSL's primary performance goal. In June, Employee Access reached 74% on a six-month rolling basis, the highest result achieved to date. The outcome reflects the combined impact of more timely entitlement recording, stronger employer compliance and improved service delivery.

Coal LSL's strategic priorities, enabling capabilities and performance measures are designed to support achievement of this primary goal. Across the strategic priorities, Coal LSL attained all targets except one: transformation milestones were not fully achieved because development of the new core registry was behind schedule. The organisation delivered strongly in the areas most directly connected to the regulation and administration of the Scheme, while recognising the need to maintain our focus on the core systems required for future scalability.

Performance highlights across the three strategic priorities began with Employer Compliance exceeding its target, supported by strong underlying performance and improvements in on-time levy payments from employers. These results enhance efficiencies for timely and accurate employee service recordkeeping, which are fundamental to Employee Access.

In addition to ongoing compliance activity, Coal LSL progressed preparations for implementation of the [Coal Mining Industry \(Long Service Leave\) Legislation Amendment Act 2026](#), positioning the organisation to respond to legislative change while continuing to strengthen scheme integrity.

The Fund surplus of 131% was achieved in an environment of market volatility, including geopolitical disruption such as the US–Iran conflict and continuing central bank concerns about inflation.

Strong performance in Core Process Effectiveness was underpinned by solid results for leave application processing, driven by Digital Leave Submissions. Processing performance for standard levies and reimbursement claims also contributed, with both processes exceeding their targets.

While the transformation program made progress during the year, it did not achieve the target of replacing the core registry. Program complexity, including the integration of multiple systems and vendors into a single end-to-end solution, extended delivery timeframes.

Across the 4 enabling capabilities, People, Technology and Data did not achieve their overall maturity targets, although maturity increased in key areas that strengthened workforce capability, progressed foundational data management capability and enhanced cyber security and IT service delivery. Risk achieved its maturity target through enhancements to strategic and enterprise risks; a Board risk appetite review; and improved risk assurance practices.

Our next phase will focus on building on this momentum, progressing the core registry upgrade and continuing to strengthen enabling capability maturity.

Result	PRUDENT FINANCIAL MANAGEMENT	ENGAGED, ACTIVE AND COMPLIANT PARTICIPANTS	EFFECTIVE OPERATIONS	ENABLING CAPABILITIES
Achieved	3	4	4	1
Not Achieved	0	0	1	4
Total	3	4	5	5

PERFORMANCE SUMMARY

	MEASURE	DESCRIPTION	FY26 TARGET	STATUS	RESULT
Strategic priority					
 Prudent financial management	Fund surplus	The ratio of funds under management over the actuarial discounted liability provision.	115% (+15/-5%)	131%	 Achieved
	Investment portfolio return	The annual portfolio return expressed as an 8-year rolling average.	CPI + 3% over rolling 8-year period (6.3%)	6.9%	 Achieved
	Admin Expense Ratio (AER)^	The ratio of operational expenditure* over fund income** expressed as a 12-month rolling average.	≤0.80%	0.60%	 Achieved
 Engaged, active and compliant participants	Employer compliance	The % of employers who submit both levy returns and levy payments by the due date, displayed as a 6-month rolling average.	64%	72%	 Achieved
	On-time levy submissions	The % of employers who submit levy returns by the due date, displayed as a 6-month rolling average.	88%	89%	 Achieved
	On-time levy payments	The % of employers who submit payments by the due date, displayed as a 6-month rolling average.	64%	72%	 Achieved
	Entitlement recorded on-time	The % of active employees whose entitlements were recorded on a levy return received by the due date, displayed as a 6-month rolling average.	92%	93%	 Achieved

*Excludes depreciation and portfolio management expenses.
**Fund income = appropriated levy receipts divided by payroll levy rate %.
^The costs associated with Coal LSL's multi-year transformation and investment in its initiatives will temporarily increase our AER.



74%*
of active employees have access to their long service leave balance in real time.



88%*
of long service leave applications processed in one business day.

*displayed as a 6-month rolling average.

	MEASURE	DESCRIPTION	FY26 TARGET	STATUS	RESULT
Strategic priority					
 Effective operations	Core process effectiveness	The % of core processes that meet or exceed their Service Level Agreements, displayed as a 6-month rolling average.	43%	58%	 Achieved
	Levy lines processed	The % of levy lines processed within 3 business days, displayed as a 6-month rolling average.	40%	44%	 Achieved
	Leave applications processed	The % of leave applications processed in 1 business day, displayed as a 6-month rolling average.	60%	88%	 Achieved
	Reimbursement claims processed	The % of reimbursement claims processed within 3 business days, displayed as a 6-month rolling average.	30%	43%	 Achieved
	Transformation Milestones Achieved	The % of milestones achieved on time and within budget (+/- 5%).	Core registry replaced	Not achieved	Not achieved
Enabling capabilities					
 Strengthening organisational capabilities	Capability maturity	The # of enterprise capability elements that meet or exceed maturity targets.	10	6	Not achieved
	People capability	The # of People capability elements that meet or exceed maturity targets^^.	1	0	Not achieved
	Technology capability	The # of Technology capability elements that meet or exceed maturity targets^^.	3	1	Not achieved
	Data capability	The # of Data capability elements that meet or exceed maturity targets^^.	1	0	Not achieved
	Risk capability	The # of enterprise risk management capability elements that meet or exceed maturity targets^^.	5	5	 Achieved

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

STRATEGIC PRIORITY 1

PRUDENT FINANCIAL MANAGEMENT

- Adequate fund surplus to meet long service leave liabilities

Performance measure results

Performance Measure	Fund surplus
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 40).
Definition	The ratio of funds under management over the actuarial discounted liability provision.
Target	115% (+15/-5%)
Result rating	✔ Achieved
Result value	131%
Result analysis	Coal LSL’s funding ratio at 30 June 2026 was 131%. The funding ratio reduced from 138% in the prior financial year due to the portfolio return of 5.1% in FY26 being less than the actuarial assumed earnings rate of 6.0% and more significantly, the growth in liabilities from an increase in the number of active eligible employees, accrued leave and wages.
Previous results	2024–25: 138%

Performance Measure	Investment portfolio return
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 40).
Definition	The annual portfolio return expressed as an 8-year rolling average.
Target	CPI + 3% over rolling 8-year period (6.3% p.a.).
Result rating	✔ Achieved
Result value	6.9% p.a.
Result analysis	The diversified nature of the investment portfolio has provided a robust return and exceeded the CPI+3% target over the 8-year period, despite the volatility of the market. The 8-year period includes 2020 to 2022, covering the onset of the Covid-19 pandemic, the ensuing global economic recovery and higher inflation that followed. Subsequent financial year returns were double digit for FY2023, FY2024 and FY2025. The 8 years included financial year returns ranging from -5.3% (FY2022) to 17.1% (FY2021), highlighting the variability in the investment environment over the period.
Previous results	2024–25: 7.3% p.a. vs target of 6.1% p.a.

Performance Measure	Admin Expense Ratio (AER)^
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 40).
Definition	The ratio of operational expenditure* over fund income** expressed as a 12-month rolling average.
Target	≤0.80%
Result rating	✔ Achieved
Result value	0.60%
Result analysis	The AER performance target was achieved with the result of 0.60% being significantly lower than the target of less than or equal to 0.80%. The result was driven by a larger number of active employees in the Scheme (67,572 as at 30 June 2026) compared to the estimated number that in turn drove higher eligible wages of \$10.4 million compared with the estimated \$10.3 million. In addition, delays with certain planned initiatives resulted in expected expenditure pushing from FY26 to FY27 contributing to a lower AER for the year.
Previous results	2024–25: 0.56%

^The costs associated with Coal LSL’s multi-year transformation and investment in its initiatives will temporarily increase our AER.
*Excludes depreciation and portfolio management expenses.
**Fund income = appropriated levy receipts divided by payroll levy rate %.

Analysis of performance

The 5 measures in the table below all achieved their targets in FY2026. This reflects the sound strategic asset allocation developed over previous years and the benefits of the diversified investment portfolio to limit market volatility in single asset class exposures. The investment portfolio return target was achieved while keeping volatility below the target over the past 8 years. The funding ratio remains strong and will continue to be well managed as the long service leave liability continues to grow with the increase in active eligible employees.

Within the investment portfolio the main drivers of return over the past year were international equities, property, infrastructure and alternative debt.

The Fund continues to be managed in an efficient and cost-effective way to ensure the benefits to eligible employees will be paid as they fall due.

Prudent Financial Management Measures	KPI	Result
Fund surplus	115% (+15/-5% tolerance).	131%
Investment portfolio return	CPI + 3% p.a. Over rolling 8-year periods (6.3%).	6.9%
Investment objective	One year rolling return no worse than -12%.	5.1%
Portfolio volatility (8 years)	Rolling 8-year portfolio volatility of less than 8.4% based on Frontier* assumptions used to calibrate the financial year 2026 strategic asset allocation.	6.9%
Operational and capital expenditure	Within budget.	Within budget For FY26

* Frontier is Coal LSL’s asset consultant

STRATEGIC PRIORITY 2

ENGAGED, ACTIVE AND COMPLIANT PARTICIPANTS

- Employers comply with their obligations under the legislation

Performance measure results

Performance Measure	Employer compliance
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 40).
Definition	The % of employers who submit both levy returns and levy payments by the due date, displayed as a 6-month rolling average.
Target	64%
Result rating	✔ Achieved
Result value	72%
Result analysis	Coal LSL strengthened its regulatory approach during the year, contributing to an improved 12-month result. Key initiatives included enhancements to levy payment pursuit, escalation processes and the reintroduction of additional levy charges for late payments. Supported by proportionate enforcement where required, Coal LSL maintained a strong focus on engaging and educating employers, resulting in improved employer compliance with scheme obligations.
Previous results	2024–25: 45%

Performance Measure	On-time levy submissions
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 40).
Definition	The % of employers who submit levy returns by the due date, displayed as a 6-month rolling average.
Target	88%
Result rating	✔ Achieved
Result value	89%
Result analysis	Coal LSL’s continued focus on supporting employers to resolve levy return reporting challenges and strengthening its levy pursuit and escalation processes drove a steady improvement in the timely submission of levy returns throughout the year. This result reflects the effectiveness of targeted education, engagement and compliance activities. Coal LSL continues to build its understanding of the factors that influence compliance behaviour, enabling a refinement in regulatory approach and sustained improvements in employer compliance.
Previous results	2024–25: 84%

Performance Measure	On-time levy payments
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 40).
Definition	The % of employers who submit payments by the due date, displayed as a 6-month rolling average.
Target	64%^
Result rating	✔ Achieved
Result value	72%
Result analysis	Compliance performance improved significantly during the year, particularly following the strengthening of Coal LSL’s levy payment pursuit and escalation processes and the reintroduction of additional levy charges for late payment. These measures drove sustained improvements in on-time payment performance between March and June 2026 and accelerated the resolution of non-compliance. By year end, most instances of late payment were being resolved within 1 week of the due date, compared to within 22 days in June 2025, demonstrating stronger employer compliance and the effectiveness of Coal LSL’s regulatory approach.
Previous results	2024–25: 45%

^ 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 percentage points. The target for the period 2025–26 was adjusted to reflect this new measurement.

Performance Measure	Entitlement recorded on-time
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 40).
Definition	The % of active employees whose entitlements were recorded on a levy return received by the due date, displayed as a 6-month rolling average.
Target	92%
Result rating	✔ Achieved
Result value	93%
Result analysis	Compliance performance remained strongest throughout the year among employers with large workforces. This compliance by sizable employers kept the number of employee records being updated on time high; and supported timely access to long service leave information for most employees covered by the Scheme. By targeting large employers for engagement and regulatory activities, we have improved employer compliance and uplifted employee access to records. Coal LSL is building on this progress by focusing on compliance drivers among medium and small employers while maintaining outcomes among the large employer cohort.
Previous results	2024–25: 88%

Analysis of performance

Following the completion of major implementation activities associated with the [Fair Work Amendment \(Protecting Worker Entitlements\) Act 2023](#), Coal LSL increased its focus on driving improved compliance outcomes across the Scheme. This shift in focus was reflected in the strong performance achieved across all compliance indicators during 2025–26.

Education and engagement remained central to Coal LSL’s regulatory approach. During the year, Coal LSL undertook 93 site visits to educate employers and employees on their respective obligations and entitlements under the Scheme and the importance of compliance and awareness. Coal LSL also held 31 sessions with employee representative groups focusing on issues impacting eligible employees and continued to deliver Employer and Employee Connect Sessions throughout the year.

These activities strengthened relationships with stakeholders, improved awareness of legislative requirements, and supported higher levels of voluntary compliance across the industry.

In addition to its ongoing compliance activities, Coal LSL progressed preparations for the implementation of the [Coal Mining Industry \(Long Service Leave\) Legislation Amendment Act 2026](#), which prescribes 2 amendments to Coal LSL’s existing legislation:

- 1. a voluntary pathway for employers with unpaid historical levy obligations called an Unpaid Levy Payment Arrangement (ULPA) to enter into a structured repayment arrangement with Coal LSL
- 2. a new additional levy penalty rate tied to the Reserve Bank of Australia cash rate.

In 2025–26 Coal LSL substantially developed the processes and engagement strategies needed to support this implementation. Through this work Coal LSL has aimed to develop a mechanism where, from September 2026, new employers and employees are onboarded efficiently, legislative obligations are met and administrative impost on employers is minimised.



2.32 million
long service leave hours
taken during 2025-2026.



67,572
active employees in the
industry at 30 June 2026.



1,503
registered employers
at 30 June 2026.



72%*
of employers pay levies on-time
*6-month rolling average at 30 June 2026.



Spotlight: Improved employer compliance

A key focus during 2025–26 was improving employer compliance with levy return submission and payment obligations. Beyond measuring on-time performance, Coal LSL sought to better understand the factors influencing employer behaviour and identify the regulatory interventions most effective in resolving non-compliance.

This approach resulted in a reduction in the average number of days late employers paid their monthly levies. Over the past 18 months, Coal LSL has progressively strengthened its regulatory approach through clearer communications, more consistent escalation processes and targeted enforcement action.

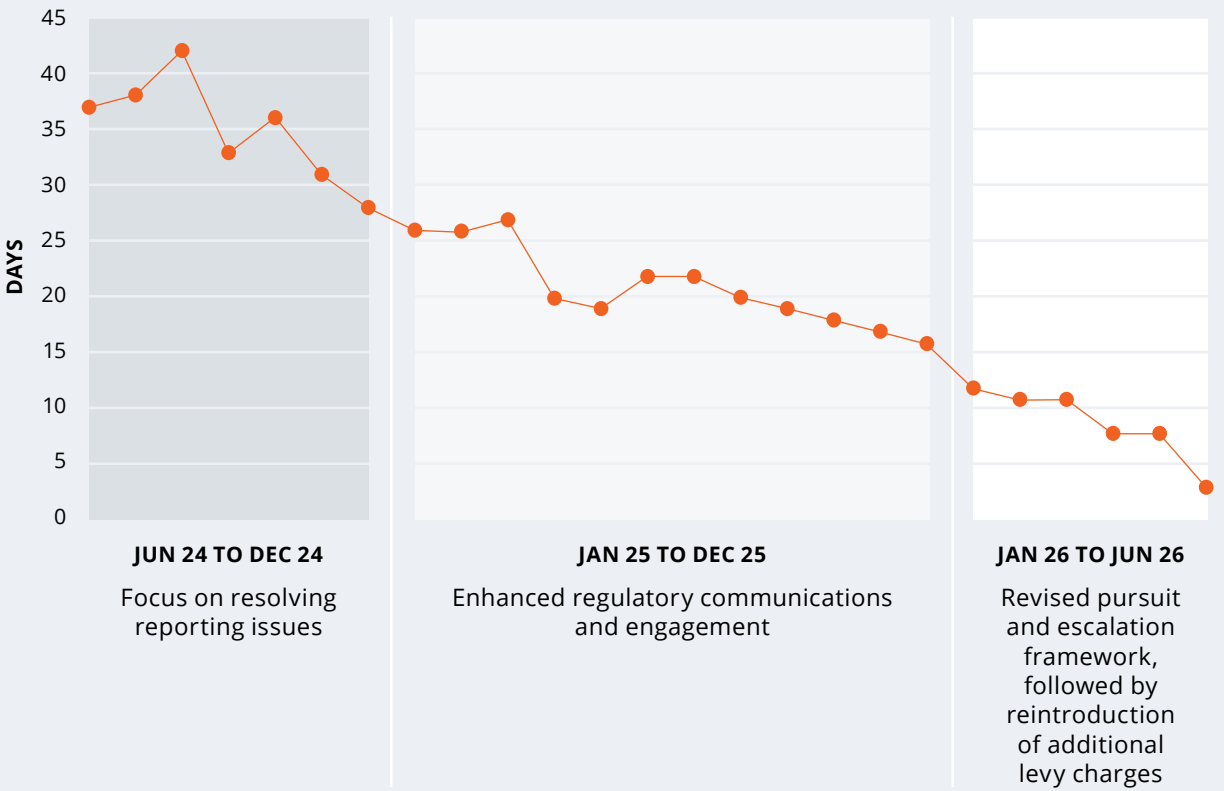
Improvements first emerged during 2025 following enhancements to regulatory communications and engagement activities. The average time taken to resolve overdue levy payments fell sharply between January and November 2025 before continuing a gradual downward trend, indicating

that early behavioural responses were sustained over time through consistent regulatory oversight.

In December 2025, Coal LSL further strengthened its approach by implementing a revised levy pursuit and escalation framework and notifying employers of the upcoming reinstatement of additional levy charges for late payment. These measures were followed by a further improvement in payment behaviour, with payment times continuing to decline as employers responded to the increased focus on compliance.

The reintroduction of additional levy charges in February 2026 reinforced this trend. By March 2026, Coal LSL recorded a further reduction in the time taken to resolve overdue levy payments, demonstrating the effectiveness of a regulatory model that combines education, engagement, escalation and proportionate enforcement to drive sustained compliance outcomes.

Levy payments (average days late)



 STRATEGIC PRIORITY 3
EFFECTIVE OPERATIONS

- Improved productivity through digital and streamlined processes that enhance stakeholder interactions

Performance measure results

Performance Measure	Core process effectiveness
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The % of core processes that meet or exceed their Service Level Agreements, displayed as a 6-month rolling average.
Target	43%
Result rating	✔ Achieved
Result value	58%
Result analysis	Coal LSL delivered a strong performance against its core process effectiveness target and healthy year-on-year improvement on a 6-month rolling average basis. The result in June 2026 was 58% compared with 45% in June 2025, a relative improvement of 29%. The underlying performance measures for core process effectiveness are levy lines processed, leave applications processed and reimbursement claims processed. Performance targets were exceeded for these core administration processes through service delivery improvements, digital capabilities, cross-functional teaming and resource management.
Previous results	2024–25: 45%

Performance Measure	Levy lines processed
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The % of levy lines processed within 3 business days, displayed as a 6-month rolling average.
Target	40%^
Result rating	✔ Achieved
Result value	44%
Result analysis	Coal LSL delivered a good performance against its levy lines processed target on a 6-month rolling average basis. Results for the year were achieved by maintaining the core resources dedicated to levy processing, enhanced cross-functional collaboration, and continued improvement in escalation management for employer non-compliance.
Previous results	2024–25: 47%

^ The decline in the target from the baseline for FY2025–26 assumed a temporary loss in productivity as Coal LSL transitions to the new Core Registry System.

Performance Measure	Leave applications processed
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The % of leave applications processed in 1 business day, displayed as a 6-month rolling average.
Target	60%
Result rating	✔ Achieved
Result value	88%
Result analysis	Coal LSL delivered a strong performance against its leave applications processed target and healthy year-on-year improvement on a 6-month rolling average basis. The result in June 2026 was 88% compared with 50% in June 2025, a relative improvement of 76%. This was achieved through the launch of Digital Leave Submissions (DLS) in June 2025. DLS streamlines the way employers submit leave applications and makes accessibility to the status of leave applications easier for employees. This new capability was a significant improvement in service delivery and enhanced the experience for employers and employees.
Previous results	2024–25: 50%

Performance Measure	Reimbursement claims processed
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The % of reimbursement claims processed within 3 business days, displayed as a 6-month rolling average.
Target	30%^
Result rating	✔ Achieved
Result value	43%
Result analysis	Coal LSL delivered strong performance against its reimbursement claims processed target and healthy year-on-year improvement on a 6-month rolling average basis. The result in June 2026 was 43% compared with 38% in June 2025, a relative improvement of 13%, which was achieved despite a material increase in reimbursement activity. Ongoing enhancements to operating procedures, reporting and monitoring, and stronger cross-functional collaboration enabled Coal LSL to maintain and improve service levels while managing increased volumes.
Previous results	2024–25: 38%

^ The decline in the target from the baseline for FY2025–26 assumed a temporary loss in productivity as Coal LSL transitions to the new Core Registry System.

Performance Measure	Transformation milestones achieved
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The % of milestones achieved on time and within budget (+/- 5%).
Target	Core registry replaced.
Result rating	Not achieved.
Result value	0% – Milestone not achieved.
Result analysis	The multi-year transformation program made progress during 2025–26 but did not achieve the target of replacing the core registry. Program complexity involving the integration of multiple systems and vendors to deliver a single end-to-end solution is being reviewed, resulting in delivery timeframes being extended. Development of detailed business requirements identified several technical design challenges that required further analysis and refinement. Addressing these challenges is critical to ensuring the solution meets operational, security and regulatory requirements and creates a scalable platform for contemporary digital services.
Previous results	Not reported prior to 2025–26.

Analysis of performance

Consistent delivery of scheme administration services is central to the organisation's purpose. Maintaining a focus during the year on refining our operational processes and practices to improve service delivery and stakeholder experiences, we achieved strong results against our targets for the processing of levy returns, leave applications and reimbursement claims.

A key indicator of our levy processing performance was the rate of standard levy returns processed with no manual intervention. In June 2026, 63% of levy returns were straight-through processed through our Online Services. This was a relative improvement of 19% on the June 2025 result of 53%.

Leave application processing delivered a strong result against the target due to the introduction of Digital Leave Submissions (DLS). This new capability streamlined workflows, reduced processing times, and improved the employer and employee experience. Processing outcomes for reimbursement claims remained strong against the target through the year. This was achieved through continued improvements in cross-team collaboration, reporting, and operating procedures.

In addition to achieving strong results against our targets for core administration processes, we delivered a 14% improvement in productivity from the previous year. This was driven by a strong productivity uplift of 23% in standard levy processing and a material improvement of 15% in combined leave application and reimbursement claim processing. These efficiency gains were driven through process automation, enhanced capability and operational improvements.

Workforce capability uplift, effective management of resources and new digital solutions strengthened the delivery of our scheme administration services and improved responsiveness to employers and eligible employees. Looking forward, our multi-year transformation program will drive a redesign of core processes, enabling greater operational effectiveness and sustained organisational performance over the longer term.

While the transformation program did not achieve its target of replacing the core registry during 2025–26, progress was made in establishing the foundations.

Over the last 12 months, 6 related projects were consolidated into a single program of work with a clear strategic focus, improving coordination, governance and delivery alignment. An important milestone was the implementation of digital leave submissions, providing an early example of the program's commitment to delivering incremental value to stakeholders.

Significant effort was also directed towards defining requirements and resolving technical and design complexities. This work has enhanced understanding of the challenges and dependencies associated with delivering a modern, integrated solution and has positioned the program to progress with greater confidence.



ENABLING CAPABILITIES

STRENGTHENING ORGANISATIONAL CAPABILITIES

Improved maturity across our 4 enabling capabilities:

- Connected, capable and engaged workforce
- Contemporary, scalable, and secure technology environment
- Data-driven decision making
- Risk-based approach drives our actions.

Performance measure results

Performance Measure	Capability maturity
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The # of enterprise capability elements that meet or exceed maturity targets.
Target	10 elements.
Result rating	Not achieved.
Result value	6 elements.
Result analysis	While not all capability maturity targets for 2025–26 were achieved, progress was made across people, technology, data, and risk capabilities. Maturity levels increased in key areas, supported by initiatives that strengthened workforce capability, enhanced technology governance and cyber security practices, established foundational data management capabilities, and continued to uplift risk management practices. The pace of maturity uplift was influenced by competing organisational priorities, sequencing of transformation activities and resource capacity required to support both business-as-usual operations and strategic initiatives. Despite these challenges, foundational work was completed that has increased maturity across all enabling capabilities. Work undertaken during the year established stronger foundations for future capability uplift and clarified the pathway for achieving our maturity objectives. Key frameworks, governance, capability programs and technology practices have been enhanced, providing greater organisational readiness to progress planned improvements in 2026–27. For 2025-26, overall enterprise capability had 4 elements at Level 1 maturity, 17 elements at Level 2, 1 element at Level 3 and 5 elements at Level 4. The 27 total elements are detailed in the subsequent performance measure categories of People (6), Technology (10), Data (6) and Risk (5).
Previous results	2024–25: Baseline maturity – 6 elements at Level 1 maturity, 15 elements at Level 2, 1 element at Level 3 and 5 elements at Level 4.

Performance Measure	People capability
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The # of People capability elements that meet or exceed maturity targets^.
Target	1 element.
Result rating	Not achieved.
Result value	0 elements.
Result analysis	People capability maturity is measured against the Gartner HR Maturity Assessment model across 6 elements; Managing HR Functions; Rewarding Employees; Developing Employees; Recruiting Employees; Shaping the Employee Experience and Driving Organisational Effectiveness. During 2025–26, Coal LSL continued to advance its people maturity with a strategic focus on maturity uplift for the Developing Employees element. The target maturity level of 3 for Developing Employees was not achieved; however its maturity increased from Level 1 to Level 2, from activities including organisational learning plans, critical skills assessment, a leadership capability framework and a leadership development program. While not targeted focus areas, the Rewarding Employees element improved its maturity to Level 2 and the Driving Organisational Effectiveness element saw some uplift in maturity from the introduction of an organisation-wide recognition program, safety and wellbeing activities, and strengthened governance practices. For 2025-26, People Capability had 3 elements at Level 1 maturity and 3 elements at Level 2. Collectively, these initiatives drove capability uplift and established a stronger foundation for continued progress toward its long-term workforce objectives.
Previous results	2024–25: Baseline maturity – 4 elements at Level 1 maturity and 2 elements at Level 2 maturity.

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



276

Coal LSL workforce at 30 June 2026.



More than 3,200

training courses completed.

Performance Measure	Technology capability
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The # of Technology capability elements that meet or exceed maturity targets^.
Target	3 elements.
Result rating	Not achieved.
Result value	1 element.
Result analysis	Technology capability maturity is measured against industry-leading frameworks for cyber security and IT Service Management. For cyber security, the National Institute of Standards and Technology (NIST) framework was used and includes 5 elements: Identify, Protect, Detect, Respond and Recover. The Information Technology Service Management (ITSM) framework was used for IT Service Management and includes 5 elements: Incident, Service Request, Problem, Change and Asset Management. Cyber security maturity uplift focused on the Protect element of the NIST framework. From a baseline of Level 2 (Repeatable) the target maturity of Level 3 (Defined) was not achieved; however, initiatives were implemented that improved maturity, including enhanced staff training and the deployment of a modern cloud security capability. Some capabilities were also delivered from other elements in the NIST framework which enabled pragmatic progress against the overall cyber security roadmap. IT Service Management maturity focused on the Change Management and Asset Management elements. Targeted improvements to Change Management processes, documentation and staff capability enabled the achievement of our maturity target of Level 3 from a baseline of Level 2. These enhancements strengthened governance over technology changes and reduced the risk of service disruptions associated with system deployments. The target maturity of Level 3 for Asset Management was not achieved (from a baseline of Level 2); however, activities that improved asset visibility and enhanced processes delivered an uplift in maturity. For 2025-26, Technology capability had 9 elements at Level 2 maturity and 1 element at Level 3. These technology capability improvements will strengthen our foundations for continued progress and uplifts in maturity.
Previous results	2024–25: Baseline maturity – 10 elements at Level 2 maturity.

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

Performance Measure	Data capability
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The # of Data capability elements that meet or exceed maturity targets^.
Target	1 element.
Result rating	Not achieved.
Result value	0 elements.
Result analysis	Data capability maturity is measured against the DMBOK framework across 6 elements: Data Governance, Reference and Master Data, Data Quality, Data Warehousing and Business Intelligence, Data Integration and Interoperability and Data Storage and Operations. Data maturity uplift focused on the Reference and Master Data element of the framework. From a baseline of Level 1 (Ad Hoc), the target maturity of Level 3 (defined) was not achieved; however, maturity increased to Level 2 (Repeatable) as baseline capability was developed within our transformation program. This work achieved an important uplift in maturity for the organisation and will enable continued improvements in future years. The Data Warehousing and Business Intelligence element of the DMBOK Framework was reassessed during the year to be at Level 2 maturity instead of Level 3. This more accurately reflects the existence of planned and repeatable processes and practices; however, they are not yet fully integrated, standardised or proactive across the entire organisation. For 2025-26, Data capability had 1 element at Level 1 maturity and 5 elements at Level 2.
Previous results	2024–25: Baseline maturity – 2 elements at Level 1 maturity, 3 elements at Level 2 maturity and 1 element at Level 3 maturity.

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

Performance Measure	Risk capability
Criterion source	Coal LSL 2025–26 Corporate Plan (Performance section, page 41).
Definition	The # of enterprise risk management capability elements that meet or exceed maturity targets^.
Target	5 elements.
Result rating	✔ Achieved
Result value	5 elements.
Result analysis	Risk capability maturity is measured against Comcover’s Commonwealth Risk Management Benchmarking Program foundational tool. This program is widely recognised across Commonwealth entities and provides a measurable framework for evaluating the integration and effectiveness of risk management practices. The maturity levels in the framework are 1-Simple, 2-Established, 3-Defined, 4-Embedded and 5-Advanced. Coal LSL’s Risk Management Framework was assessed in 2024–25 at the Embedded maturity level 4 which is Coal LSL’s target maturity level. It is anticipated that an updated maturity assessment will be undertaken during the 2026-27 financial year. Coal LSL continued to improve its risk management practices in 2025–26 by undertaking a range of continuous improvement initiatives. This included a material review of the Board’s risk appetite and strategic and enterprise risks to reflect the evolving risk landscape for Coal LSL. For 2025-26, Risk capability had 5 elements at Level 4. Practices for risk assurance were also reviewed to ensure that controls can respond to the evolving risk environment. Project risk management, identification of emerging risks and the management of incidents, issues and complaints were also improved.
Previous results	2024–25: Baseline maturity – 5 elements at Level 4 maturity.

^As defined in Coal LSL’s Business Capability Model.



Analysis of performance

Significant progress was made in 2025–26 to further mature our enabling capabilities across people, technology, data and risk.

We continued to strengthen our people capability through a sustained focus on staff engagement, professional development and leadership growth. Through performance and development planning, organisational learning plans and targeted capability initiatives, staff gained greater clarity on development pathways and access to learning opportunities. We also invested in leadership development to help leaders effectively support their teams through transformation and change. To recognise exceptional contributions, we introduced our first organisational recognition program, celebrating individuals and teams who demonstrated excellence, collaboration, resilience and alignment with our TORCH values.

While Coal LSL’s risk capability is in line with the target maturity level, we remained focused on progressing risk management practices by reviewing our strategic and enterprise risks and risk appetite, assurance and controls testing, management of project risks, and incident and complaint management.

Together, these initiatives strengthened the organisation’s people, technology, data and risk capabilities and enhanced our ability to deliver on our strategic priorities. The capability uplift achieved during 2025–26 has improved organisational resilience, strengthened governance and capability foundations, and enabled continued support for our transformation program and service delivery improvements for stakeholders.

Coal LSL also progressed the maturity of its technology and data capabilities to support organisational resilience, service delivery and long-term transformation objectives. Guided by recognised industry frameworks, improvements focused on governance, operational effectiveness and the management of technology and information assets. While not all maturity targets were achieved, meaningful progress strengthened foundational capabilities, enhanced risk management and improved visibility of technology and data assets. Collectively, these initiatives have positioned the organisation to continue improving cyber resilience, service performance and data-informed decision-making.





FINANCIAL STATEMENTS

Coal Mining Industry (Long Service Leave Funding) Corporation

ABN: 12 039 670 644

Financial statements for the year ended 30 June 2026



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STATEMENT BY DIRECTORS, CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER FINANCE

In our opinion, the attached financial statements for the year ended 30 June 2026 of the Coal Mining Industry (Long Service Leave Funding) Corporation (“Coal LSL”) comply with subsection 42(2) of the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Coal LSL will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.

Christina Langby
Chair

Darlene Perks
Chief Executive Officer

Oliver Connolly
General Manager Finance

Newcastle
11 September 2026

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Expenses			
Employee benefits	1.1 (a)	36,421	31,846
Professional services	1.1 (b)	6,907	7,049
Directors’ remuneration and expenses	1.1 (c)	361	282
Depreciation and amortisation	3.1	3,347	3,528
Interest on lease liabilities		269	312
Other expenses	1.1 (d)	11,911	10,075
Increase in provision for reimbursements	5.1 & 5.2	347,625	383,840
Total expenses		406,841	436,932
Own-source revenue			
Investment revenue	1.2 (a)	133,776	237,375
Other revenue		1,302	588
Total own-source revenue		135,078	237,963
Net (cost of) services		(271,763)	(198,969)
Revenue from government	1.2 (b)	280,845	267,983
Surplus on continuing operations		9,082	69,014
Other comprehensive income	1.3	-	1,194
Total comprehensive income		9,082	70,208

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 \$'000	2025 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	2.2	76,661	158,194
Other investments	2.3	53,000	55,000
Trade and other receivables	2.4	38,094	48,766
Unit trusts	2.5	2,623,703	2,404,180
Total financial assets		2,791,458	2,666,140
Non-financial assets¹			
Prepayments		2,626	2,876
Property, plant and equipment	3.1	16,209	18,830
Software	3.1	8,370	2,201
Total non-financial assets		27,205	23,907
Total assets		2,818,663	2,690,047
LIABILITIES			
Payables			
Trade and other payables	2.8	4,577	3,444
Total payables		4,577	3,444
Interest-bearing liabilities			
Leases	2.9	13,665	15,681
Total interest-bearing liabilities		13,665	15,681
Provisions			
Employee provisions	4.1	5,203	4,297
Provision for reimbursements	5.1	2,286,239	2,166,155
Other provisions	5.2	119	692
Total provisions		2,291,561	2,171,144
Total liabilities		2,309,803	2,190,269
Net assets		508,860	499,778
EQUITY			
Asset revaluation reserve		1,194	1,194
Retained surplus		507,666	498,584
Total equity		508,860	499,778

The above statement should be read in conjunction with the accompanying notes.

¹ Right-of-use assets are included in property, plant and equipment.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	2026 \$'000	2025 \$'000
RETAINED SURPLUS		
Balance carried forward from previous period	498,584	429,570
Net surplus for the year	9,082	69,014
Closing balance as at 30 June	507,666	498,584
ASSET REVALUATION RESERVE		
Balance carried forward from previous period	1,194	-
Other comprehensive income	-	1,194
Closing balance as at 30 June	1,194	1,194
TOTAL EQUITY		
Balance carried forward from previous period	499,778	429,570
Net surplus for the year	9,082	69,014
Other comprehensive income	-	1,194
Closing balance as at 30 June	508,860	499,778

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	2026 \$'000	2025 \$'000
OPERATING ACTIVITIES		
Cash received		
Investment income	29,957	33,659
Receipts from government	278,661	267,667
Other revenue	1,309	245
Net GST received	2,223	1,973
	312,150	303,544
Cash used		
Employees	35,301	30,803
Reimbursements to employers	228,114	169,595
Interest payments on lease liabilities	269	312
Other expenses	20,198	22,933
	283,882	223,643
Net cash from operating activities	28,268	79,901
INVESTING ACTIVITIES		
Cash received		
Sale of investments	170,688	84,036
	170,688	84,036
Cash used		
Purchase of non-financial assets	6,819	1,527
Purchase of investments	271,580	211,750
	278,399	213,277
Net cash (used by) investing activities	(107,711)	(129,241)
FINANCING ACTIVITIES		
Cash used		
Principal payments of lease liabilities	2,090	2,044
	2,090	2,044
Net cash (used by) financing activities	(2,090)	(2,044)
Net (decrease) in cash held	(81,533)	(51,384)
Cash and cash equivalents at the beginning of the reporting period	158,194	209,578
Cash and cash equivalents at the end of the reporting period	76,661	158,194
Non-cash investing activities		
During the year, financial assets held at fair value through profit or loss were acquired as a result of:		
	2026 \$'000	2025 \$'000
Reinvestment of distributions and manager fee rebates	149,037	104,171
Total non-cash investing activities	149,037	104,171

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

OVERVIEW

Coal LSL is an Australian domiciled, not-for-profit, corporate Commonwealth entity established under the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#) to regulate and manage long service leave entitlements on behalf of eligible employees of the black coal mining industry.

Basis of preparation

The financial statements are required by section 42 of the [Public Governance, Performance and Accountability Act 2013](#).

The financial statements have been prepared in accordance with:

- [Public Governance, Performance and Accountability \(Financial Reporting\) Rule 2015](#) (FRR); and
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

Coal LSL is not a General Government Sector entity and is not required to report budgetary numbers to Parliament. As such, the entity does not fall within the scope of AASB 1055.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

The financial statements are prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of operations. In making this assessment, Coal LSL has considered future events and conditions for the period of 12 months following the approval of these financial statements.

Critical estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant include:

- Fair value measurement of financial assets; the fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. Where observable market data is not available, balances are based on valuer assumptions. Refer to note 2.7 for further details.
- Provision for reimbursements; the provision is determined annually based on a number of assumptions including salary growth, discount rates, decrement rates and leave usage which, by their nature, are judgemental. Refer to note 5.1 for further details.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

New accounting standards

All accounting standards, amendments to standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect and are not expected to have a future material effect on the entity's financial statements.

Below is a list of standards issued prior to the signing of the financial statements, effective in the 2026 reporting period.

Standard / interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB S2 <i>Climate-related Disclosures</i>	AASB S2 Climate-related Disclosures sets out disclosure requirements for an entity to provide useful information to primary users of its general purpose financial report about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long-term.
AASB 2021-7a, b and c <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	This standard defers the mandatory application date of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2022.
AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i>	AASB 2023-5 applies to annual reporting periods beginning on or after 1 January 2025 and amends AASB 121 and AAS 1 to improve the usefulness of information provided to users of financial statements. The amendments require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.

All standards or interpretations issued prior to the date of signing have no material impact on the entity's financial statements and no adjustment has been made.

Funding

Levies payable by employers under the provisions of the [Coal Mining Industry \(Long Service Leave\) Payroll Levy Collection Act 1992](#) for eligible wages paid in the period 1 July 2025 until 30 June 2026 were calculated at 2.7% as defined by the Act (period 1 July 2024 until 30 June 2025: 2.7%).

Taxation

Coal LSL is exempt from all forms of income taxation.

Economic dependency

Coal LSL is economically dependent upon continued funding by the special (standing) appropriation of monies out of the Consolidated Revenue Fund of the Commonwealth of Australia derived from levies made in accordance with the [Coal Mining Industry \(Long Service Leave\) Payroll Levy Collection Act 1992](#). The accounting policy for revenue from government is disclosed in note 1.2(b).

Events after the reporting period

[Coal Mining Industry \(Long Service Leave\) Legislation Amendment Act 2026](#) (the Act) achieved Royal Assent on 6 July 2026 and, from 1 September 2026, introduces a voluntary pathway for employers with historical levy obligations called an Unpaid Levy Payment Arrangement (ULPA). In accordance with the Act, an approved ULPA provides a repayment period of up to six years, and where an employer complies with the ULPA payment terms such that 80% of their levy obligations have been paid, the remaining 20% of their debt will be waived. If the employer does not comply, the full amount remains payable. The long service leave entitlements of eligible employees contained within approved ULPAs will be recognised in full at the date the ULPA is approved, and included in the provision for reimbursements in future financial reporting periods as employers join the Scheme, however the impact on future financial reporting periods cannot be reliably estimated.

The Act also ties the additional levy penalty rate, which applies to late levy payments, to the Reserve Bank of Australia cash rate from 7 July 2026. This change does not impact the entity's financial results for the year ended 30 June 2026, and the impact on future reporting periods cannot be reliably estimated.

In July 2026 Coal LSL finalised its review of the application of the Saving Qualifying Service (SQS) provisions within section 39A(4) of the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#). This review resulted in a clarified interpretation of the preservation of qualifying service of eligible employees who had completed the required 8-year period of qualifying service prior to leaving the industry. The impact of this interpretation results in an estimated additional provision of \$12.4m at 30 June 2026, and the Provision for reimbursements at 30 June 2026 has been adjusted to reflect this estimate.

On 9 September 2026 the High Court of Australia allowed Coal LSL's appeal of a 2025 Federal Court judgment. Further detail can be found within Note 6 to the financial statements. The outcome of this judgment does not impact the entity's financial results for the year ended 30 June 2026, and the impact on future reporting periods cannot be reliably estimated at the time of signing.

Other than that noted above, there were no other specific events subsequent to 30 June 2026 that had the potential to significantly affect the ongoing structure and financial activities of the entity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. STATEMENT OF COMPREHENSIVE INCOME

1.1 EXPENSES	2026 \$'000	2025 \$'000
(a) Employee benefits		
Wages and salaries	30,915	27,402
Superannuation	4,082	3,390
Leave and other entitlements	1,424	1,054
Total employee benefits	36,421	31,846

ACCOUNTING POLICY

Accounting policies for employee related expenses are contained in the People and relationships section at note 4.

	2026 \$'000	2025 \$'000
(b) Professional services		
Legal fees	980	1,013
Audit of the financial statements – ANAO	146	127
Internal audit	42	72
Investment management and advice	1,341	1,145
Consultants and other professional services	4,398	4,692
Total professional services	6,907	7,049

(c) Directors' remuneration and expenses

The remuneration of directors was by way of an annual fee for part-time holders of public office as determined under Part 3 of the determination of the (Commonwealth) Remuneration Tribunal. Directors remain entitled to reimbursement for expenses incurred in travelling to/from meetings and in the conduct of business directly related to the affairs of Coal LSL.

	2026 \$'000	2025 \$'000
Remuneration paid or payable to directors	326	232
Directors' expenses	35	50
Total directors' remuneration and expenses	361	282

The total number of directors that are included in the above table is **7** (2025: 7). Refer to note 4.3 for further details.

1. STATEMENT OF COMPREHENSIVE INCOME (CONT.)

	2026 \$'000	2025 \$'000
(d) Other expenses		
Technology costs	4,672	3,802
Employment-related costs	3,154	2,797
Contractors	1,566	1,053
Property-related costs	643	640
Insurance	815	682
Operating expenses	1,061	1,101
Total other expenses	11,911	10,075

1.2 REVENUE	2026 \$'000	2025 \$'000
(a) Investment revenue		
Unit trust distributions	152,821	140,635
Deposit interest	7,711	12,232
Investment manager fee rebates	5,650	5,004
Changes in fair value of investments held at balance date	(35,328)	68,420
Net realised gain on sale of investments	2,922	11,084
Total investment revenue	133,776	237,375

ACCOUNTING POLICY

Dividend and distribution income is recognised when the right to receive a dividend/distribution has been established. Interest income is recognised as it accrues using the effective interest method. Investment manager fee rebates are received through the issue of additional units and are recognised as income when the right to receive the additional units has been established. Fair value gains and losses are recognised as unrealised when the investment is still held at balance date or as realised when the investment has been disposed of during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. STATEMENT OF COMPREHENSIVE INCOME (CONT.)

1.2 (b) Revenue from government

Coal LSL collects a levy from employers in a levy collection account. The levy is transferred to the Department of Employment and Workplace Relations via Consolidated Revenue and is transferred back from Consolidated Revenue to Coal LSL on a monthly basis under a special (standing) appropriation. In accordance with the [Coal Mining Industry \(Long Service Leave\) Payroll Levy Collection Act 1992](#), Coal LSL has a right to receive the associated cash flows at the time an employer pays an amount of payroll levy. As such, Coal LSL recognises revenue from government and a corresponding receivable at the time payroll levy is deposited into the levy collection bank account by the employer. At 30 June 2026, the balance in this levy account was **\$22,661,085** (2025: \$20,477,081). This amount was remitted to Consolidated Revenue on 1 July 2026 and has been recognised as a receivable which is disclosed in note 2.4.

	2026 \$'000	2025 \$'000
Levy collections from employers	280,845	267,983
Total revenue from government	280,845	267,983

ACCOUNTING POLICY

Revenues from government are recognised when Coal LSL has a right to receive the associated cash flows. The right to receive cash flows associated with levies paid by employers (including additional levies) is triggered by the special (standing) appropriation contained within section 36 of the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#).

1.3 OTHER COMPREHENSIVE INCOME

	2026 \$'000	2025 \$'000
Other comprehensive income		
- Changes in asset revaluation reserve	-	1,194
Total other comprehensive income	-	1,194

2. FINANCIAL ASSETS AND LIABILITIES

2.1 CATEGORIES OF FINANCIAL INSTRUMENTS

	2026 \$'000	2025 \$'000
Financial assets		
Amortised cost		
Cash and cash equivalents	76,661	158,194
Other investments	53,000	55,000
Trade and other receivables	38,094	48,766
Total at amortised cost	167,755	261,960
Fair value through profit or loss		
Unit trusts	2,623,703	2,404,180
Total financial assets	2,791,458	2,666,140
Financial liabilities		
Amortised cost		
Trade and other payables	3,553	2,634
Total financial liabilities	3,553	2,634

Net gains and losses on financial assets and financial liabilities are disclosed in note 1.2(a).

ACCOUNTING POLICY

Financial assets are recognised when Coal LSL becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

The classification depends on Coal LSL's business model for managing the financial assets and the contractual cash flow characteristics at the time of initial recognition.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the simplified approach which measures the loss allowance based on an amount equal to lifetime expected credit losses, where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.2 CASH AND CASH EQUIVALENTS

	2026 \$'000	2025 \$'000
Cash at bank	56,661	54,194
Term deposits	20,000	104,000
Total cash and cash equivalents	76,661	158,194

ACCOUNTING POLICY

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

2.3 OTHER INVESTMENTS

	2026 \$'000	2025 \$'000
Term deposits – maturity >3 months	53,000	55,000
Total other investments	53,000	55,000

2.4 TRADE AND OTHER RECEIVABLES

	2026 \$'000	2025 \$'000
Receivable from Department of Employment and Workplace Relations	22,661	20,477
Accrued income from investments	14,508	26,462
Accrued bank interest	710	1,568
GST paid and claimable	209	254
Other assets	6	5
Total trade and other receivables	38,094	48,766

At 30 June 2026, no trade or other receivables were overdue or impaired (2025: nil).

ACCOUNTING POLICY

Trade and other receivables that are held for the purpose of collecting contractual cash flows which are solely payments of principal and interest and are not provided at below-market interest rates are measured at amortised cost using the effective interest method adjusted for any loss allowance.

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.5 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Investments

	2026 \$'000	2025 \$'000
As at 1 July	2,404,180	2,147,791
Purchases	422,617	260,921
Sales	(170,688)	(84,036)
Realised and unrealised (losses)/gains	(32,406)	79,504
Total as at 30 June	2,623,703	2,404,180

b) As at 30 June 2026, a total of **\$2,623.7m** (2025: \$2,404.2m) from the assets of the Coal Mining Industry Long Service Leave Fund were invested by Coal LSL with the appointed fund managers in accordance with the approved investment policy as follows:

	2026 \$'000	2025 \$'000
Fund managers		
Barings	104,584	99,507
Challenger	116,684	108,994
Finisterre	95,411	87,207
GQG Partners	189,384	194,499
Hyperion Asset Management	113,833	114,637
Igneo Infrastructure Partners	224,579	174,927
Independent Franchise Partners	198,212	216,683
JPM Global Bond Fund	97,399	-
Lazard Asset Management	123,284	107,783
Macquarie Investment Management – True Index	144,531	142,346
Macquarie Investment Management – Pure Index	167,683	104,300
Mirvac	45,374	37,877
Northleaf Senior Private Credit	93,931	61,639
Palisade Investment Partners	118,559	112,375
PIMCO	-	140,667
QIC	18,718	18,007
Resolution Capital	107,829	112,091
Skerryvore Asset Management	165,576	167,917
Vanguard	405,526	317,172
Yarra Capital Management	92,606	85,552
Total unit trusts	2,623,703	2,404,180

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

All investments in unit trusts were held on behalf of Coal LSL by the Master Custodian, State Street Australia Limited. For the year ended 30 June 2026, the return on the investment of funds was **5.1%** (2025: 10.0%).

	2026 \$'000	2025 \$'000
Sector exposure		
Australian fixed interest	144,531	142,346
Overseas fixed interest	97,399	140,667
Australian equities	497,406	412,272
Overseas equities	958,698	896,271
Alternatives	410,610	357,347
Infrastructure	343,138	287,302
Property	153,203	149,968
Cash ¹	148,379	231,201
Total investments	2,753,364	2,617,374

¹ Sector exposure to Cash includes funds held in unit trusts as well as Cash and cash equivalents and term deposits. Refer to notes 2.2 and 2.3 for further details.

Coal LSL’s sector exposure to underlying assets through its investments in unit trusts are as follows:

Fixed income: Australian and overseas government bonds, semi-government bonds and corporate bonds as well as fixed income and currency derivatives.

Equities: Australian and overseas equities listed on respective stock exchanges including developed and emerging markets. Derivatives can be used for exposure management.

Alternatives: alternative credit includes bank loans and corporate debt positioned at various levels in the capital stack ranging between mezzanine and high yield debt, emerging markets sovereign and corporate debt issued in both hard and local currencies. Alternatives also include multi-asset exposure to equities, commodities, inflation-linked bonds, government and corporate nominal bonds, cash and currency pairs.

Infrastructure: domestic and international exposure including airports, roads, ports, utilities and renewables.

Property: exposure to global listed real estate and Australian unlisted property including office space primarily in Sydney and Melbourne.

Exposure to areas of conflict

The portfolio allocation to areas of conflict was immaterial at 30 June 2026. The estimated exposure to assets domiciled in Russia/Belarus/Ukraine was **0.05%** and Israel/Lebanon/Iran **0.07%** of the total investment portfolio.

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

ACCOUNTING POLICY

Financial assets are classified at fair value through profit or loss (FVTPL) where the financial assets either do not meet the criteria of financial assets held at amortised cost or at fair value through other comprehensive income (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at balance date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated by Coal LSL’s investment managers using valuation techniques, including use of recent arm’s length market transactions, references to the current fair value of other instruments that have substantially the same characteristics, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Investments in unlisted unit trusts are recorded at the exit price as reported by the managers of such trusts.

It is a requirement of all managers that if derivatives are utilised, any such derivatives are fully cash backed.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2026

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.6 FINANCIAL RISK MANAGEMENT

Coal LSL’s investment strategies expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. The overall risk management program focuses on managing the financial risks by having a well-diversified portfolio. Diversification occurs across asset classes and within asset classes across managers/strategies, which in turn are diversified across geographies, sectors, size and investment styles.

Coal LSL’s investment portfolio is invested in line with the approved strategic asset allocation (SAA). The SAA is calibrated to manage both the risk and return objectives for the portfolio. The SAA is reviewed by the Investment Committee, a sub-committee of Coal LSL’s Board of Directors, at least once a year, and approved by the Board. As part of such review, the SAA is stress tested under a range of scenarios to ensure that potential adverse outcomes are within tolerance.

The SAA outlines the target allocation to each asset class, which can move in a specified range around the target allocation. Should the allocation to an asset class exceed its upper or lower limit, the asset class will be re-balanced within Board-approved ranges.

Risk management is conducted by Coal LSL’s investment team in conjunction with Coal LSL’s asset consultant, Frontier. The portfolio is regularly monitored by both parties and the monitoring is presented and discussed with the Investment Committee quarterly. The trigger action response plan (TARP) reporting presents important control measures in managing the market risks. The TARP currently consists of nine performance triggers and an additional nine risk triggers relating to liquidity and diversification across the portfolio.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk, foreign currency risk and other price risks. Other price risks are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Coal LSL’s overall market positions are monitored monthly using the performance report from the Master Custodian, State Street Australia, to evaluate the performances at the total portfolio level, asset class level and individual manager/strategy level relative to benchmark over different time horizons such as rolling one, three, five and eight-year periods.

Risk is controlled relative to Coal LSL’s approved SAA.

(i) Currency risk

Coal LSL is exposed to the effects of exchange rate fluctuations as part of the strategic allocation to international equities invested in trusts managed on an unhedged basis. The SAA target allocation to foreign currency exposure is 22.5%, which is managed by keeping the allocation to international equities partially unhedged. Coal LSL’s other international investments, which include fixed income, property, infrastructure and alternatives, are 100% hedged within the unit trusts. Coal LSL’s overall policy in foreign currency risk management remains unchanged from the previous reporting period.

(ii) Interest rate risk

At 30 June 2026, Coal LSL had no long-term borrowings; it is subject to cash flow and interest rate risk on its cash and cash equivalents and term deposits. With all other variables held constant, a 0.9% decrease in interest rates would decrease the operating result and equity by **\$1.3m** (2025: 1.9%, \$4.4m). An increase of 0.9% would have an equal but opposite effect on the result and equity position.

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

(iii) Other price risks

The following table demonstrates the sensitivity to a reasonably possible change in market prices of the underlying asset classes, with all other variables held constant as at 30 June 2026:

	%	\$'000	%	\$'000
Australian fixed interest	3.4	4,914	(3.4)	(4,914)
Overseas fixed interest	3.4	3,312	(3.4)	(3,312)
Australian equities	17.0	84,559	(17.0)	(84,559)
Overseas equities	17.1	163,458	(17.1)	(163,458)
Alternatives	10.0	41,061	(10.0)	(41,061)
Infrastructure	13.5	46,324	(13.5)	(46,324)
Property	13.5	20,682	(13.5)	(20,682)

A general fall in market prices of 5% and 15% spread equally across total investments held would have led to a decrease in the operating result of **\$137.7m** and **\$413.0m** respectively (2025: \$130.9m and \$392.6m).

Return and volatility factors have been determined by adopting 10-year return assumptions. These 10-year return expectations reflect recent market conditions and are unlikely to change meaningfully from year to year. Data is obtained from various sources including the Reserve Bank of Australia, Bloomberg, and Refinitiv.

(b) Credit risk

Apart from a transactional bank account with CBA containing approximately 3-4 months of estimated reimbursements to employers and any term deposits, all other assets are invested in unit trusts. Coal LSL does not assess any potential counter party risk associated with the underlying assets in the trusts in which it invests. Such assessment is part of the active management that has been outsourced to investment managers.

(c) Liquidity risk

Liquidity risk is the risk that Coal LSL will not be able to settle or meet its obligations as they fall due. Coal LSL adopts the following cash management strategy.

Coal LSL’s investment portfolio allocation profile is determined by the Board in conjunction with advice from external professional investment consultants and the Investment Committee, a

sub-committee of Coal LSL’s Board of Directors. It is structured to ensure sufficient funds are held in investments that can be converted to cash to meet its obligations as they fall due. Equities, other listed securities, cash and short-term debt securities constitute the significant components of Coal LSL’s financial instruments. The liquidity risk of unlisted securities is managed through holding a diversified portfolio of assets with known investment horizons, different expected exit dates, and ensuring the total exposure of this class is maintained at a level whereby forced sales will not be required. At balance date, **\$1,990.7m** of Coal LSL’s total investments could be converted to cash within 10 business days.

The Investment Committee is charged with the monitoring of liquidity and the Board with the overall responsibility for liquidity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.7 FAIR VALUE MEASUREMENTS

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

(a) Fair value hierarchy

Coal LSL categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 30 June 2026. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy. Coal LSL had no assets classified as level 1.

	Fair value hierarchy	2026 \$'000	2025 \$'000
Financial asset			
Unit trusts	2	1,929,165	1,821,161
Unit trusts	3	694,538	583,019
Total unit trusts		2,623,703	2,404,180

There were no transfers from level 2 to level 3 for any investments measured at fair value through profit or loss during the period.

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

(b) Valuation techniques used to derive level 2 and level 3 fair values

Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fairly value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investments held in unlisted property and infrastructure unit trusts.

All investments in unit trusts are recorded at the redemption value per unit as reported by the investment managers of the trusts. The unit price is derived from the value of the underlying

investments. For level 2 investments, the most recent available prices in the market are used while level 3 investments are valued based on estimated future cash flows and discount rates. An increase in the future cash flows related to the underlying assets held by the unit trusts would increase the fair value of the investment. An increase in the discount rate would decrease the fair value of the investment.

Investment balances are inherently subjective as they are based on valuer calculations using their best estimate assumptions as at 30 June 2026. The likely key inputs to these valuations may include discount rate, net cash flow projections and terminal value. Coal LSL's Investment team, with oversight from the Investment Committee, a sub-committee of the Board of Directors, reviews the valuation processes, use of external professional valuers and governance controls of investment managers and considers these valuations as reasonable. Sensitivity tables are included within note 2.6 (a).

2.8 TRADE AND OTHER PAYABLES

	2026 \$'000	2025 \$'000
Trade creditors and accruals	2,840	2,134
Other payables	713	500
Salaries and wages	911	722
Superannuation	113	88
Total trade and other payables	4,577	3,444

Amounts are unsecured and are usually paid within 30 days of recognition.

ACCOUNTING POLICY

Trade and other payables are recognised at amortised cost. Liabilities are recognised to the extent that goods and services have been received (and irrespective of having been invoiced).

The accounting policy for provision for make good is disclosed in note 3.1.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.9 LEASES

On 23 August 2021 Coal LSL signed an operating lease for its head office premises in Newcastle. The lease commenced on 1 February 2022 for an initial period of ten (10) years with a five (5) year renewal option. Included in this lease is an annual fixed increase of 3.25% over the initial lease period, with a market review should the option be exercised. Given it is uncertain if Coal LSL will exercise the option period, these have been excluded from the calculation of lease liabilities and the associated right-of-use asset.

	2026 \$'000	2025 \$'000
Lease liabilities		
- Buildings	13,600	15,681
- Plant and equipment	65	-
Total lease liabilities	13,665	15,681

Total cash outflow for leases for the year ended 30 June 2026 was \$2.4m (2025: \$2.4m).

Maturity analysis – contractual undiscounted cash flows		
Within 1 year	2,245	2,149
Between 1 to 5 years	10,525	10,154
More than 5 years	1,633	4,381
Total leases	14,403	16,684

The above lease disclosures should be read in conjunction with note 3.1.

3. NON-FINANCIAL ASSETS

3.1 PROPERTY, PLANT AND EQUIPMENT AND SOFTWARE	Buildings ¹ \$'000	Plant & equipment \$'000	Software ² \$'000	Total \$'000
Reconciliation of opening and closing balances				
As at 1 July 2025				
Gross book value	25,227	4,737	5,867	35,831
Accumulated depreciation, amortisation and impairment	(8,191)	(2,943)	(3,666)	(14,800)
Total as at 1 July 2025	17,036	1,794	2,201	21,031
Purchased or internally developed	12	562	6,321	6,895
Depreciation and amortisation	(2,566)	(629)	(152)	(3,347)
Disposals	-	-	-	-
Total as at 30 June 2026	14,482	1,727	8,370	24,579
Total as at 30 June represented by				
Gross book value	25,238	5,013	12,188	42,439
Accumulated depreciation, amortisation and impairment	(10,756)	(3,286)	(3,818)	(17,860)
Total as at 30 June 2026	14,482	1,727	8,370	24,579
Carrying amount of right-of-use assets	9,042	64	-	9,106

¹ Buildings include a right-of-use asset and leasehold improvements for the head office premises.
² Software includes \$4.0m work in progress associated with the development of Coal LSL's core registry system.

ACCOUNTING POLICY

For all new contracts entered into, Coal LSL considers whether the contract is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at commencement date, discounted using the interest rate implicit in the lease, if that is readily determinable, or Coal LSL's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

3. NON-FINANCIAL ASSETS (CONT.)

ACCOUNTING POLICY

Assets are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange for liabilities undertaken.

Asset recognition threshold

Purchases of property, plant and equipment are recognised at cost in the statement of financial position except for purchases costing less than \$1,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to ‘make good’ provisions taken up by the entity where there exists an obligation to restore leased premises. As at 30 June 2026, it was the opinion of the directors that Coal LSL did not have any future obligation for the make good of any leased premises.

Leased right-of-use assets

Leased right-of-use assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright but included in the same column as where the corresponding underlying assets would be presented if they were owned. Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired. Leased right-of-use assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding right-of-use assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets’ fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets. Immaterial property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

3. NON-FINANCIAL ASSETS (CONT.)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

- Buildings: term of lease
- Plant and equipment: 2-10 years
- Right-of-use: term of lease

Impairment

All cash-generating assets and assets held at cost, including intangibles and right-of-use assets, were assessed for impairment at 30 June 2026. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount. For non-cash generating assets held at fair value, the recoverable amount is expected to be materially the same as fair value at 30 June 2026.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Net realised gains or losses on sale of assets

Gains and losses arising from the sale of assets during the year are recognised in the statement of comprehensive income when the asset has been disposed.

Intangibles

Coal LSL’s intangibles comprise software that has been purchased, internally developed or significantly modified for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Modification costs in relation to software-as-a-service products are expensed upfront or over the contract period depending on the nature of the vendor undertaking the modifications. These costs are not included as intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

3. NON-FINANCIAL ASSETS (CONT.)

Initial recognition

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated, including:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible assets with a finite useful life are amortised on a straight-line basis over its anticipated useful life. The useful lives range from 3 to 9 years (depending on assessment of the individual asset’s useful life). Intangible assets with an indefinite useful life are not amortised. Where the development phase of an internal project is amortised, amortisation will begin when the intangible asset is available to be used.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified, and intangible assets with an indefinite useful life or work in progress are tested for impairment annually. All intangible assets were assessed for indications of impairment at 30 June 2026.

Significant intangible assets

Coal LSL has capitalised software development expenditure for the development phase of its Registry technology software, recognised as internally developed. This asset is currently under development.

4. PEOPLE AND RELATIONSHIPS

4.1 EMPLOYEE PROVISIONS

	2026 \$'000	2025 \$'000
Leave	5,203	4,297
Total employee provisions	5,203	4,297

ACCOUNTING POLICY

Leave

Liabilities for annual leave are calculated on the basis of employees’ remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity’s employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised in employee provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting dates. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

4.2 KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Executive Leadership Team and Board of Directors. Remuneration of key management personnel is reported in the table below:

	2026 \$'000	2025 \$'000
Short-term employee benefits	2,864	2,573
Post-employment benefits	264	234
Other long-term employee benefits	31	92
Total key management personnel remuneration expenses¹	3,159	2,899

The total number of key management personnel that are included in the above table is **15** (2025: 13).

¹ The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister’s remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

4. PEOPLE AND RELATIONSHIPS (CONT.)

4.3 RELATED PARTY DISCLOSURES

(a) Related party relationships

Coal LSL is a corporate Commonwealth entity. Related parties to this entity are the key management personnel and the Portfolio Minister. Directors have associations with entities that are involved in the coal mining industry pursuant to their appointment to the Board under the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#).

The directors of Coal LSL during the year were:

- Ms Christina Langby, Chair
- Mr Grahame Kelly, Deputy Chair
- Mr Scott Faragher
- Mr Robert Coluccio
- Ms Eliza Sarlos (resigned 22 January 2026)
- Ms Judy Bertram
- Mr Mitch Hughes (appointed 3 March 2026)

Directors held their positions to the end of the financial year unless indicated otherwise.

The Executive Leadership Team employed by Coal LSL during the year were:

- Ms Darlene Perks, Chief Executive Officer
- Mr Tony Windever, Chief Operating Officer (appointed Acting CEO 23 February 2026 to 1 May 2026)

- Ms Lisbeth Rasmussen, Chief Investment Officer (resigned 12 December 2025)
- Mr Sharife Rahmani, Chief Regulatory Officer
- Ms Kylie Miller, Chief Innovation & Strategy Officer
- Ms Nicole Killen, Chief Governance Officer (appointed 15 September 2025)
- Mr Ross Etherington, Chief Investment Officer (appointed 15 December 2025)
- Mr Oliver Connolly, Acting Chief Operating Officer (appointed 23 February 2026 to 22 May 2026)

(b) Transactions with related parties

Given the breadth of government activities, related parties transact with the government sector in the same capacity as ordinary citizens.

From time to time Coal LSL transacts with related parties on an arms length basis and on commercial terms. Related party transactions are managed strictly in accordance with Coal LSL's Conflicts of Interest Policy including deploying strategies such as quarantining Directors from discussions and/or decisions in respect of their related party.

4. PEOPLE AND RELATIONSHIPS (CONT.)

During the financial year the following related party transactions were undertaken:

Recipient	Date	Amount (ex. GST) (\$)	Details
NSW Minerals Council (NSWMC)	3 – 6 August 2025	9,500	Sponsorship for the purposes of the 2026 NSW Mining Health, Safety, Environment & Community (HSEC) Conference August 2026.
Mining and Energy Union (MEU) Northern Mining & NSW Energy District	26 – 27 March 2026	6,000	Sponsorship for the purposes of the MEU Northern Delegates Annual General March 2026.
MEU NSW South Western District	1 – 2 April 2026	3,182	Sponsorship for the purposes of the MEU South Western Lodge Officers Conference April 2026.
MEU Queensland District	4 May 2026	2,000	Sponsorship for the purposes of the 2026 Moranbah Labour Day Festival May 2026.
MEU Queensland District	20 April 2026	3,200	Advertising in 2027 Pocket Diary
MEU (National Office)	Throughout the year (7 meetings)	3,250	Meeting room hire for Coal LSL Board, Committee and other meetings

Through these activities, Coal LSL was able to effectively connect with eligible employees and delegates by hosting information stalls and delivering presentations on the Scheme.

MEU: Grahame Kelly is the Deputy Chair of Coal LSL's Board. He held this role whilst also serving as the MEU General Secretary and in his current role of MEU General President. Eliza Sarlos was employed as the MEU's Senior National Legal Officer until August 2025. Mitch Hughes is the President of the MEU's Queensland branch.

NSWMC: Christina Langby is the Chair of the Coal LSL Board. She is also Director of Finance and Operations and Company Secretary of the NSWMC.

There are no outstanding balances at the end of the financial year in respect of the above transactions and no guarantees were provided or received in respect of these transactions.

Apart from items disclosed above and at notes 1.1(c) Directors' remuneration and expenses, 1.2(b) Revenue from government and 4.2 Key management personnel remuneration, there were no further related party transactions.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2026

5. PROVISIONS

5.1 PROVISION FOR REIMBURSEMENTS

	2026 \$'000	2025 \$'000
Current	1,914,392	1,797,189
Non-current	371,847	368,966
Total provision for reimbursements	2,286,239	2,166,155
As at 1 July	2,166,155	1,952,602
Reimbursements paid	(228,114)	(169,595)
Additional provisions recognised	444,948	353,297
Increase/(decrease) in provision due to change in discount rate	(96,750)	29,851
As at 30 June	2,286,239	2,166,155

The current portion of the provision includes unconditional entitlements where employees have met the eligibility requirements for long service leave. However, based on experience, current leave obligations expected to be reimbursed to employers in the next 12 months is **\$243.9m** (2025: \$203.8m).

ACCOUNTING POLICY

This provision represents the expected liability for the reimbursement of employers for the long service leave entitlements of eligible employees under the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#) as at 30 June.

The provision for reimbursements is based on the accrued entitlements of each eligible employee (being the individual's total number of hours of long service leave accrued multiplied by their average hourly rate of pay). The liability for each eligible employee is then calculated using a number of key assumptions, including:

- rates of usage,
- employee turnover,
- estimates of future salary growth, and
- the probability of dormant employees returning to the industry.

Expected future cash flows are discounted to a present value using government bond yields that match the duration of the liability as closely as possible.

5. PROVISIONS (CONT.)

Coal LSL recognises that the present value of the provision for reimbursements is sensitive to changes in assumptions used in determining its value. Assumptions which are subject to a higher degree of sensitivity are noted below. These assumptions were reassessed at 30 June 2026.

Salary growth

At 30 June 2026, the actuarial salary growth rate assumptions were **4.0%** for 2026-27 (2025: 3.5%), **4.0%** for 2027-28 (2025: 3.5%), and **3.5%** for all other periods (2025: 3.5%).

Demographic assumptions

At 30 June 2026, age-based employee turnover rates were assumed ranging from **2.1%** at age 16 to **100.0%** at age 80 (2025: 1.6% at age 16 to 100.0% at age 80), and age-based net movements from active to dormant status ranging from **0.0%** to **19.0%** were assumed (2025: 0.0% to

19.0%). Further, probability factors for dormant employees returning to active service are applied, ranging from **0.0%** to **45.0%** depending on length of time since the last service was recorded (2025: 0.0% to 45.0%).

Leave usage

Long service leave is assumed to be taken in service by qualified eligible employees at an annual rate of **8.5%** (2025: 8.0%).

Discount rates

At 30 June 2026, the discount rate utilised was **4.68%** (2025: 3.95%).

Sensitivity to key assumptions

Provision for reimbursements sensitivities arising from changes to actuarial assumptions in discount rate, wage increase assumptions and demographic assumptions are shown below.

	As at 30 June 2026		
	Base provision as reported in Statement of Financial Position \$'000	Impact on provision & net assets \$'000	Adjusted provision after impact of sensitivity \$'000
Change in discount rate			
1% increase in discount rate	2,286,239	(120,166)	2,166,073
1% decrease in discount rate	2,286,239	134,673	2,420,912
Change in wage assumption			
1% increase in wage increase assumption	2,286,239	125,502	2,411,741
1% decrease in wage increase assumption	2,286,239	(114,288)	2,171,951
Change in demographic assumption			
5% higher probability of return for dormant employees	2,286,239	11,239	2,297,478
5% lower active to dormant net movement	2,286,239	52,928	2,339,167
1.5 times usage rate (12.75%)	2,286,239	34,337	2,320,576

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

5. PROVISIONS (CONT.)

5.2 OTHER PROVISIONS

	Provision for levy refunds \$'000	Total \$'000
As at 1 July 2025	692	692
Additional provisions made	-	-
Amounts used	(573)	(573)
Amounts reversed	-	-
Total as at 30 June 2026	119	119

As at 30 June 2026, a provision of \$0.1m remained in relation to levies due to be refunded to employer groups as follows:

- levies paid by entities that are not national system employers but had been registered as employers within the Scheme. At 30 June 2026, 25 of the 28 impacted employers had been refunded levies and interest. The exclusion of these employers from the Scheme is not expected to have a material impact on future reporting periods.
- additional levies that had been incorrectly calculated and collected from employers of eligible employees.

6. CONTINGENCIES AND COMMITMENTS

6.1 CONTINGENT ASSETS AND LIABILITIES

Quantifiable contingencies

Recognition of periods of eligible employment service

In accordance with the [Coal Mining Industry \(Long Service Leave\) Legislation Amendment Act 2011](#), “Eligible Employees” can make application to Coal LSL for recognition of periods of eligible employment service that may not be presently recognised and recorded by Coal LSL. A contingent liability will arise at reporting date where applications have been received but not yet approved. At 30 June 2026 Coal LSL has an estimated contingent liability of **\$1.6m** (2025: \$1.1m).

Coal LSL has an estimated contingent asset of **\$8.0m** at 30 June 2026 (2025: \$7.4m) arising in respect of levies attributable to those employers of “Eligible Employees” and “Former Eligible Employees” in relation to applications received. Those employers may not have recognised a corresponding liability for levies owed to Coal LSL, hence its disclosure as a contingent asset. The accounting policy for revenue from government is disclosed in note 1.2 (b).

Unquantifiable contingencies

Unknown claims

Coal LSL has not raised a liability for unknown claims by employees for recognition of period(s) of employment service because, at balance date, these amounts are unknown and are not reliably measurable. A contingent asset will also arise in respect of levies attributable to those employers of “Eligible Employees” and “Former Eligible Employees” who previously did not contribute to the Fund for unrecognised service. No asset will be raised for unknown claims as these amounts are unknown and are not reliably measurable.

Data management

Coal LSL has an ongoing strategic focus on assessing and maturing its data management practices and is committed to improving its data quality to support the effectiveness of regulatory and administrative operations. It is possible that as Coal LSL continues to focus in this area that legacy data issues may be identified. To the extent that any legacy issues are identified which require remedial activity and impact employee entitlements under the Scheme it will be corrected and the liability adjusted accordingly, however, at balance date, these amounts are not reliably measurable.

Unpaid Levy Payment Arrangements (ULPA)

The long service leave entitlements of eligible employees contained within approved ULPAs will be recognised in full, and included in the provision for reimbursements. As at signing date, no ULPAs have been approved, and the value of future ULPAs are unknown and are not reliably measurable. Further information on ULPA is contained within the Overview to the notes.

Disputes and legal actions

At any point in time, Coal LSL is involved in a range of dispute resolution processes relating to long service leave, which may include litigation. Details of the outcome of dispute resolution processes are uncertain until an agreement is reached, or a court ruling is made at a future date. In most cases it is not possible to estimate with any reliability the likely financial impact of current disputes.

At the date of signing the financial statements, 1 legal proceeding was in progress:

- Workpac Pty Limited had commenced proceedings in the Federal Court of Australia against Coal LSL, seeking declaration regarding Coal LSL’s published guidance on levy calculation for casual employees. On 8 July 2026, the Federal Court delivered a judgment in this dispute, finding in favour of Coal LSL’s argued positions on (i) how the ‘base rate of pay’ is to be determined (**Rates Issue**); and (ii) the number of hours the base rate is to be multiplied by (**Hours Issue**). Workpac has sought leave to appeal certain aspects of the judgment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

6. CONTINGENCIES AND COMMITMENTS (CONT.)

Although contingent assets and/or liabilities may arise as a result of these proceedings, these amounts are not reliably measurable at 30 June 2026. Future legal fees in relation to the proceedings are estimated at **\$0.1m** (2025: \$0.2m).

On 9 September 2026 the High Court of Australia, by a 3-2 majority, allowed Coal LSL's appeal of a 2025 Federal Court judgment. In doing so, the Court found that Orica Australia Pty Ltd (Orica)'s shotfiring and other explosive service workers carrying out duties

on black coal mine sites were, at all relevant times eligible employees. Orica will be required to submit levy returns to include all impacted service from these eligible employees and to pay outstanding levies. Orica has also been ordered to pay Coal LSL's legal costs on the proceedings. The outcome of this judgment does not impact the entity's financial results for the year ended 30 June 2026, and the impact on future reporting periods cannot be reliably estimated at the time of signing.

ACCOUNTING POLICY

Contingent liabilities and assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Furthermore, contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

6.2 COMMITMENTS

At 30 June, Coal LSL had the following capital commitments arising from investments. These commitments can be called upon at any time but are expected to be called as outlined below.

Investment commitments	2026 \$'000	2025 \$'000
Not later than one year	-	33,250
Later than one year and not later than five (5) years	-	-
Total investment commitments	-	33,250

7. CURRENT/NON-CURRENT DISTINCTION FOR ASSETS AND LIABILITIES

Section 34B of the Financial Reporting Rule requires the disclosure of maturity information in a note in the financial statements showing asset and liability totals, and line items broken down to amounts expected to be recovered or settled within 12 months or after 12 months from reporting date. The below note has been prepared accordingly.

	Note	2026 \$'000	2025 \$'000
Assets expected to be recovered in:			
No more than 12 months			
Cash and cash equivalents	2.2	76,661	158,194
Other investments	2.3	53,000	55,000
Trade and other receivables	2.4	38,094	48,766
Prepayments		2,626	2,876
Total no more than 12 months		170,381	264,836
More than 12 months			
Unit trusts	2.5	2,623,703	2,404,180
Property, plant and equipment	3.1	16,209	18,830
Software	3.1	8,370	2,201
Total more than 12 months		2,648,282	2,425,211
Total assets		2,818,663	2,690,047
Liabilities expected to be settled in:			
No more than 12 months			
Trade and other payables	2.8	4,403	3,311
Leases	2.9	2,083	1,964
Employee provisions	4.1	2,249	1,541
Provision for reimbursements	5.1	243,879	203,803
Other provisions	5.2	119	692
Total no more than 12 months		252,733	211,311
More than 12 months			
Trade and other payables	2.8	174	133
Leases	2.9	11,582	13,717
Employee provisions	4.1	2,954	2,756
Provision for reimbursements	5.1	2,042,360	1,962,352
Total more than 12 months		2,057,070	1,978,958
Total liabilities		2,309,803	2,190,269

At 30 June 2026, assets expected to be recovered in no more than 12 months are less than liabilities expected to be settled in no more than 12 months. It is the intention of Coal LSL to fund this shortfall through revenue from government expected to be received within the next 12 months. Should revenue from government be insufficient to fund the expected liabilities over the coming 12 month period, investments in unit trusts will be converted to cash to fund this shortfall. Further detail in relation to liquidity risk is included in note 2.6 (c).



INDEPENDENT AUDITOR'S REPORT

To the Minister for Employment and Workplace Relations

Opinion

In my opinion, the financial statements of the Coal Mining Industry (Long Service Leave Funding) Corporation (the Entity) for the year ended 30 June 2026:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by Directors, Chief Executive Officer and General Manager Finance;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the financial statements, comprising a summary of material accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the [Auditor-General Act 1997](#). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Directors are responsible under the [Public Governance, Performance and Accountability Act 2013](#) (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Directors are also responsible for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
11 September 2026



APPENDICES



Hunter Safety Award for Best Health and Wellbeing Program (Large).

DISCLOSURES

Work health and safety

Coal LSL continued to strengthen its work health, safety and wellbeing maturity throughout 2025–2026 with a strong focus on fostering a psychologically safe workplace, enhancing psychosocial risk management and ensuring compliance with work health and safety legislation.

During the year, Coal LSL delivered a range of activities to strengthen its Health and Safety Framework and organisational capability. These included:

- assessing the findings from our first Psychosocial Health Survey to identify and manage work-related psychosocial hazards
- undertaking a comprehensive review of our Work Health and Safety (WHS) Policy in consultation with our WHS Committee and subject matter experts
- launching 6 new Health and Safety Guidelines and implementing an updated hazard and incident reporting system
- embedding our Mental Health Support Officer (MHSO) program to ensure staff are aware of available support services across the organisation.

Work health and safety governance and assurance activities remained strong throughout the year, supported by regular WHS Committee meetings, proactive early intervention injury management and WHS risk management activities. The WHS Committee continued to provide an important forum for consultation across the organisation and welcomed new representatives during the year.

Comcare's proactive inspections conducted during 2025 identified no non-conformances, providing independent assurance that Coal LSL's work health and safety systems and controls continue to operate effectively.

During the year, Coal LSL had no notifiable incidents to Comcare and was not subject to any statutory enforcement or investigation action.

In May 2026 Coal LSL's leadership in psychological safety was recognised when we won the Hunter Safety Award for Best Health and Wellbeing Program (Large). This acknowledged Coal LSL's proactive approach to psychological safety and its demonstration of best practice in embedding psychosocial risk management into leadership, systems and governance.



86%
of Coal LSL staff participated
in the Psychosocial Health
Survey, providing us with
meaningful insights.

Fraud and corruption control

Coal LSL’s Fraud and Corruption Control Plan is aligned with the Commonwealth Fraud Control Framework and outlines our approach to preventing, detecting, investigating and reporting fraud and corruption. The plan, which incorporates continuous improvement initiatives, outlines how we comply with Section 10 of the [PGPA Rule](#) and reinforces our primary focus on prevention as a means of mitigating fraud and corruption risks.

In December 2025, we finalised an extensive organisation wide review of our fraud and corruption controls and identified improvement opportunities which we are continuing to address. During the reporting period, we also reviewed our fraud and corruption enterprise risk profile to ensure it remains fit-for-purpose and reflective of our evolving risk environment.

Our commitment to prevention was further supported by staff training and awareness initiatives, which foster a culture of integrity and encourage the reporting of suspected incidents. At 30 June 2026, there were no active investigations and no instances of fraud or corruption were reported during the financial year.

Indemnities and insurance premiums

Coal LSL has an Investment Managers Insurance (IMI) package in place which covers directors’ and officers’ liability insurance arrangements. This provides cover in respect of any person who is or was a director or officer of Coal LSL when acting in those capacities. During 2025–26, Coal LSL paid \$139,802.52 (inclusive of GST and stamp duty) for its IMI coverage.

There were no claims against our liability insurances during the 2025–26 financial year.

Related entity and related party transactions

Coal LSL had no transactions with a related Commonwealth entity during the year ended 30 June 2026.

In respect of reportable related party transactions, apart from remuneration payments and the payment of reasonable business expenses incurred in undertaking duties for and on behalf of Coal LSL, related party transactions for the year ended 30 June 2026 totalled \$27,132. Detail of this is reported in Note 4.3 Related Party Disclosures in the Financial Statements.



Remuneration of Coal LSL Key Management Personnel

Name	Position title	Short-Term Benefits			Post – Employment Benefits	Other Long-Term Benefits		Termination Benefits	Total Remuneration
		Base salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)	Superannuation contributions (\$)	Long service leave (\$)	Other long – term benefits (\$)	(\$)	(\$)
Darlene Perks	Chief Executive Officer	542,523	-	1,785	62,769	(66,753)	-	-	540,324
Lisbeth Rasmussen ¹	Chief Investment Officer	194,862	-	451	5,806	14,558	-	-	215,677
Tony Windever	Chief Operating Officer	417,673	-	1,177	28,393	8,193	-	-	455,436
Sharife Rahmani	Chief Regulatory Officer	444,766	-	1,217	35,339	51,337	-	-	532,659
Kylie Miller	Chief Innovation & Strategy Officer	422,281	-	1,339	52,720	8,816	-	-	485,156
Nicole Killen ²	Chief Governance Officer	231,687	-	488	25,808	4,379	-	-	262,362
Ross Etherington ³	Chief Investment Officer	222,909	-	535	17,636	8,681	-	-	249,761
Oliver Connolly ⁴	Acting Chief Operating Officer	76,862	-	418	11,652	2,196	-	-	91,128
Christina Langby ⁷	Chair/Director	87,940	-	-	10,553	-	-	-	98,493
Grahame Kelly ⁷	Deputy Chair/Director	43,980	-	-	-	-	-	-	43,980
Scott Faragher ⁷	Director	43,980	-	-	5,278	-	-	-	49,258
Robert Coluccio ⁷	Director	43,980	-	-	-	-	-	-	43,980
Eliza Sarlos ^{5,7}	Director	24,591	-	-	2,298	-	-	-	26,889
Judy Bertram ⁷	Director	43,980	-	-	5,278	-	-	-	49,258
Mitch Hughes ^{6,7}	Director	14,424	-	-	-	-	-	-	14,424
Total key management personnel remuneration		2,856,438	-	7,410	263,530	31,407	-	-	3,158,785

¹ Resigned 12 December 2025
² Appointed 15 September 2025
³ Appointed 15 December 2025
⁴ Appointed Acting COO from 23 February 2026 to 22 May 2026
⁵ Resigned 22 January 2026
⁶ Appointed 3 March 2026
⁷ The remuneration of directors was by way of an annual fee for part-time holders of public office as determined under Part 3 of the determination of the (Commonwealth) Remuneration Tribunal. Directors remain entitled to reimbursement for expenses incurred in travelling to/from meetings and in the conduct of business directly related to the affairs of Coal LSL. These expenses are paid in addition to the remuneration included in the table above.

Remuneration of Coal LSL Other Highly Paid Staff

Remuneration band	Number of other highly paid staff	Short-Term Benefits			Post – Employment Benefits	Other Long-Term Benefits		Termination Benefits	Total Remuneration
		Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long – term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)
\$265,000 - \$270,000	0	-	-	-	-	-	-	-	-
\$270,001 - \$295,000	2	247,750	-	683	32,774	4,917	-	-	286,123
\$295,001 - \$320,000	1	251,098	-	2,313	32,024	11,113	-	-	296,548
\$320,001 - \$345,000	0	-	-	-	-	-	-	-	-
\$345,001 - \$370,000	0	-	-	-	-	-	-	-	-

Remuneration of Audit, Risk Management and Compliance Committee (ARCC) Members

Directors of the Coal LSL Board do not receive an additional fee for membership of the ARCC, nor any other committee of the Board. Annual remuneration for directors is included in the Key Management Personnel total remuneration figures on p.83. Mr Tony Nimac (Independent Chair) was remunerated \$56,320 (including GST) for ARCC duties in 2025–26. Travel and other expenses incurred while fulfilling ARCC member duties are paid in addition to such remuneration.

Procurement

Our objectives are to maintain independence and integrity through procurement practices that:

- achieve value for money in the procurement of goods and services
- ensure transparency, fairness, competition, probity, and ethically responsible procurement practices
- comply with our legislative obligations as well as community expectations of us as a corporate Commonwealth entity.

The procurement framework will continue to meet the evolving needs of the organisation while ensuring our procurement principles are upheld.

Ecologically sustainable development

The Investment Portfolio

Our Environmental, Social and Governance (ESG) Statement guides the management of the investment portfolio.

Coal LSL believes that risks and opportunities relating to ESG issues will impact the long-term investment outcomes of the Fund and they will evolve over time. Coal LSL also considers ESG in the context of organisation-wide risks and opportunities.

Coal LSL’s commitments are as follows:

- integrate consideration of ESG into the selection and performance monitoring of investment managers and advisers
- require investment managers and advisers to also integrate consideration of ESG into their processes and explain why if it is not possible
- expect that investment managers will incorporate ESG issues into investment analysis and decision-making processes, engage constructively with the companies they invest in where appropriate and act in accordance with applicable laws. Coal LSL’s investment team, who oversees the Fund’s assets, will report to the Coal LSL Investment Committee and Board on exceptions
- seek annual progress updates from investment managers whereby they can illustrate improvements made over the year to their disclosure on ESG issues. Coal LSL’s investment team issues a due diligence questionnaire to investment managers each year and compiles and compares the responses from them
- comply with Coal LSL’s reporting obligations under the [Modern Slavery Act 2018](#). Ensure where possible that its service providers manage such risks.

Coal LSL invests in pooled investment trusts, which means it is not possible to mitigate specific ESG risks through voting and is also difficult via engagement. Coal LSL believes that investment managers are typically in the best position to analyse ESG matters concerning the entities in which they invest. Whilst this is likely to be of overall benefit to the Fund, it also means that approaches and outcomes will differ across the different investment trusts in which Coal LSL is invested.

Ecologically Sustainable Development (ESD)

Coal LSL has an obligation under Section 516A of the [Environmental Protection and Biodiversity Conservation Act 1999](#) to report on how its activities accord with Ecologically Sustainable Development (ESD).

ESD principles aim to ensure that development is assessed in an environmentally responsible way while at the same time reducing negative impacts on the environment.

During the year, Coal LSL maintained processes to accord with the ESD principles. The organisation is located in a 5 Star Green-Star rated building designed to improve environmental outcomes. The NABERS Energy rating increased to 6 stars, the NABERS Water rating increased from 5 to 5.5 stars and NABERS rating relating to the indoor environment increased from 5.5 to a 6 star rating.

Coal LSL:

- uses renewable energy sources (solar to power our operations)
- uses environmentally sustainable finishes and fixtures like FSC (Forest Stewardship Council) timber
- uses timed shut down of computers and electrical equipment outside working hours
- uses energy efficient lighting, including sensor lighting throughout the office
- uses sensor cooling/heating for energy efficiency
- has developed its emissions reporting in line with the APS Net Zero Emissions Reporting Framework.

Coal LSL is continuing to reduce our environmental imprint by:

- using Follow Me printing (with default settings set to double-sided greyscale)
- using electronic meeting papers to reduce the volume of paper
- using dedicated recycling bins for recycling coffee capsules, writing instruments, batteries, paper, cardboard, plastics, glass and print cartridges
- ensuring recycling and proper disposal of e-waste (computers and accessories)
- running an employee-led can/bottle collection program.

Workforce profile

Coal LSL’s headquarters are located in the City of Newcastle, within the Hunter region of New South Wales. At 30 June 2026, we employed 276 staff, of which 236 were ongoing staff members and 40 were non-ongoing staff members.

The following table represents our workforce profile for the period 2025–26.

The majority of staff members were based in NSW, Australia, with the exception of 3 staff members; 1 based in QLD, Australia, 1 based in VIC, Australia, and 1 based in ACT, Australia.

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
Ongoing	78	0	78	136	22	158	0	0	0	0	0	0	0	0	0	236
Non-ongoing	17	0	17	23	0	23	0	0	0	0	0	0	0	0	0	40

The following table represents our workforce profile for the period 2024–25.

All staff were based in NSW, Australia, with the exception of 1 staff member who was based in QLD, Australia.

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
Ongoing	73	1	74	141	14	155	0	0	0	0	0	0	0	0	0	229
Non-ongoing	13	1	14	14	1	15	0	0	0	0	0	0	0	0	0	29

Ministerial directions and government policy orders

During 2025–26, Coal LSL received no Ministerial Directions.

The PGPA Act allows the Australian Government to issue directions to Coal LSL by means of a Government Policy Order (GPO). No GPOs applied to Coal LSL during 2025–26.

Significant non-compliance with finance law

There were no instances of significant non-compliance with finance law reported to the Minister by Coal LSL under paragraph 19(1)(e) of the PGPA Act in 2025–26.

Judicial decisions and reviews

During the year there were no judicial decisions or decisions of administrative tribunals that have had a significant effect on Coal LSL’s operations.

There were no external reports on Coal LSL requiring disclosure by the following external parties:

- the Auditor-General (with the exception of the external audit of the annual financial statements)
- any committee of the Houses of Parliament
- the Commonwealth Ombudsman
- the Office of the Australian Information Commissioner.

COAL LSL COMMONWEALTH CLIMATE DISCLOSURES [2025–26]

Overview

The Commonwealth Climate Disclosure (CCD) is the Government’s policy for Commonwealth entities to publicly disclose their exposure to climate-related risks and opportunities, and the actions they take to manage those risks and opportunities, as part of delivering their public purpose. The policy is designed to provide transparent and consistent climate disclosures to the Australian public.

Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL) is a Tranche 2 entity and is producing its first climate disclosure in accordance with the Year 1 Reporting Provisions.

Climate governance

Effective governance is central to Coal LSL’s approach to identifying, assessing and managing climate-related risks and opportunities. The Board of Directors, as Coal LSL’s accountable authority, maintains ultimate responsibility for risk management and strategic governance under the [Public Governance, Performance and Accountability Act 2013 \(PGPA Act\)](#) and the [Commonwealth Risk Management Policy \(2023\)](#). The Board will ensure that climate-related risks and opportunities are managed through the executive leadership team and reflected in our governance and accountability frameworks. While formal governance structures specifically dedicated to climate-related risks and opportunities are not currently in place, the Board is actively establishing its climate oversight capabilities and processes. In future reporting periods, Coal LSL will determine how to formally integrate climate-related matters into our standard governance and corporate reporting, risk management framework and strategic planning to ensure robust, long-term accountability.

Operational responsibility for managing risks within the organisation is delegated to the Chief Governance Officer (CGO), under the oversight of the Chief Executive Officer (CEO). The organisation utilises a three-lines model to ensure consistent adherence to our risk management framework and policy requirements. The Audit, Risk Management and Compliance Committee (ARCC) and the Board receive quarterly risk reports.

To support climate governance oversight, the Board was briefed by external experts on the Climate Risk and Opportunity Management Program (CROMP). Coal LSL used CROMP as a guide, tailoring its application to align with our existing risk management framework and operating model.

Accountable authority skills and competencies

The Board has identified a range of skills and competencies it pursues in order to undertake its duties on behalf of Coal LSL.

In this first reporting period, climate-related competency is not a defined criterion for Board composition, appointment or renewal. To assist the Board in understanding the CCD policy, the Board received a briefing from external experts on Coal LSL’s obligations and endorsed the reporting strategy and approach adopted for this disclosure. This supported the Board’s understanding of the requirements and its oversight role in relation to climate-related risks and opportunities.

In practice, the Board considers capability needs through its ordinary governance processes, including discussion at Board meetings and input from management and external advisers. As climate-related disclosure requirements mature, Coal LSL will consider whether a more structured approach to assessing Board climate competency is appropriate, including whether to extend the existing skills oversight arrangements to cover the Board’s climate-related capabilities.

Strategy

Overview of climate-related risks and opportunities

Coal LSL has identified and assessed climate-related risks and opportunities that could reasonably be expected to affect our ability to deliver public policy¹ and/or our financial prospects, having regard to our business model, operations and investment activities over the short, medium and long term.

While Coal LSL has identified several climate-related risks through this assessment, Coal LSL has concluded that none are expected to have a material effect on our prospects. This conclusion reflects the nature of our operating model, the scale and concentration of our exposures, and the effectiveness of existing and ongoing controls and mitigants embedded within our organisation.

Approach to climate risk identification and assessment

Coal LSL assessed the exposure to climate-related risks across both our operations and our investment activities, reflecting our role as:

- an office-based administrator and regulator delivering statutory functions
- a manager of invested funds supporting long service leave liabilities.

Our operations are based in Newcastle, with a largely service-based supply chain and mature work-from-home arrangements. Our role as an investment manager is comparable to that of other fund managers, as there are no specific constraints or obligations on how or where Coal LSL invests funds arising from our relationship with the coal industry. Additionally, when undertaking the annual strategic asset allocation review of the investment portfolio, future climate-related scenarios are considered as part of stress testing the portfolio.

¹ Commonwealth Climate Disclosure Requirements p.23

As such, Coal LSL adopted a proportionate and structured approach to identifying and assessing climate-related risks and opportunities, having regard to the nature, size and complexity of our operations.

Our approach was informed by CROMP which provides a structured framework for identifying, assessing and managing climate-related risks. Coal LSL used CROMP as a guide, whilst tailoring its application to align with our existing risk management framework and operating model.

In practice, this approach involved:

- defining the scope of our assessment across our operations and investment activities
- identifying climate-related risks and opportunities through internal workshops and external guidance
- assessing risks using our existing risk management framework, including likelihood and consequence scoring
- considering the effectiveness of existing controls and mitigants
- determining residual risk and assessing materiality in the context of CCD requirements.

This methodology provides a reasonable and supportable basis for identifying climate-related risks and determining whether they could reasonably be expected to have a material effect on our prospects.

Time horizons

Coal LSL assesses climate-related risks and opportunities over the short, medium and long term, consistent with the CCD requirements and the nature of our operations.

Time horizon	Duration	Definition and relevance to Coal LSL
Short-term	0 – 4 years	Short-term risks capture immediate operational impacts, such as extreme weather disruptions and near-term regulatory or procurement changes and align with Coal LSL’s Corporate Plan.
Medium-term	4 – 10 years	This period captures transition risks such as evolving emissions standards, changes in government requirements and market developments.
Long-term	10+ years	Reflects the timeframe over which climate-related physical changes, including temperature increases, extreme weather intensity and infrastructure resilience, may become more pronounced. These longer-term considerations inform strategic planning, operational resilience and investment adaptation.

Defining materiality

In line with CCD requirements, Coal LSL defines a climate-related risk or opportunity as material where it could be expected to have a significant effect on:

- our ability to deliver public policy
- our financial prospects, including our investment portfolio.

Coal LSL assessed materiality qualitatively using our risk management framework, including:

- the likelihood and consequence of unmitigated risks
- the effectiveness of existing controls and mitigation measures
- the level of residual risk relative to our risk appetite.

Our climate risk and opportunity assessment

Through structured assessment workshops supported by research and analysis, Coal LSL identified 17 climate-related risks across physical, transition, legal, reputational and technology categories.

These risks were assessed with the risk assessment matrix under our risk management framework, including likelihood and consequence scoring and consideration of existing controls.

Following this assessment:

- 13 risks were assessed as low, reflecting minimal exposure or effective mitigation.
- 4 risks were assessed as medium, prior to mitigation, representing our most significant climate-related exposures. Those risks are:
 - internal technology network stability and outage risk arising from extreme weather – both electricity and telecommunications
 - flooding impacts on operations and workforce access to the office
 - bushfire impacts on operations and workforce safety
 - exposure of some assets within our investment portfolio to acute and chronic physical risks relating to climate change.
- While 4 of the 17 identified risks were initially assessed as medium, none were assessed as material following the application of existing controls. These risks do not pose a significant threat to our operations or financial prospects.
- Coal LSL considered potential climate-related opportunities but did not consider any to be significant at this stage.

The 13 risks identified as low climate-related risks, including their categories, descriptions and unmitigated risk ratings, are provided in Appendix A: Remaining Risks Identified.

The 4 risks rated medium before the application of risk controls are described below:

**1 RISK 1:
ACUTE PHYSICAL RISK**

Extreme weather events disrupting network stability and access to systems.
(including electricity outages and telecommunications disruptions affecting digital platforms)

Timeframe	All.
Risk concentration	Coal LSL operations (Newcastle office), including digital platforms and workforce access to systems.
How this risk affects our organisation	Coal LSL relies on digital platforms to process levy collections, maintain records and administer long service leave payments. Extreme weather events, including storms, flooding and grid instability, may disrupt access to these systems through power or telecommunications outages, resulting in intermittent interruptions to service delivery and workforce productivity. Over time, the increasing frequency and severity of extreme weather events may place greater pressure on electricity and telecommunications infrastructure, which could increase the likelihood of system disruptions.
Value chain impact	Disruptions are expected to be temporary and manageable within existing operating arrangements. Our service-based model and remote access capability reduce reliance on any single physical location.
Risk controls	Existing controls are mature and embedded within Coal LSL’s organisational practices. These mitigations are: • remote work capability allowing continuity of operations across locations • reliance on cloud-based systems with built-in redundancy • backup power arrangements and IT resilience measures • business continuity planning and incident response processes.
Existing residual risk exposure Low risk	Residual risk exposure is low through established and continuously applied operational and technology controls that support ongoing service delivery during disruption. Residual risk reflects existing embedded controls and does not rely on future or planned mitigations.

**2 RISK 2:
ACUTE PHYSICAL RISK**

Flooding impacting operations, workforce access and investment assets

Timeframe	All.
Risk concentration	Coal LSL operations (Newcastle office), workforce access and exposure within the investment portfolio.
How this risk affects our organisation	Flooding events associated with the Newcastle office and the Newcastle region may disrupt access to our office, impact workforce mobility and affect employee safety, resulting in temporary constraints on operations. Flooding may also affect physical assets within our investment portfolio, including infrastructure and property, which may influence asset values. Over time, increased frequency and severity of flooding events may elevate exposure for certain asset classes and increase the need for portfolio monitoring and adjustments.
Value chain impact	Operational impacts are expected to be localised and temporary. Impacts to investment assets are mitigated through diversification and external manager oversight.
Risk controls	Existing controls are mature and embedded within Coal LSL’s organisational practices. These mitigations are: • mature work-from-home capability reducing reliance on physical office access • business continuity planning for extreme weather events • workforce flexibility and safety protocols • diversified investment portfolio and external fund manager oversight.
Existing residual risk exposure Low risk	Residual risk exposure is low due to established operational controls and diversified investment exposures. Residual risk reflects existing embedded controls and does not rely on future or planned mitigations.

3 RISK 3:
ACUTE PHYSICAL RISK

Bushfire impacts on workforce safety, operations and investment assets

Timeframe	All.
Risk concentration	Coal LSL (Newcastle office), Coal LSL workforce, office access and exposure within investment portfolio.
How this risk affects our organisation	Bushfire events associated with the Newcastle office and the Newcastle region may affect workforce safety through reduced air quality and may disrupt access to our office, resulting in temporary impacts to workforce availability and service delivery. These events may also affect the resilience and valuation of infrastructure and property assets within our investment portfolio. Over time, increased frequency and severity of bushfire events may heighten risks to workforce mobility and asset resilience.
Value chain impact	Operational impacts are expected to be temporary and manageable through flexible work arrangements. Investment impacts are mitigated by portfolio diversification.
Risk controls	Existing controls are mature and embedded within Coal LSL's organisational practices. These mitigations are: • mature work-from-home capability reducing reliance on physical office access • business continuity planning for extreme weather events • workforce flexibility and safety protocols • diversified investment portfolio and external fund manager oversight.
Existing residual risk exposure Low risk	Residual risk exposure is low due to established workforce, operational and investment controls. Residual risk reflects existing embedded controls and does not rely on future or planned mitigations.

4 RISK 4:
PHYSICAL AND TRANSITION RISK

Exposure of the investment portfolio to climate-related risks and transition dynamics

Timeframe	All.
Risk concentration	Investment portfolio.
How this risk affects our organisation	Our investment portfolio includes exposure to some assets that may be affected by physical climate risks, as well as transition risks associated with the move to a lower-emissions economy. These factors may influence asset valuations and returns. While no current financial impacts have been identified, over time, climate-related developments may influence asset performance, require portfolio rebalancing and increase investment management effort.
Value chain impact	Exposure is moderated through diversification and external management of assets. Coal LSL is not directly responsible for asset-level operations.
Risk controls	Existing controls are mature and embedded within Coal LSL's organisational practices. These mitigations are: • diversified asset allocation across sectors and geographies • engagement of external fund managers with relevant expertise • integration of ESG considerations into investment decision-making • ability to adjust portfolio allocations and investment managers.
Existing residual risk exposure Low risk	Residual risk exposure is low due to diversification, active management and existing investment governance frameworks. Residual risk reflects existing embedded controls and does not rely on future or planned mitigations.

Materiality conclusion

Based on our assessment, none of the identified climate-related risks are assessed as material at this time. That is, climate-related risks are not expected to have a material effect on our ability to deliver public policy¹ or on our financial prospects across the short, medium or long term.

This conclusion reflects:

- **limited operational exposure** – Coal LSL is based in Newcastle with a highly digital service model and mature remote work capability, reducing exposure to physical disruption
- **embedded and mature controls** – Business continuity planning, workforce flexibility and technology resilience measures are well established and consistently applied
- **resilient investment portfolio** – Our exposure to climate-related risks is limited through diversified asset allocation, the use of external fund managers and integration of ESG considerations
- **low residual risk exposure** – All identified risks, including those initially assessed as medium, are reduced to low residual risk after consideration of existing controls.

¹ Commonwealth Climate Disclosure Requirements p.23



Risk management

Objective and overview

Coal LSL has an established risk management framework, with a Board-approved risk appetite, a common risk matrix and oversight through the Audit, Risk Management and Compliance Committee (ARCC) and the Board. Climate-related risk had not previously been assessed as a distinct exposure within that framework.

During this period, Coal LSL has taken the first steps to bring climate-related risks and opportunities into the risk management framework. Management reviewed our CCD obligations and the gaps between current practice and the requirements and conducted a climate-related risk and opportunity workshop using our existing risk appetite, categories and matrix to produce the content of the Strategy section. The outputs from this exercise will be used to begin recording climate-related risks in our risk processes. Coal LSL treats this as the start of a multi-year process and expects to build maturity as the requirements and our own capability develop.

Processes for managing climate-related risks

Coal LSL’s approach to managing risk

Coal LSL applies a single, established risk management process to risks (strategic, enterprise and operational) across the organisation. The process is general rather than climate specific.

Identification. Identifying risks involves recognising events or circumstances that may impact Coal LSL’s objectives. This step is supported by structured workshops, interviews and comprehensive assessments.

Analysis. Risks are assessed using our risk matrix, which rates likelihood and consequence across our standard impact categories to produce inherent and residual ratings.

Evaluation. Risks are compared with predetermined risk tolerance levels to determine whether they fall within acceptable limits or require additional controls or mitigation strategies.

Treatment. Appropriate treatment options are selected to manage identified risks, usually where the risk is outside appetite after considering existing controls and their effectiveness.

Monitoring and review. Risks and controls are monitored to ensure they remain effective, supported by reporting, performance reviews and Risk and Control Self-Assessments.

Application of the risk management framework

In its first reporting period, Coal LSL applied the established risk management framework to climate-related matters through a dedicated risk and opportunity assessment workshop. The cross-functional workshop involved risk owners and senior leaders and was informed by CROMP guidance.

The scope of the assessment covered our Newcastle office and workforce, our service delivery and technology environment, and our investment portfolio held through external fund managers. Internal inputs included our risk management framework and risk matrix, our Board-approved risk appetite, our risk register, our 2025-26 Corporate Plan and previous Annual Reports. External inputs included the CROMP Organisation Application Guide and Technical Guidance, the State of the Climate 2024 report and the expertise of our external advisors.

Drawing on these inputs, the workshop applied Coal LSL’s existing risk categories, matrix and appetite to identify and assess climate-related risks across its operations and investment portfolio. The assessment considered physical and transition drivers, the nature and potential magnitude of impacts, and the short-, medium- and long-term horizons over which those impacts may arise. A qualitative methodology was used to determine inherent and residual risk ratings, following consideration of existing controls against the likelihood and consequence criteria in the established risk matrix.

Current position and pathway to integration

This workshop was a one-off exercise rather than an embedded process. Climate-related risks are not yet subject to the ongoing identification, monitoring and review cycle that applies to our established enterprise risks. Coal LSL intends to move towards full integration of climate-related risk into our risk management framework over future reporting periods. As this is our first reporting period under the CCD requirements, there is no prior-period comparison.

Metrics and targets

Coal LSL recognises the importance of the APS Net Zero 2030 target and of Australia transitioning to a low-carbon, climate-resilient economy. Coal LSL is currently undertaking the analysis necessary to understand whether to align with the APS target, or whether a different timeframe would be more appropriate. This analysis includes confirming the sources of emissions and evaluating available reduction pathways, such as renewable energy procurement and sustainable purchasing practices. The Board is actively engaged in this process, reviewing the analysis, guiding Coal LSL’s climate-related considerations and approving recommendations for a transition pathway. Analysis will be completed as part of our climate disclosure requirements for the 2026–27 reporting year.

Emissions Reporting and Climate-related Metrics

As part of the Net Zero in Government Operations Strategy, and the reporting requirements under section 516A of the [Environment Protection and Biodiversity Conservation Act 1999](#), all Commonwealth entities and Commonwealth companies are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory and Electricity Greenhouse Gas Emissions tables present greenhouse gas emissions for the 2025–26 financial year. The greenhouse gas emissions reported are calculated as carbon dioxide equivalents (CO2-e) in line with the 2025–26 Emissions Reporting Framework. This is consistent with a whole-of-Australian-Government approach, outlined in the Net Zero in Government Operations Strategy and Commonwealth Climate Disclosure requirements.

Not all data sources were available at the time of reporting, and amendments to the data may be required in future reports.

Reporting on refrigerants is being phased in over time as emissions reporting matures.

2025-26 Greenhouse Gas Emissions Inventory – Location-based method

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location-Based Approach) ¹	N/A	115.14	5.40	120.54
Natural Gas ²	11.28	N/A	2.87	14.15
Solid Waste ³	0.00	N/A	0.00	0.00
Refrigerants ⁴	0.00	N/A	N/A	0.00
Fleet and Other Vehicles ⁵	0.00	N/A	0.00	0.00
Domestic Commercial Flights	N/A	N/A	21.24	21.24
Domestic Hire Car ⁶	N/A	N/A	1.04	1.04
Domestic Travel Accommodation	N/A	N/A	12.07	12.07
Other Energy	0.00	N/A	0.00	0.00
Total t CO2-e	11.28	115.14	42.62	169.04

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO2-e = Carbon Dioxide Equivalent.

¹ Where the electricity billing period did not align with the end of the financial year, a daily average was used to determine emissions for the financial year.

² Coal LSL is reporting natural gas emissions for the first time in 2025–26 because the quality and completeness of the data have improved. Natural gas consumption was estimated based on the net lettable area occupied by Coal LSL.

³ Solid waste data could not be separated from the landlord’s data and have not been included.

⁴ Reporting on refrigerants is optional for 2025-2026 and will become mandatory in 2026-2027.

⁵ Emissions from private vehicle use for business travel have not been captured due to data limitations.

⁶ Emissions from hire cars for 2025–26 were sourced from third-party providers and may be incomplete. Data quality is expected to improve over time as emissions reporting matures.

2025-26 Electricity Greenhouse Gas Emissions

Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Location-based electricity emissions	115.14	5.40	120.54	179,899.48
Market-based electricity emissions	91.38	12.41	103.79	112,814.97
Total renewable electricity¹	N/A	N/A	N/A	67,084.52
<i>Renewable Power Percentage²</i>	N/A	N/A	N/A	31,104.62
<i>Jurisdictional Renewable Power Percentage³</i>	N/A	N/A	N/A	0.00
<i>GreenPower</i>	N/A	N/A	N/A	35,979.90
<i>Large-scale generation certificates</i>	N/A	N/A	N/A	0.00

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO2-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

¹ Excludes behind-the-meter solar other than generation used to create large-scale generation certificates (LGCs).

² The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

³ The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

Appendix A: Remaining risks identified

The following 13 risks were assessed as immaterial and had lower risk ratings than those outlined in the Strategy section:

Risk	Category	Time horizon*	Unmitigated risk rating	Mitigations
Increasing Work from Home (WFH) regulations due to increasing extreme weather events	Policy risk	Short-medium-long term	Low	Existing mature WFH arrangements for all staff.
Directive from Government to avoid investing in certain industries	Policy risk	Medium-long term	Low	Ability to rebalance portfolio within a 12-month timeframe.
Enhanced scrutiny of portfolio, including increasing reporting requirements and ESG credentials	Policy risk	Medium-long term	Low	Ability to employ someone to manage the reporting requirements and ensure alignment.
Government appointing a different entity to serve legislative functions	Policy risk	Medium-long term	Low	Coal LSL has been allocated these functions under legislation and has given no performance or operational reason to be replaced.
Black coal mining industry ceasing as a result of transition to a green economy	Policy risk	Short-medium term	Low	Australia’s black coal mining industry is expected to remain resilient over the medium-term horizon.
Government mandating the Net Zero Target, including expanding the target scope to include Scope 3 emissions	Policy risk	Medium-long term	Low	Achieving net zero in operations would only require relatively minor costs to purchase renewables. Portfolio can also be reconsidered to include renewable and sustainable investments.
Recruitment suffering due to public opinion of being associated with the coal industry	Reputational risk	Short-medium-long term	Low	Employees would be recruited from elsewhere, rather than specifically Newcastle. New staff could WFH.
Investment managers electing not to engage with Coal LSL	Reputational Risk	Short-medium-long term	Low	Coal LSL has 19 investment managers. This risk is diversified across the current investment panel.
Acquiring insurance and suppliers	Reputational risk	Short-medium-long term	Low	Ability to source insurance and other services from different providers.
Protests occurring in the vicinity of the office	Reputational risk	Short-medium-long term	Low	Very minor potential disruption to employees’ ability to work.
Non-compliance with emerging climate reporting standards	Legal risk	Short-term	Low	Regime relief available.
Greenwashing in business materials and public statements	Legal risk	Short-term	Low	No intention to make any proactive statements concerning climate, and substantiation is required for all public statements.
Ongoing weather changes e.g., persistent rain, heat	Chronic physical risk	Medium-long term	Low	Existing mature WFH arrangements for all staff.

* Refer to page 89 for definition of Time horizons.

Commonwealth Climate Disclosure Index

Governance

Core requirement	Overview	Disclosed
G1(a)	Identify Accountable Authority	About Coal LSL Board of Directors
G1(a)i	Responsibilities of Accountable Authority	Appendices Commonwealth Climate Disclosures – Climate governance
G1(a)ii	Skills and Competencies	Appendices Commonwealth Climate Disclosures – Climate governance
G1(b)iii	Informing accountable authority	Appendices Commonwealth Climate Disclosures – Accountable authority skills and competencies
G1(a)iv	Strategy and Risk Management	Appendices Commonwealth Climate Disclosures – Climate governance
G1(a)v	Setting Targets	Appendices Commonwealth Climate Disclosures – Climate governance
G1(a)vi	Risk Oversight	Appendices Commonwealth Climate Disclosures – Climate governance
G1(b)	Controls and procedures	Appendices Commonwealth Climate Disclosures – Climate governance
G2(a)	Regard to CROMP Approach	Appendices Commonwealth Climate Disclosures – Climate governance Same as R2(a), S3
G2(b)	Alignment with other policies	Appendices Commonwealth Climate Disclosures – Climate governance

Strategy

Core requirement	Overview	Disclosed
S1(a)-S1(b)	Disclosure of information of risks and opportunities and their effects	Achieved through S2-S4
S2(a)	Identify the entity's material organisational climate-related risks and opportunities.	Appendices Commonwealth Climate Disclosures – Strategy
S2(b)	Physical and transition risks	Appendices Commonwealth Climate Disclosures – Strategy
S2(c)	Time horizon specification	Appendices Commonwealth Climate Disclosures – Strategy
S2(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and the reasons these definitions were selected	Appendices Commonwealth Climate Disclosures – Strategy
S3	CROMP or alternative methodology	Appendices Commonwealth Climate Disclosures – Strategy Same as R2(a), G2a
S4(a)	Current and anticipated effects on operational model	Appendices Commonwealth Climate Disclosures – Strategy
S4(b)	Description of current and anticipated effects of the risks and opportunities on the entity's operational model.	Appendices Commonwealth Climate Disclosures – Strategy

Risk management

Core requirement	Overview	Disclosed
R1(a)	Processes and related policies	Appendices Commonwealth Climate Disclosures – Risk management
R1(a)i	Inputs and parameters used	Appendices Commonwealth Climate Disclosures – Risk management
R1(a)ii	How climate risks are assessed	Appendices Commonwealth Climate Disclosures – Risk management
R1(a)iii	How climate risks are prioritised	Appendices Commonwealth Climate Disclosures – Risk management
R1(a)iv	How climate risks are managed	Appendices Commonwealth Climate Disclosures – Risk management
R1(a)v	How climate risks are monitored	Appendices Commonwealth Climate Disclosures – Risk management
R1(a)vi	Any changes to the processes used	Appendices Commonwealth Climate Disclosures – Risk management
R1(b)	The processes used	Appendices Commonwealth Climate Disclosures – Risk management
R1(c)	How the processes are integrated	Appendices Commonwealth Climate Disclosures – Risk management
R2(a)	Alignment with CROMP	Appendices Commonwealth Climate Disclosures – Risk management

Metrics and targets

Core requirement	Overview	Disclosed
M0	Objective of category	Achieved through M1
M1(b)	Information on greenhouse gases in accordance with M3	Achieved through M3
M1(c)	Information on targets and progress towards targets in accordance with M5-9.	Appendices Commonwealth Climate Disclosures – Metrics and targets
M3(a)	Greenhouse gas emissions generated in tonnes CO2e	Appendices Commonwealth Climate Disclosures – Metrics and targets
M3(b)	Greenhouse gas emissions approach, inputs, assumptions and methodologies.	Appendices Commonwealth Climate Disclosures – Metrics and targets
M3(e)	Scope 2 and 3 greenhouse gas emissions using location-based and market-based for electricity-related greenhouse gas emissions.	Appendices Commonwealth Climate Disclosures – Metrics and targets
M3(f)	Confirmation of the scope 3 emissions categories included.	Appendices Commonwealth Climate Disclosures – Metrics and targets
M5	Quantitative and qualitative climate-related targets it has set to monitor progress towards these targets	Appendices Commonwealth Climate Disclosures – Metrics and targets
M6	Information about its approach to setting and reviewing each target identified in M5	Appendices Commonwealth Climate Disclosures – Metrics and targets
M8	Scope of target including greenhouse gases included, scope of emissions sources included	Appendices Commonwealth Climate Disclosures – Metrics and targets
M9	In preparing M5-8 disclosures, disclose information on the APS Net Zero 2030 target and sub-targets	Appendices Commonwealth Climate Disclosures – Metrics and targets

GLOSSARY AND ACRONYMS

The **2017 Rules** mean the *Employer Reimbursement Rules 2017*.

The **Admin Act** means the [Coal Mining Industry \(Long Service Leave\) Administration Act 1992](#).

Coal LSL means the Coal Mining Industry (Long Service Leave Funding) Corporation.

Eligible employee means a person:

- employed in the black coal mining industry by an employer engaged in the black coal mining industry, whose duties are directly connected with the day to day operation of black coal mining; or
- employed in the black coal mining industry, whose duties are carried out at or about a place where black coal is mined and are directly connected with the day to day operation of a black coal mine; or
- permanently employed with a mine rescue service for the purpose of the black coal mining industry.

PGPA Act means the [Public Governance, Performance and Accountability Act 2013](#).

PGPA Rule means the [Public Governance, Performance and Accountability Rule 2014](#).

The Fund means the Coal Mining Industry (Long Service Leave) Fund, as defined by the Admin Act.

The industry means Australian black coal mining industry and includes:

- the extraction or mining of black coal on a coal mining lease by means of underground or surface mining methods
- the processing of black coal at a coal handling or coal processing plant on or adjacent to a coal mining lease
- the transportation of black coal on a coal mining lease
- other work on a coal mining lease directly connected with the extraction, mining and processing of black coal.

LIST OF REQUIREMENTS

The following tables outline the mandatory requirements for our annual report and where the information was included in Coal LSL’s 2025–26 Annual Report.

Part A – [Public Governance, Performance and Accountability Act 2013](#)

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	About Coal LSL Overview of Coal LSL	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	About Coal LSL Overview of Coal LSL	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	About Coal LSL Purpose, vision and values	The purposes of the entity as included in the entity’s corporate plan for the reporting period	Mandatory
17BE(c)	About Coal LSL Responsible Minister	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Appendices Disclosures Ministerial directions and government policy orders	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Appendices Disclosures Ministerial directions and government policy orders	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	Appendices Disclosures Ministerial directions and government policy orders	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Annual performance statements	Annual performance statements in accordance with paragraph 39(1) (b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Appendices Disclosures Significant non-compliance with finance law	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory
17BE(j)	About Coal LSL Board of Directors	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	About Coal LSL Organisational structure	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(ka)	Appendices Disclosures Workforce profile	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full time employees; (b) statistics on part time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
17BE(l)	Appendices Disclosures Workforce profile	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Corporate Governance	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Appendices Disclosures Related party and related entity transactions	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than 1 transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	About Coal LSL Investments; Litigation; and Policy	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Appendices Disclosures Judicial decisions and reviews	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	Appendices Disclosures Judicial decisions and reviews	Particulars of any reports on the entity given by: (a) the Auditor General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	Not applicable	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	Appendices Disclosures Indemnities and insurance premiums	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	a), (b), (c), (d) Corporate Governance Board and committees (e) Appendices Disclosures Remuneration of ARCC Members	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
17BE(ta)	Appendices Disclosures Remuneration of Coal LSL Key Management Personnel	Information about executive remuneration	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BF	Disclosure requirements for government business enterprises		
17BF(1)(a)(i)	Not applicable	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	Not applicable	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	Not applicable	Information on dividends paid or recommended	If applicable, mandatory
17BF(1)(c)	Not applicable	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
17BF(2)	Not applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory
17BG	Additional requirement for prescribed corporate Commonwealth entities		
17BG(2)	Not applicable	An assessment of the entity's performance during the period against the Commonwealth Procurement Rules	If applicable, mandatory

Part B – Other legislation

Section	Part of Report	Description
<i>Environment Protection and Biodiversity Conservation Act 1999</i>		
S.516A (3) (6)	Appendices Disclosures Ecologically sustainable development; and Appendices Commonwealth Climate Disclosures	Ecologically sustainable development and environmental performance
<i>Work Health and Safety Act 2011</i>		
Sch2, Pt 4, Clause 4(2)	Appendices Disclosures Work Health and Safety	Work health and safety initiatives, outcomes, statistics and investigations



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