



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

This Statement of Intent is the response of the Coal Mining Industry (Long Service Leave Funding) Corporation to the Government’s Ministerial Statement of Expectations, which provides strategic direction in line with the Government’s Regulatory Reform Agenda.

Coal LSL’s role

Coal LSL is the Australian Government corporation established to regulate and manage long service leave entitlements for eligible employees in the black coal mining industry.

We maintain records of the employment, qualifying service and long service leave entitlements of eligible employees of the Scheme; employer levy submission records; and manage and invest the fund into which levies are paid, and from which, long service leave payments are reimbursed to employers.

Exercising the functions and powers of our governing legislation in good faith and to the best of our ability, it is Coal LSL’s role to ensure employers pay the prescribed payroll levies and lodge accurate records of service for all eligible employees under the Scheme.

Funds are invested in a disciplined and risk-controlled manner. In doing so, Coal LSL safeguards long service leave entitlements for eligible employees and facilitates the accrual of, and access to, these entitlements.

We provide compliance guidance for employers and processes to facilitate access to entitlements for employees; and do so with transparency to pave the way for easy compliance with the Scheme.

Coal LSL also acknowledges that the 2021 KPMG Report: Enhancing Certainty and Fairness: *Independent Review of the Coal Mining Industry (Long Service Leave Funding) Scheme* (KPMG Report) made a number of recommendations to Coal LSL. Progressing and embedding these into our practices as a regulator has been, and will continue to be, integral to our strategic direction. Implementation of many of the recommendations are included in our ongoing transformation program.

Principles of regulator best practice

Coal LSL will continue to exercise our functions and powers in accordance with the principles of best regulatory practice, as set out by the Department of Finance's Resource Management Guide *Regulator Performance (RMG-128)*.

In continuing to evolve our compliance and enforcement activities we aim to deliver regulatory outcomes that benefit the community and industry we serve.

1. Continuous improvement and building trust

Our Regulation Strategy outlines a clear agenda for meeting these principles by enhancing a regulatory culture within Coal LSL and setting transparent expectations for employers on their obligations under the governing legislation.

Coal LSL recognises the importance of stakeholder trust and transparent external accountability, particularly as our processes evolve in line with recommendations of the KPMG Report and recent reforms to the legislation underpinning the Scheme. We will continue to mature the frameworks we have embedded to foster:

- ▶ Robust and constructive tripartisan dialogue with stakeholders for continuous improvement and best practice
- ▶ Procedural fairness, accessibility and responsiveness
- ▶ Transparent external and internal accountability processes
- ▶ Staff education and capability.

2. Risk-based and data-driven

We will continue to maintain and implement our Regulatory Strategy, which is built on a data-driven, risk-based approach in line with the principles of best regulatory practice. Coal LSL's compliance and enforcement activities will continue to consider the risks, cost effectiveness and the impact of regulatory action with flexible intervention guidelines for escalation to encourage voluntary employer compliance and ease the cumulative burden of regulation.

Importantly, we will balance the integrity of our regulatory processes with a genuine interest in the views our stakeholders share about the way we implement these processes.

Coal LSL will continue to invest in safeguarding data and developing tools and methodologies to facilitate the identification of emerging regulatory risks. We will use these assets to identify practices that may not align with our governing legislation and proactively engage with industry to help it meet its legislative obligations.

3. Collaboration and engagement

Coal LSL will continue to focus on transparency and responsiveness to our stakeholders to enhance voluntary compliance across the scheme. We will maintain our strong ties to industry by providing guidance and information that is timely, relevant, clear, concise and easily accessible; encouraging compliance and helping employers of eligible employees understand their obligations and responsibilities under Coal LSL's governing legislation.

Similarly, Coal LSL will ensure eligible employees in the Scheme have easy access to information and guidance, including complaints and feedback processes.

We will establish processes that enable meaningful and timely stakeholder engagement by providing early notification of changes to Coal LSL's operations and ways of working that may impact them.

Coal LSL will be transparent about decision making and the possible impact on stakeholders. Stakeholders will be kept informed of the rationale behind regulatory decisions and be able to provide feedback into the way these decisions are communicated.

We will continue to make engagement with the Scheme simple and efficient by investing in our operations, people and skills to support clear, transparent and consistent practices.

More broadly, Coal LSL will engage genuinely and regularly with stakeholders to seek out real-time feedback, including on the development of, and reporting against, meaningful performance measures.

Innovation and regulatory change

Coal LSL's regulatory approach is underpinned by the consistent application of our governing legislation, policies and guidelines. Importantly, we will review and adjust policies, protocols, operating procedures and regulatory processes when required.

We will consistently monitor the environment in which we are operating to ensure our regulatory approach keeps pace with changes in technology, industry practices and community expectations.

Operationally, as recommended by the KPMG Report, Coal LSL will continue to embed process improvements aimed at minimising the regulatory burden on employers and optimising Scheme services. We will retain our focus on innovation to improve our operational efficiency by streamlining transactions and refining responsiveness.

Coal LSL will also advance its corporate data management systems to consolidate and communicate best practices, insights, case studies and intelligence in tandem with relevant legislation and Government requirements.

The Government's policy priorities and objectives

Regulatory reform agenda

Coal LSL is committed to the Government's regulatory reform agenda and supports it by:

- ▶ A transformation program that includes measures to remove duplication and streamline processes to improve efficiency and lift productivity
- ▶ Acting in accordance with regulator best practice in our decision-making policies, processes and communications; and by maximising transparency and minimising compliance costs
- ▶ Applying the RMG-128 to our regulatory practices to assess our performance and engagement with stakeholders
- ▶ Incorporating regulator performance reporting into our reporting processes.

Adapt modern data and digital functionality

Coal LSL's transformation program puts people and business at the centre of the data and digital transformation to ease the regulatory and administrative burden Coal LSL imposes on its stakeholders.

We recognise and will continue to support, and through our own processes, implement the Government's commitment to creating more insightful data-driven policies and to deliver easy, accessible and secure services for people and business.

Our digital functionality will be balanced with the opportunity for interaction with Coal LSL frontline staff for those eligible employees and employers who prefer or require personal interaction.

Stakeholder engagement

Coal LSL will continue its close engagement with industry as we continue to assist employers of eligible employees and other stakeholders with a smooth transition to new requirements under the recent reforms to the legislation underpinning the Scheme.

We will maintain the transparent and consistent engagement we have established with our stakeholders during the transitional process, which has been undertaken to maintain competent and consistent regulatory practices.

Coal LSL will build tripartism by:

- ▶ Engaging and genuinely consulting with employers, employees, and their representative groups where appropriate
- ▶ Remaining receptive to feedback from these stakeholders
- ▶ Increasing transparency in decision-making processes
- ▶ Providing current, clear and accessible guidance and information to help employers of eligible employees comply with the Scheme
- ▶ Maintaining integrity and independence as an accountable regulator.

Relationship with Minister and portfolio

We welcome the Minister's recognition of Coal LSL's expertise and knowledge of the Scheme. Additionally, we welcome your commitment to keeping us informed of the Government's policy directions to enable the implementation of best practice regulation.

We appreciate the essential role Coal LSL plays in keeping the government informed about any issues impacting the Scheme. We remain committed to working collaboratively with the Department of Employment and Workplace Relations to facilitate the provision of accurate and timely policy advice on significant matters relating to strengthening the operation of the administration of the Fund and Scheme.

We will keep the Department apprised of the performance of our regulatory systems and performance outcomes in line with our statutory obligations and will remain open to providing our expertise and knowledge when it comes to the consideration of changes to policy and legislation that impact the operation of the Scheme.