



Australian Government

**Coal Mining Industry
(Long Service Leave Funding) Corporation**



2024-25
ANNUAL REPORT

COALSL

AT A GLANCE



CONTENTS

Letter of Transmittal	03
Approval of 2024-25 Annual Report by Accountable Authority	04
A message from our Chair and CEO	05

Part 1: About Coal LSL	06
Overview	07
Purpose, vision and values	08
Responsible Minister	09
Board of Directors	10
Executive leadership team	12
Organisational structure	14
Investments	15
Litigation	16
Policy	16

Part 2: Governance practices	18
Governance practices	18
Board and subcommittees	20
Procurement	22
Ministerial directions and government policy orders	23
Significant non-compliance with finance law	23
External scrutiny	23

Part 3: Annual performance statements	24
Statement of preparation	24
Analysis of performance against purpose	26
Strategic Priority 1 – Prudent financial management	30
Strategic Priority 2 – Engaged, active and compliant participants	32
Strategic Priority 3 – Effective operations	36
Enabling capabilities – Strengthening organisational capabilities	40

Part 4: Financial statements	44
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Part 5: Appendices	82
Disclosures	84
Glossary and acronyms	91
List of requirements	92

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.



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

COAL LSL

12 September 2025

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 2025 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

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A MESSAGE FROM OUR CHAIR AND CEO

It gives us great pleasure to present Coal LSL's 2024-25 Annual Report.

Coal LSL is an important national scheme with a clear purpose of connecting eligible employees with their long service leave benefits.

This year we processed more than 17,000 requests for leave, enabling thousands of employees in the black coal mining industry to enjoy the respite our scheme provides. We have loved hearing the real stories of these employees, including tales of taking leave for 'family reasons', a 'career break', or to make a dream come true by travelling 'the big loop of Australia'.

The fund has delivered strong investment returns year on year, and with that continues to support a payroll levy rate set at 2.7%. We have \$2.64 billion in funds under management, delivered an 8-year return of 7.3% against a target of 6.1% and with a 10% return for this 1-year period the fund is well positioned to withstand market shocks that may impact future returns.

This annual report provides a deep analysis of our performance and focus areas. As Coal LSL's 3 roles of administration, regulation, and investment management have grown and expanded, meeting our operational metrics while progressing with our strategic agenda has required commitment, persistence and resilience.

We are pleased to report we have met more than 80% of our strategic key performance measures in this reporting period. With a rich history dating back to 1949, the Scheme now interacts with more than 65,000 eligible employees currently working in the industry and more than 1500 registered employers across Australia.

Throughout the year we progressed our 3-year workforce strategy which is in place to support our people, uplifting skills in alignment with system and process innovation. In this time, 21 internal promotions were made to staff members – congratulations to all.

We achieved an important milestone in June when we delivered our Digital Leave Submission solution, enabling eligible employees to track the status of leave applications and employers to submit leave applications digitally.

We have committed to a broad agenda, and while we know we will face challenges, we are confident we have the skills and creativity to work through them. Each member of our team brings something specific to Coal LSL, creating a diversity of thought that makes us successful.

We welcomed our new director Judy Bertram to the Board in March 2025 and thanked Shane Stephan for his contributions over the past 4 years. Similarly, we welcomed our new Chair of the ARCC Tony Nimac and Chair of the Investment Committee (IC) Raewyn Williams, thanked Jon Glass for his 10-year tenure as Chair of the IC and Martin Matthews for his tenure as Chair of the ARCC.

It is pleasing to look back and acknowledge it has been a year of progress. We have built strong foundations that will allow us to lean into the year ahead with confidence. We are in a solid position to meet the significant milestones, achieve our strategic agenda and meet our mandated obligations.

As we move into the new financial year we are thankful to be working with our talented staff, advisers, vendors, DEWR portfolio colleagues and stakeholders. We thank our Coal LSL staff who have continued to show immense tenacity in an extraordinarily busy and challenging year. We are grateful for their tireless work which has enabled us to maintain strong operational performance while progressing with an ambitious agenda of change.

APPROVAL OF 2024-25 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 2024-25 Annual Report for submission to the Minister for Employment and Workplace Relations by way of resolution on 12 September 2025.

Christina Langby
Chair



Christina Langby
Christina Langby
Chair



Darlene Perks
Darlene Perks
Chief Executive Officer

PART 1: ABOUT COAL LSL



OVERVIEW

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. 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, more than **65,000 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 71.2 million** hours of leave for employees and, at 30 June, our funds under management were **\$2.64 billion**.

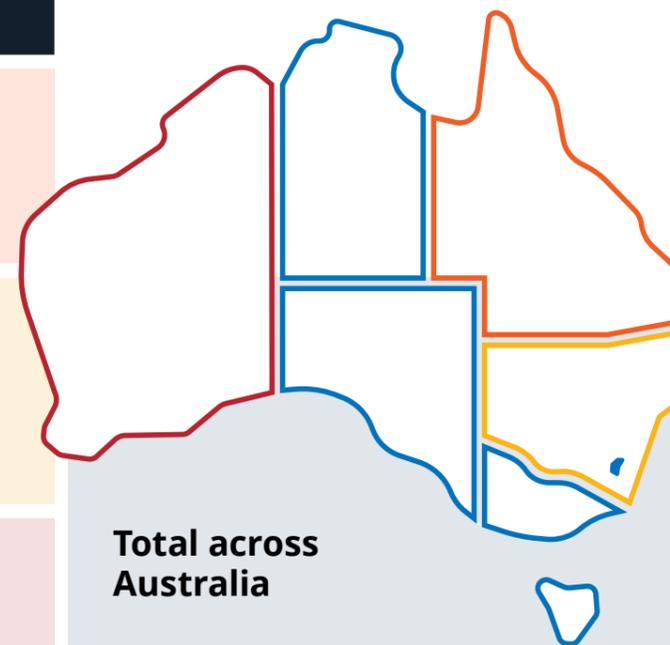
OUR INDUSTRY AT A GLANCE

Queensland
921 employers
38,654 active employees

New South Wales
519 employers
25,106 active employees

Western Australia
61 employers
973 active employees

All other
21 employers
413 active employees



Total across Australia

 **1,522 employers**
(FY24 was 1,402)

 **65,146 active employees**
(FY24 was 64,369)

PURPOSE, VISION AND VALUES



OUR PURPOSE

We ensure employees are connected with their long service leave benefits.

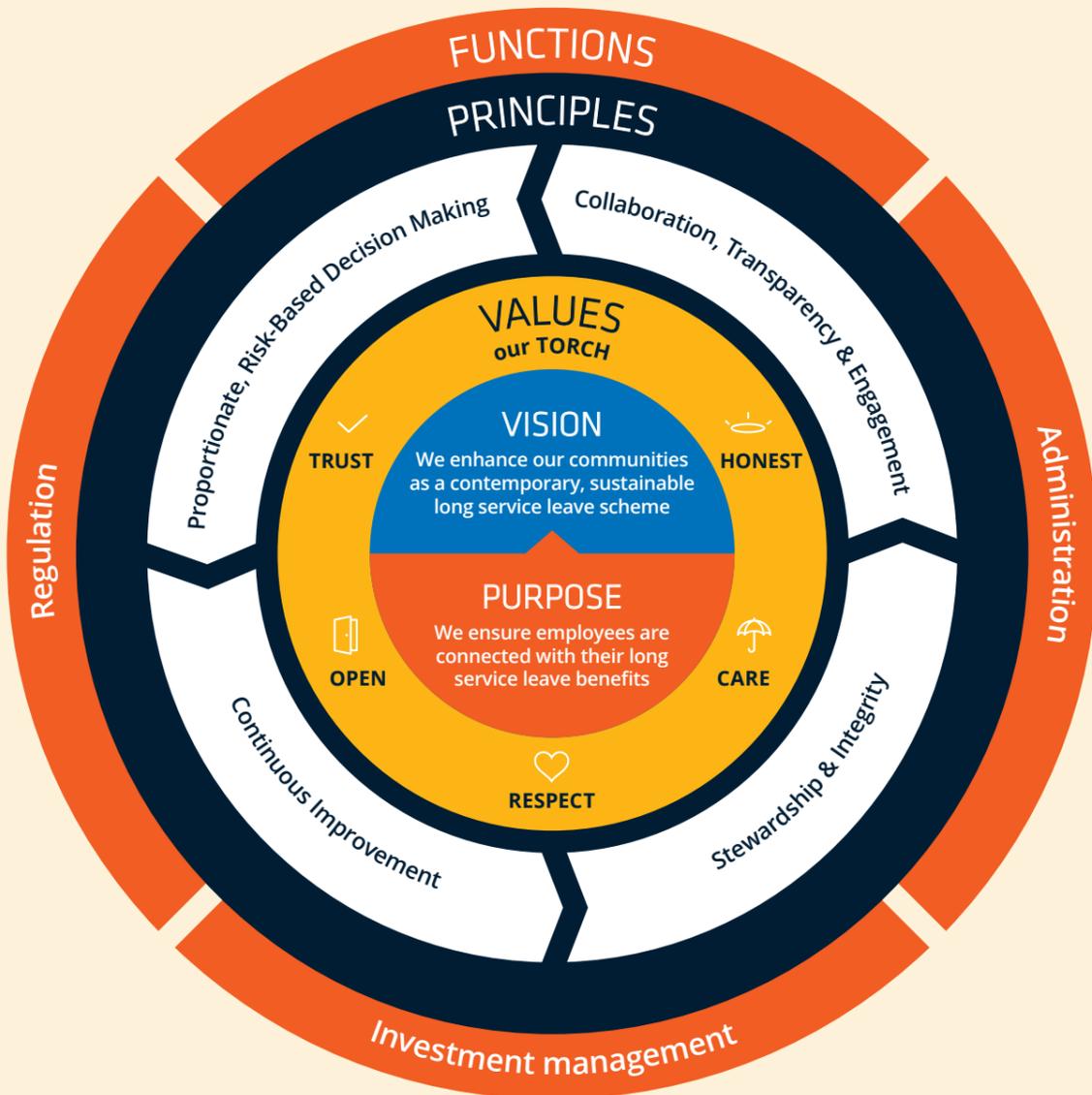


OUR VISION

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 ministers during the reporting period were:

The Hon. Amanda Rishworth MP
(13 May 2025 – Current)

- Minister for Employment and Workplace Relations

Senator the Hon. Murray Watt
(29 July 2024 – 13 May 2025)

- Minister for Employment and Workplace Relations

The Hon. Tony Burke MP
(1 June 2022 – 29 July 2024)

- Minister for Employment and Workplace Relations
- Minister for the Arts

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.



**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 Workcover Queensland. 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 has had extensive experience at senior levels in the Queensland Government including in the Department of Premier and Cabinet, as the General Manager of Workplace Health and Safety Qld and in strategic policy and planning roles in the vocational education and training system and as the Deputy Director General of Child Safety. 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.



**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 Secretary 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 role of General Secretary. 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.



**Eliza Sarlos,
Director**

Director since October 2023

Eliza is an industrial relations specialist who was most recently the Senior National Legal Officer of the Mining and Energy Union (MEU) where, as an employment and industrial relations lawyer, Eliza played a key role in the union's strategic litigation and preserving and growing terms and conditions of employment in the black coal mining industry. Prior to this role, Eliza held numerous roles across programming, leadership and strategy for some of Australia's most respected cultural institutions. Eliza holds a Bachelor of Arts (Media & Communications) from the University of Sydney and a Bachelor of Laws with Honours from the University of Technology Sydney.



**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.



**Robert Coluccio,
Director**

Director since April 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.



EXECUTIVE LEADERSHIP TEAM



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.



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, regional 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 operational outcomes for external and internal stakeholders, Tony leads the Operations division and joined Coal LSL in September 2020.



Kylie Miller

Chief Innovation and Strategy Officer

Kylie has more than 20 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.



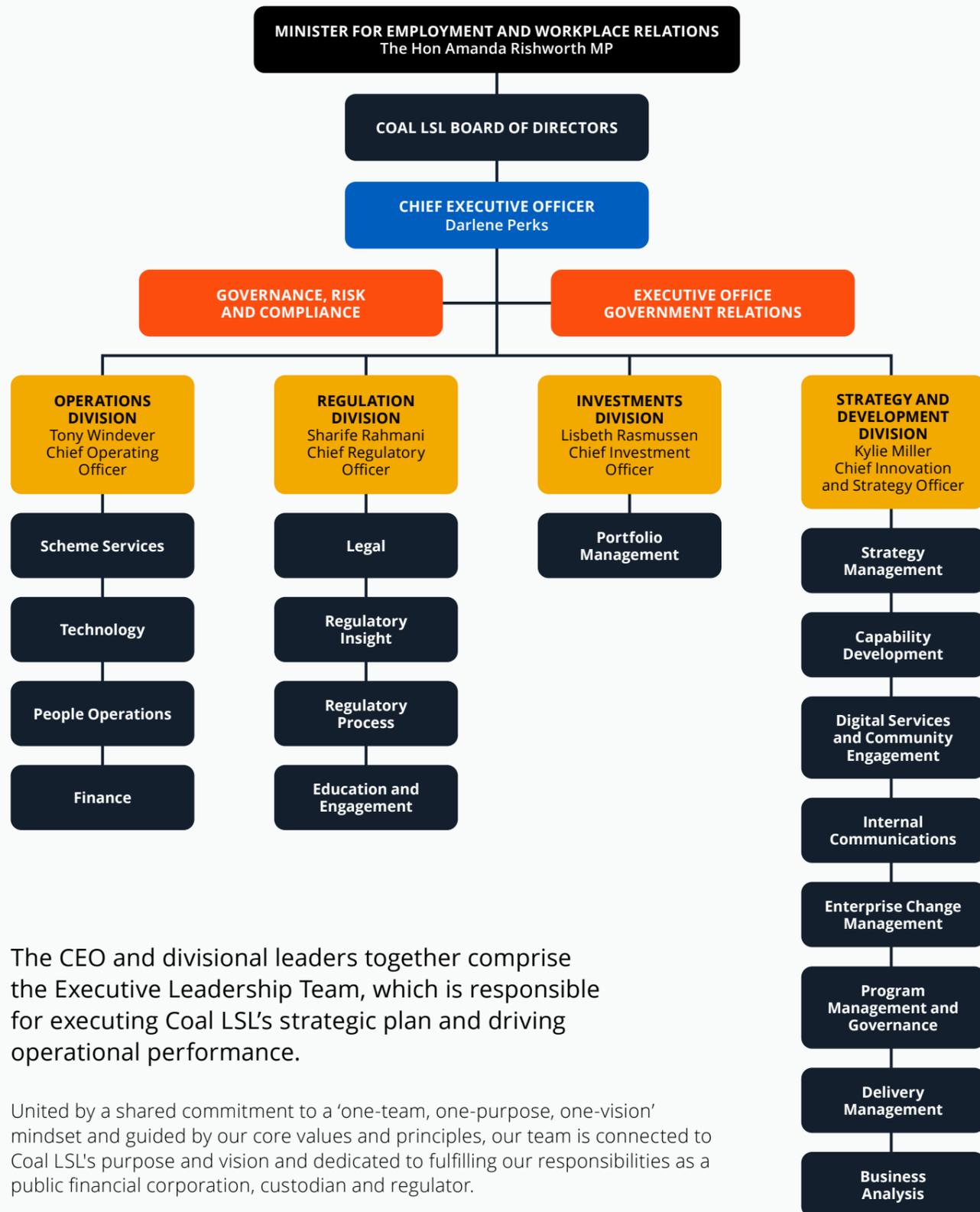
Lisbeth Rasmussen

Chief Investment Officer

Lisbeth has more than 30 years' experience in managing large, complex funds. Lisbeth is a member of the Australian Institute of Company Directors and holds tertiary qualifications from the University of Copenhagen (Denmark) and the University of Bath (United Kingdom). Lisbeth joined Coal LSL in January 2018 and leads the Investments division, responsible for overseeing the management of the investment portfolio and the Fund's ability to meet the beneficiaries' entitlements.

ORGANISATIONAL STRUCTURE

(As at 30 June 2025)



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.

United by a shared commitment to a 'one-team, one-purpose, one-vision' mindset and guided by our core values and principles, our team is connected to Coal LSL's purpose and vision and dedicated to fulfilling our responsibilities as a public financial corporation, custodian and regulator.

INVESTMENTS

The portfolio has performed well in the last 3 years, generating double digit returns each year. The return over this 3-year period has averaged 10.5% p.a., which is well above the current actuarial earnings rate of 6.0% p.a.

For the year ended 30 June 2025, the return of 10.0% was driven by double digit returns from Australian and international shares as well as unlisted infrastructure. Despite the market volatility over the past year, all asset classes generated positive returns for the 12 months ended June 2025. The highest return was from international shares with a return of 12.8% and the lowest return was from cash with a return of 4.9%.

Key drivers of the strong performance were influenced by the major economies avoiding recession and inflation falling, leaving room for central banks to cut interest rates which supported positive outcomes for shares and bonds.

The impact of recently introduced US tariffs on global supply chains remains unclear, but it was a key issue for markets as countries tried to gain clarity of the tariffs likely to be imposed on their exports to the US.

Coal LSL's investment portfolio follows a disciplined long-term strategy that is guided by our Strategic Asset Allocation (SAA). The Fund's investment objective is to generate an average annual return of CPI+3% p.a. over 8-year rolling

periods. For the 8 years ended 30 June 2025, the return averaged 7.3% p.a. compared with an objective of 6.1% p.a.

The strong investment return for the financial year ended 30 June 2025 and positive cash flows boosted the value of the investment portfolio from \$2.36 billion at 30 June 2024 to \$2.64 billion at 30 June 2025. Over the same period the funding ratio rose from 133% to 138% net of the budget for our transformation program. The funding ratio was above the tolerance range of 110% – 130%, which puts the Fund in a strong position to withstand volatility in investment markets.



From an investment operations perspective, the Fund successfully transitioned its custody and administration provider during the year to State Street Australia Limited.

The portfolio achieved the following annual returns in each of the past 5 years (ending 30 June), averaging 8.4% p.a. over that period.

2025	2024	2023	2022	2021
10.0%	10.8%	10.7%	-5.3%	17.1%

LITIGATION

Coal Mining Industry (Long Service Leave Funding) Corporation v Hitachi Construction Machinery (Australia) Pty Ltd

On 16 December 2024, the full bench of the Federal Court dismissed Hitachi's appeal in *Hitachi Construction Machinery (Australia) Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation*. The court also endorsed that there was no time limitation for recovering historical levies and penalties from Hitachi. This supports Coal LSL's eligible employee interpretation. Hitachi is to pay Coal LSL's costs on a party/party basis.

Hitachi has not sought to appeal the decision to the High Court.

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

On 6 February 2024, the Federal Court made orders in *Orica Australia Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation*, that Orica's employees engaged in shotfiring or other explosive services and were eligible employees under the Coal LSL scheme.

Orica appealed this ruling, which was subsequently heard in the full Federal Court on 21 and 22 November 2024. The appeal involved Orica as the appellant, Coal LSL as the respondent and Dyno Nobel Asia Pacific Pty Ltd as an intervenor.

The full bench of the Federal Court delivered its judgment on 15 May 2025. Orica was successful on the primary argument in the appeal that shotfirer employees are not eligible employees unless the employer is otherwise engaged in the black coal mining industry.

Orica was unsuccessful on the argument that it was not otherwise engaged in the black coal mining industry when it operated the Minova mining business (a distinct business division of Orica that provided various mining support services to underground coal mines but that operated separately from its shotfiring business).

At the time of publication, Coal LSL had applied for special leave to appeal to the High Court of Australia.

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

This matter was in the Federal Court between 21 and 23 May 2025 and related to the calculation of eligible wages under the *Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992 (Cth)* (Collection Act), for Workpac's eligible employees that were casuals paid under a flat rate pay structure.

There are 2 issues to be resolved:

- the hours of work to be used to calculate eligible wages for these workers, along with the related question of whether these hours should be capped and if so, what should the cap be and how should it be derived?
- the applicable 'base rate of pay' for these flat rate casuals.

All parties await Her Honour's judgment.

POLICY

The Australian Government has acknowledged the impacts decisions handed down in the Hitachi and Orica cases may have on some employers in the coal mining industry. To address these impacts, the government announced plans on 24 June 2025 to progress legislation for a payment plan with a debt waiver component for employers with historical levy debts to the Scheme.

The government committed to supporting employers and employees impacted by these decisions and to working closely with Coal LSL and industry representatives on a balanced approach that supports employers in meeting their financial obligations.





PART 2: GOVERNANCE PRACTICES

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

Our commitment is reflected in the following practices:

- integrating risk management into everyday operations and proactively addressing emerging risks as they arise
- driving continuous improvement through quality assurance and incident reporting processes that prioritise collaboration, transparency and stakeholder engagement
- implementing a risk-based Internal Audit Plan that evaluates key risks and provides assurance over critical areas of the organisation
- enhancing organisational resilience by strengthening our business continuity framework to ensure operational stability and effective recovery
- maintaining a strong Fraud and Corruption Framework that supports the prevention, detection and appropriate response to any suspected misconduct.

Coal LSL remains committed to embedding a strong governance culture and a proactive approach to risk management. This enables us to remain agile and responsive in a dynamic risk environment. Oversight is provided by our Audit, Risk Management and Compliance Committee (ARCC), which ensures our governance and assurance frameworks remain robust. We take a strategic view of risk, regularly reviewing and aligning our approach with the Board's defined risk appetite.



BOARD AND SUBCOMMITTEES

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 subcommittees is regularly reviewed. In 2024–25 the performance review process was facilitated by the Remuneration Committee through a 360-degree assessment approach. The results of this review are being used to inform and further define the education schedule for the Board.

Director attendance at Board meetings for 2024–25 was as follows:

Name	Appointment Term		BOARD MEETINGS								
			2024					2025			
			21 Jun	22 Jul	12 Aug	11 Sep	21–22 Oct	5 Dec	18 Mar	17 Jun	
Christina Langby*	05.06.2017	15.06.2027	✓	✓	✓	✓	✓	✓	✓	✓	✓
Grahame Kelly	18.06.2018	17.06.2026	✓	✓	✓	✓	✓	✓	✓	✓	✓
Scott Faragher	27.02.2020	26.02.2028	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shane Stephan	13.05.2021	03.03.2025	✓	✓	✓	✓	✓	✓	N/A	N/A	
Robert Coluccio	24.04.2023	23.04.2027	✓	X	✓	✓	✓	✓	✓	✓	X
Eliza Sarlos	28.10.2023	27.01.2028	✓	✓	✓	✓	✓	✓	✓	✓	✓
Judy Bertram	03.03.2025	02.06.2029	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	

*Ms Langby was reappointed for a further term from 16 June 2025. Ms Langby's previous term concluded on 4 June 2025.

The Board maintains a high level of corporate governance through its 4 subcommittees.

The subcommittees of the Board meet regularly during the year, adhering to their individual terms of reference which are set by the Board.

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.

The ARCC's Terms of Reference is available on the Coal LSL website: coallsl.com.au/overview/operations-overview/#Board%20of%20Directors

Members of the ARCC include not less than 2 Board directors and an Independent Chair. Membership of this committee for 2024–25 included:

- Independent Chair: Martin Matthews (Mr. Matthew's tenure concluded on 30 September 2024)
- Independent Chair: Tony Nimac (Mr. Nimac was appointed to the ARCC from 1 July 2024 and as Independent Chair from 1 October 2024)
- Director: Scott Faragher
- Director: Robert Coluccio
- Director: Eliza Sarlos

Member attendance at ARCC meetings for 2024–25 was as follows:

Name	Role	Qualifications and Experience	ARCC MEETINGS				
			2024		2025		
			5 Aug	27 Aug	13 Nov	17 Feb	5 May
Martin Matthews	Independent Chair (Tenure concluded on 30 September 2024)	<ul style="list-style-type: none"> • BCom (Merit), UNSW • Registered Company Auditor • Fellow of Chartered Accountants Australia and New Zealand (CA ANZ) • Member of the Institute of Internal Auditors Australia • Over 30 years of experience, specialising in external audit, internal audit and risk management • Audit and Assurance Partner, PKF Newcastle; Member, Finance and Audit Committee, Life Without Barriers; Audit and Governance Committee, Business Hunter 	✓	✓	N/A	N/A	N/A
Tony Nimac	Appointed to the ARCC from 1 July 2024 and as Independent Chair from 1 October 2024	<ul style="list-style-type: none"> • 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; Senior Consultant and Strategic Advisor, Prosperity Advisers; Senior Advisor, SCD Advisory; Head of Strategy, Logic Lounge; Co-Founder and Director, Ocean Intelligence and Green Nova; Director, Lewis Foundation 	✓	✓	✓	✓	✓
Scott Faragher	Director	Refer to page 11 (Board of Directors)	✓	✓	✓	✓	✓
Robert Coluccio	Director	Refer to page 11 (Board of Directors)	✓	✓	✓	✓	✓
Eliza Sarlos	Director	Refer to page 11 (Board of Directors)	✓	✓	✓	✓	✓

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; overseeing the appointment, performance and termination of investment managers; and overseeing the performance of the asset consultant and the master custodian.

The IC's Terms of Reference is available on the Coal LSL website: coallsl.com.au/overview/operations-overview/#Board%20of%20Directors

Members of the IC include not less than 2 Board directors and at least 1 other member with expert investment skills. The Chairs of the IC for 2024–25 were:

- Dr Jon Glass (1 July 2024 to 31 August 2024)
- Raewyn Williams (from 1 September 2024).

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.

The RAC's Terms of Reference is available on the Coal LSL website: coallsl.com.au/overview/operations-overview/#Board%20of%20Directors

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

Remuneration Committee (RC)

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

The RC's Terms of Reference is available on the Coal LSL website: coallsl.com.au/overview/operations-overview/#Board%20of%20Directors

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

PROCUREMENT

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

- achieve value for money in the procurement of goods and services
- promote a transparent, honest, competitive, fair, efficient and ethical procurement framework
- 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.

MINISTERIAL DIRECTIONS AND GOVERNMENT POLICY ORDERS

During 2024-25, 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 2024–25.

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 2024–25.

EXTERNAL SCRUTINY

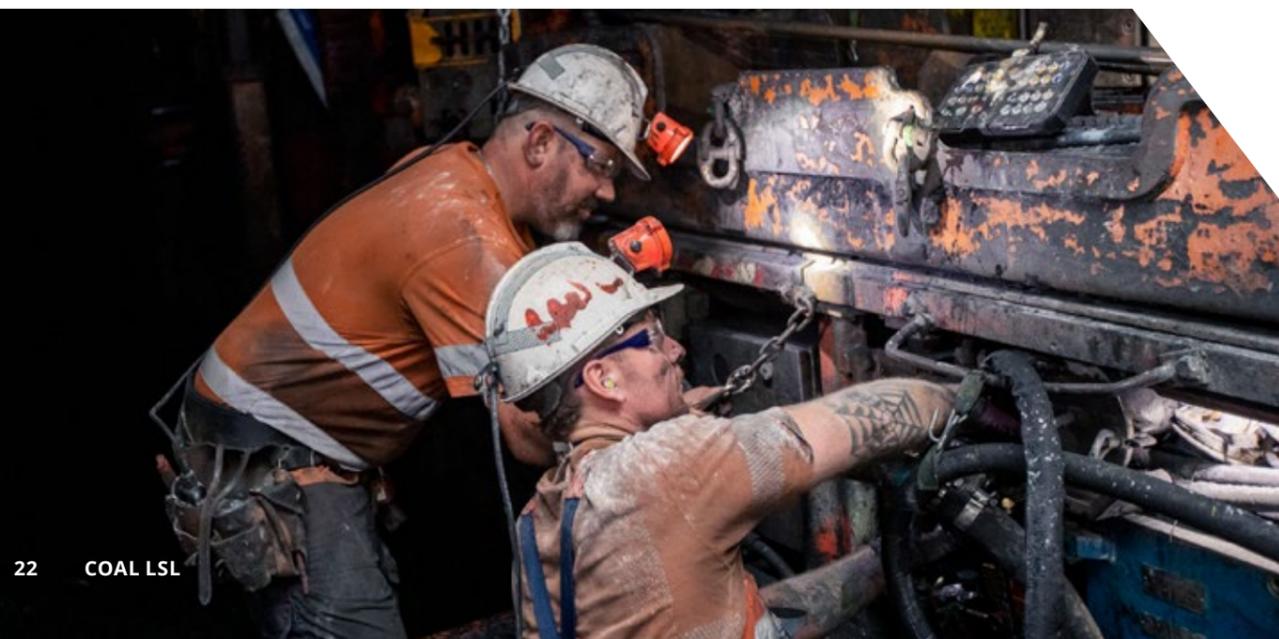
During the year there were 2 judicial decisions that had a significant effect on Coal LSL's operations.

They were:

- *Hitachi Construction Machinery (Australia) Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation [2024] FCAFC 166*; and
- *Orica Australia Pty Ltd v Coal Mining Industry (Long Service Leave Funding) Corporation [2025] FCAFC 65*.

There were no independent tribunal outcomes during the reporting period, and additionally, 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.





PART 3: 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 2024-25 financial year and accurately present Coal LSL's performance in accordance with s39(2) of the PGPA Act.

Christina Langby
Chair





ANALYSIS OF PERFORMANCE AGAINST PURPOSE

Coal LSL’s purpose of connecting employees with their long service leave benefits is illuminated through our Employee Access primary performance goal.

Over the 4-year period of our 2024-25 Corporate Plan, our goal is that more than 95% of active eligible employees will be able to access their long service leave information in real time.

We have 3 strategic priorities and associated target measures to achieve this.

 **Strategic Priority 1 –**
Prudent Financial Management

 **Strategic Priority 2 –**
Engaged, Active and Compliant Participants

 **Strategic Priority 3 –**
Effective Operations

 **Four enabling capabilities –**
People, technology, data and risk – support the strategic priorities.

Coal LSL has 16 reportable performance measures and targets (as published in the 2024-25 Corporate Plan) to assess performance against achieving the priorities and enabling capabilities listed above. Coal LSL attained the majority of its 16 performance targets: 13 were achieved and 3 were not achieved.

Two of the 3 targets not achieved relate to employer compliance metrics. Despite leading a number of successful employer education and engagement activities informed by data and insights throughout the year, our failure to achieve all targets highlights the challenges Coal LSL faces operating with a limited suite of regulatory tools.

The third target not achieved related to leave applications processed, and while we were just short of meeting the target at 30 June we are confident that through tailored activities and initiatives such as the launch of Digital Leave Submissions in June 2025 this measure will be achieved in this new financial year.

Pleasingly, all 3 measures were achieved for the strategic priority of Prudent Financial Management.

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. This disciplined approach

yielded strong investment returns in this reporting period, with the portfolio delivering a 1-year return of 10.0% and 7.3% over the 8-year period, an increase on the FY24 8-year return (FY24: 7.1%).

We again acknowledge that the 2021 KPMG Report: *Enhancing Certainty and Fairness: Independent Review of the Coal Mining Industry (Long Service Leave Funding) Scheme* made a number of recommendations to Coal LSL and to government. Progressing and embedding the recommendations made to Coal LSL into our practices remains integral to our strategic direction.

Implementation of many of the recommendations made to Coal LSL are included in our ongoing transformation program. The transformative improvements are on track to occur through the multi-year program (2025 – 2028) with a significant milestone of implementing the new core registry and integration platform in this coming 18-month period. Our transformation outcomes are instrumental in the delivery and achievement of our core purpose.

This financial year was about progress, and the chapter ahead outlines how our progress has been achieved across each of our performance criterion.

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.

In doing so, Coal LSL is able to:

- maintain records of the employment, qualifying service and long service leave entitlements of eligible employees of the Scheme;
- maintain 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.

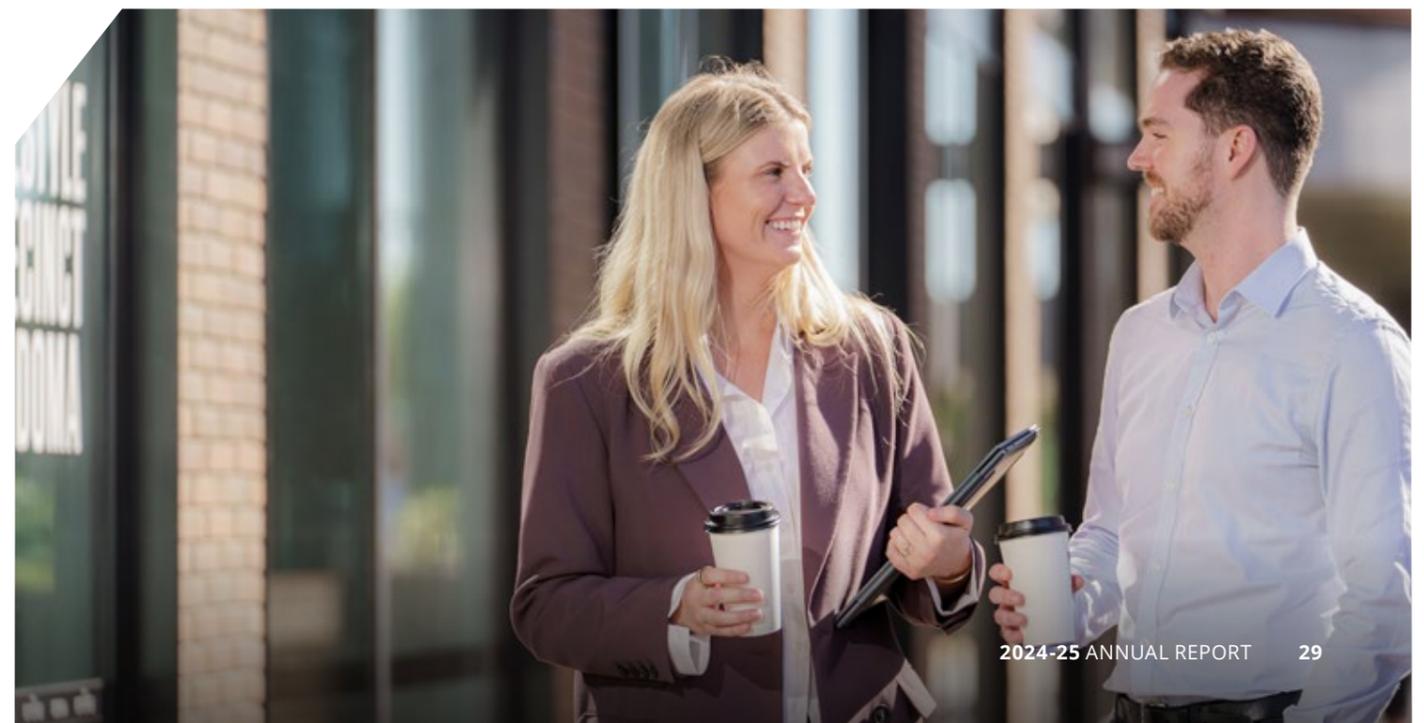
Our team’s commitment to fulfilling the obligations of our functions of investment management, regulation and administration is paramount as we progress toward our vision of becoming a contemporary, sustainable long service leave scheme.

PERFORMANCE SUMMARY

	MEASURE	DESCRIPTION	FY25 TARGET	RESULT VALUE	RESULT RATING
Strategic priority					
 Prudent financial management	Fund surplus	The ratio of funds under management over the actuarial discounted liability provision.	115% (+15/-5%)	138%	 Achieved
	Investment portfolio return	The annual portfolio return expressed as an 8-year rolling average.	CPI +3% over rolling 8-year period	7.3% p.a. vs target of 6.1% p.a.	 Achieved
	Admin Expense Ratio (AER) [^]	The ratio of operational expenditure* over fund income** expressed as a 12-month rolling average.	≤0.95%	0.56%	 Achieved
 Engaged, active and compliant participants	Employer compliance	The % of employers who submit both levy returns and levy payments by the due date expressed as a 6-month rolling average.	45%	45%	 Achieved
	On-time levy submissions	The % of employers who submit levy returns by the due date expressed as a 6-month rolling average.	87%	84%	Not achieved
	On-time levy payments	The % of employers who submit payments by the due date expressed as a 6-month rolling average.	45%	45%	 Achieved
	Entitlement received on-time	The % of active employees whose entitlements were recorded on a levy return received by the due date expressed as a 6-month rolling average.	90%	88%	Not achieved
	Core process effectiveness	The % of core processes that meet or exceed their SLAs expressed as a 6-month rolling average.	33%	45%	 Achieved
 Effective operations	Levy lines processed	The % of levy lines processed within 3 business days expressed as a 6-month rolling average.	20%	47%	 Achieved
	Leave applications processed	The % of leave applications processed in 1 business day (reduced from 3 business days) expressed as a 6-month rolling average.	55%	50%	Not achieved
	Reimbursement claims processed	The % of reimbursement claims processed within 3 business days (reduced from 5 business days) expressed as a 6-month rolling average.	25%	38%	 Achieved

	MEASURE	DESCRIPTION	FY25 TARGET	RESULT VALUE	RESULT RATING
Enabling capabilities					
 Strengthening organisational capabilities	Capability maturity	The % of core enterprise capabilities that meet or exceed annual maturity targets.	Baseline established	Baseline maturity of 19%	 Achieved
	People capability	The overall maturity of People capabilities ^{^^} .	Baseline established	4 elements at level 1 maturity 2 elements at level 2 maturity	 Achieved
	Technology capability	The overall maturity of Technology capabilities ^{^^} .	Baseline established	10 elements at level 2 maturity	 Achieved
	Data capability	The overall maturity of enterprise Data capabilities ^{^^} .	Baseline established	2 elements at level 1 maturity 3 elements at level 2 maturity 1 element at level 3 maturity	 Achieved
	Risk management capability	The overall maturity of enterprise Risk Management capabilities ^{^^} .	Baseline established	5 elements at level 4 maturity	 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.
^{^^}As defined in Coal LSL's Business Capability Model.





STRATEGIC PRIORITY 1 PRUDENT FINANCIAL MANAGEMENT

- Adequacy of the fund surplus to meet long service leave liabilities

Performance measure results

Performance Measure	Fund Surplus
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 36)
Definition	The ratio of funds under management over the actuarial discounted liability provision.
Target	115% (+15/-5%)
Result rating	✔ Achieved
Result value	138%
Result analysis	Coal LSL's fund surplus at 30 June 2025 was 138% boosted by strong investment returns, levy receipts exceeding reimbursements and liabilities growing at a slower rate than assets. Consequently, the funding ratio was above the tolerance range of 110% – 130%. The last actuarial assessment was based on June 2022 data and calculated a funding ratio of 133% (assets were 1.33 times liabilities). The next actuarial review will be based on June 2025 data and will be available in late October 2025.
Previous results	2023-24: 133%* 2022-23: 135% 2021-22: 133% 2020-21: 151%

*The funding ratio for FY24 was restated from 128% to 133%, refer to note 5.1(a) of the 2024-25 financial statements.

Performance Measure	Investment Portfolio Return
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 36)
Definition	The annual portfolio return expressed as an 8-year rolling average.
Target	CPI +3% over rolling 8-year period.
Result rating	✔ Achieved
Result value	7.3% p.a. vs target of 6.1% p.a.
Result analysis	The portfolio has generated double digit returns over the past 3 years, which combined with recent falling inflation has enabled portfolio returns to exceed the target of CPI+3% over 1, 3, 5 and most importantly, 8 years ending June 2025.
Previous results	2023-24: 7.1% p.a. vs target of 6.0% p.a. 2022-23: 6.2% p.a. vs target of 5.7% p.a. 2021-22: 5.8% p.a. vs a target of 5.0% p.a. 2020-21: 8.2% p.a. vs target of 4.8% p.a.

Performance Measure	Admin Expense Ratio (AER)^
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 36)
Definition	The ratio of operational expenditure* over fund income** expressed as a 12-month rolling average.
Target	≤0.95%
Result rating	✔ Achieved
Result value	0.56%
Result analysis	The AER performance target was achieved with the result of 0.56% being significantly lower than the target of less than 0.95%. The FY25 results were driven by a larger number of active employees (65,146 as at 30 June 2025) compared to the estimated number that in turn drove higher eligible wages of \$9,925 million compared with the estimated \$7,576 million. In addition, delays with some planned initiatives have resulted in expected expenditure pushing out from FY25 to FY26 contributing to a lower AER for the year.
Previous results	Not reported prior to 2024-25. Note: 2024-25 is reported on a cash basis.

^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

Prudent Financial Management Measures	KPI	Status
Fund surplus	115% (+15/-5% tolerance)	138%
Investment portfolio return	CPI +3% pa Over rolling 8-year periods (6.1% p.a. June 2025)	7.3% p.a.
Investment objective	1-year rolling return no worse than -12%	10.0 %
Portfolio volatility (8 years)	This target is rolling 8-year portfolio volatility of less than 8.4% based on Frontier* assumptions used to calibrate the financial year 2025 strategic asset allocation.	6.7%
Operational and capital expenditure	Within budget.	Within budget for FY25

*Frontier is Coal LSL's asset consultant.

Looking back, investment returns were solid over the past year as recession was avoided, inflation fell, and central banks cut rates. The key themes driving investment markets over the last 12 months have been:

- 1 Economic growth was better than feared at the outset of the year, as the potential negative impacts of the recently imposed US tariffs have been cushioned by actual and pledged fiscal stimulus.
- 2 Geopolitical risks have increased and global security alliances have been challenged. In response to such changes several NATO members have committed to significantly increase spending on defence and relevant infrastructure.
- 3 Despite ongoing worries about the state of the Chinese economy, especially the property market, weak consumer spending and the level of tariffs to be imposed, the Chinese economy grew by around 5% during FY25 helped by strong exports and modest policy stimulus.



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 2024–25 Corporate Plan (Performance section, page 36)
Definition	The % of employers who submit both levy returns and levy payments by the due date expressed as a 6-month rolling average.
Target	45%
Result rating	✔ Achieved
Result value	45%
Result analysis	<p>A number of regulatory activities were undertaken during the year which resulted in an improvement in the 12-month result value. Coal LSL launched its inaugural Employer and Employee Connect events in 2024-25, providing an important opportunity for employers and employee representatives to hear from Coal LSL on regulatory interpretations.</p> <p>Throughout the year, continued focus remained on embedding the reporting changes required of employers, following implementation of the <i>Fair Work Amendment (Protecting Worker Entitlements) Act 2023</i>, to maximise the number of eligible employees who can access their long service leave balance in real time.</p> <p>Our regulatory activities are centred on education, engagement and where needed, enforcement, targeting an increase in employer compliance rates.</p>
Previous results	Not reported prior to 2024-25.

Performance Measure	On-time Levy Submissions
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 36)
Definition	The % of employers who submit levy returns by the due date expressed as a 6-month rolling average.
Target	87%
Result rating	Not achieved
Result value	84%
Result analysis	<p>Coal LSL's focus has remained on resolving employer reporting issues during 2024-25, and that has resulted in a majority of employers submitting their levy returns on time.</p> <p>Additionally, the employer registration process was enhanced during the period; this encompassed increased supporting information and eligibility criteria for small employers.</p>
Previous results	2023-24: 87% 2022-23: 87% Not reported prior to 2022-23.

Performance Measure	On-time Levy Payments
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 36).
Definition	The % of employers who submit payments by the due date expressed as a 6-month rolling average.
Target	45%
Result rating	✔ Achieved
Result value	45%
Result analysis	Acknowledging Coal LSL has not had an effective additional levy rate (s7 of the Collection Act) to charge non-compliant employers as a penalty for failure to meet legislated deadlines, achieving this result value is an outcome of education and engagement activities.
Previous results	Not reported prior to 2024-25.

Performance Measure	Entitlement Received On-time
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 36).
Definition	The % of active employees whose entitlements were recorded on a levy return received by the due date expressed as a 6-month rolling average.
Target	90%
Result rating	Not achieved
Result value	88%
Result analysis	Despite this full year target not being achieved, most active employees' entitlements are recorded on a levy return by the due date. The compliance level of larger employers is greater than that of small and medium employers; this results in a higher proportion of employees for whom data is received on-time than the 88% result indicates.
Previous results	Not reported prior to 2024-25.



>2.1M
Long service leave hours
taken during the FY



>65,000
Active employees
in the industry

Analysis of performance

A key focus for 2024-25 was the implementation of the Protecting Worker Entitlements legislation. This required a change in employer reporting which had an adverse impact, particularly early in the year, on the on-time submission and payment of levies. A continued focus on education and engagement activities has clarified Coal LSL's expectations for employers in terms of compliance with the legislation.

During 2024-25 Coal LSL made 44 visits to employer sites to engage with employers and industry employees on the requirements of the Scheme and ramifications of non-compliance. This was supported by an additional 28 sessions held with Employee Representative Groups where Coal LSL focused on eligibility and leave access. Coal LSL's inaugural Employer and Employee Connect events provided further opportunities for stakeholders to engage with Coal LSL on scheme issues and for Coal LSL to provide greater clarity on legislative requirements.



Total registered employers

1,522



Employer compliance

45%

Spotlight: Clarity on coverage



In *Coal Mining Industry (Long Service Leave Funding) Corporation v Hitachi Construction Machinery (Australia) Pty Ltd* the court found that 4 Hitachi employees who were performing repairs and maintenance to equipment on a black coal mine site were eligible employees in the Scheme.

Hitachi received a penalty of \$40,000 for failing to submit levy returns and annual audit reports and was ordered to pay levies due to Coal LSL for the employees.

Hitachi appealed the case; and the appeal was dismissed in the Federal Court on 16 December 2024.

Employees working on black coal mine sites who perform duties relating to the day-to-day operations of the mine may be considered eligible employees under the Scheme, regardless of whether the employer considers its business to be in the mining industry.

An eligible employee's entitlement to long service leave is based on the employee's service in the black coal mining industry, rather than service with a particular employer.

Coal LSL is continuing to work with employers to enhance their understanding of their obligations under the legislation to ensure eligible employees receive the benefits to which they are entitled.



Focus areas

- **Governance maturity.** During the reporting period, Coal LSL published our Regulatory Compliance and Enforcement Policy and Regulatory Priorities, providing a tangible reference for stakeholders about where our regulatory focus lies and how we intend to regulate. This has been complemented by the progressive introduction of internal Trigger Action Response Plans (TARPs) that ensure clear pathways for collaborative resolution before enforcement.
- **Proactive compliance monitoring.** We instigated a proactive employer compliance monitoring regime during the year, focusing initially on employer practices with respect to the debiting of long service leave hours from employees for periods of long service leave. The review has found that although most leave periods complied with the legislative requirements, there were varying practices among employers with respect to employee agreements, particularly the treatment of public holidays. Work is now underway to progress corrections, where needed, and improve education material to support better compliance. A second review of these practices is planned for FY26 to test the efficacy of these changes.
- **Engagement opportunities.** Coal LSL launched its inaugural Employer and Employee Connect events in 2024-25. These engagement events provide employers and employee representatives with education on Coal LSL's key areas of focus, including our intended actions and findings. Attendees are also provided with the opportunity to engage directly with our team and provide feedback on our activities.



STRATEGIC PRIORITY 3 EFFECTIVE OPERATIONS

- Digital and streamlined processes that enhance stakeholder interactions and improve productivity



Performance measure results

Performance Measure	Core Process Effectiveness
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 37).
Definition	The % of core processes that meet or exceed their SLAs expressed as a 6-month rolling average.
Target	33%
Result rating	✔ Achieved
Result value	45%
Result analysis	<p>We delivered a strong performance against our core process effectiveness target and our results consistently improved through the year. June 2025 was 45% compared with 30% in June 2024, an improvement of 50%. The underlying performance measures for core process effectiveness are levy lines processed, leave applications processed and reimbursement claims processed.</p> <p>We continued to drive improvements in these core administration processes by refining our service delivery, better workforce planning and allocation of resources within and across teams.</p>
Previous results	Not reported prior to 2024-25.

Performance Measure	Levy Lines Processed
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 37).
Definition	The % of levy lines processed within 3 business days expressed as a 6-month rolling average.
Target	20%
Result rating	✔ Achieved
Result value	47%
Result analysis	<p>We delivered a strong performance against our levy lines processed target and our results consistently improved through the year. This was achieved by evolving our service delivery model to establish sub-teams focused on groups of employers. The change was successful in streamlining workflows, enabling stronger teamwork and improving performance monitoring. This was supplemented by additional resources dedicated to levy processing.</p> <p>Cross-functional collaboration also had a positive impact on results. An improved escalation process for employer non-compliance helped address levy submission backlog challenges which in turn enhanced our levy processing performance.</p>
Previous results	Not reported prior to 2024-25.

Performance Measure	Leave Applications Processed
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 37).
Definition	The % of leave applications processed in 1 business day (reduced from 3 business days) expressed as a 6-month rolling average.
Target	55%
Result rating	Not achieved
Result value	50%
Result analysis	<p>Whilst the target of 55% was not achieved, performance throughout the year was relatively stable at 50–51%, with a high of 56% in September and low of 45% in November due to the backlog in levy returns from employers which impacted the efficiency of leave application turnaround times.</p> <p>Performance will be improved through targeted activities and initiatives through the launch of Digital Leave Submissions (DLS) in June 2025. DLS introduced employee notifications which provided visibility over leave application submissions, enabling greater transparency for employees and employers.</p>
Previous results	Not reported prior to 2024-25.

Performance Measure	Reimbursement Claims Processed
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 37).
Definition	The % of reimbursement claims processed within 3 business days (reduced from 5 business days) expressed as a 6-month rolling average.
Target	25%
Result rating	✔ Achieved
Result value	38%
Result analysis	<p>We delivered strong performance against our reimbursement claims processed target and our results consistently improved through the year. This was achieved through a higher standard of service delivery which was supplemented by stronger cross-functional collaboration to streamline processes.</p> <p>Process improvement efforts focused on enhancing our suite of operating procedures and work instructions. Performance was also bedded in stronger reporting and monitoring and improved accountability across the team.</p>
Previous results	Not reported prior to 2024-25.

Analysis of performance

Operating effectively as an organisation means delivering our scheme administrative functions through scalable, efficient, and high-quality processes, practices and engagements. We maintained our focus on continuous improvement of our core processes across standard levy returns, leave applications and reimbursement claims.

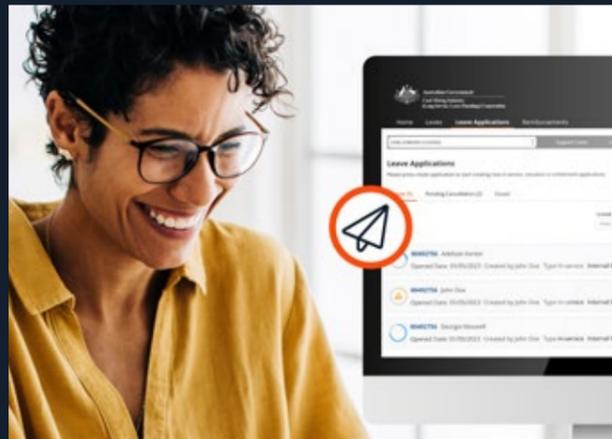
This focus delivered a strong performance against our core process effectiveness target throughout the year. Our levy lines processed measure (a strong result) was also reflected by the proportion of standard levy returns that were straight-through processed via our Online Services platform. In FY25 the average monthly straight-through processing rate was 51%, an improvement on the monthly average of 45% in FY24.

Reimbursement claims processed also delivered strong results while leave applications processed fell slightly short of target. The launch of Digital Leave Submissions (DLS) is expected to improve performance over the next reporting period.

Uplifting the team's capability, better allocation of resources, and quality assurance improvements supported a more responsive delivery of our core administrative processes and improved the service experience for employers and eligible employees.

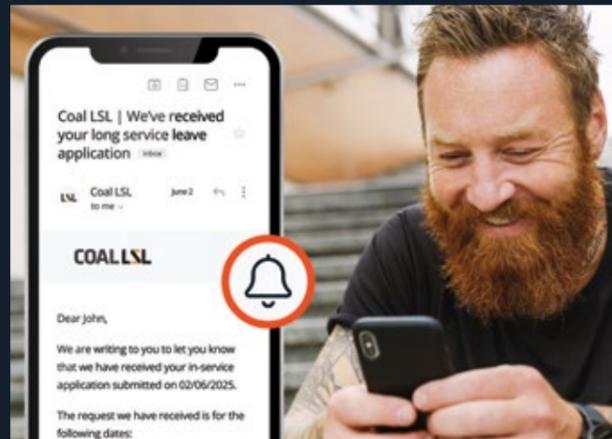
Our multi-year transformation program will undertake a comprehensive review and re-engineering of our core processes to deliver sustained performance improvements over the long term.

Spotlight: Simplifying leave submissions



During the year we introduced a new digital leave application process that streamlines the way employers submit leave applications and makes accessibility to the status of leave applications easier for employees.

Employers can now submit leave applications through a digital form with pre-filled employee details. The new process is simple and user-friendly, improves data validation, provides greater visibility of leave applications, and an easy cancellation process.



Employees now receive notifications to track their leave applications, have greater visibility of information submitted by their employer, and the ability to confirm leave application details earlier in the process.

Digital Leave Submissions marks a significant improvement in our service delivery by offering a streamlined process for leave applications. Improved data validation, greater transparency for employers and employees, and real-time visibility of leave entitlements which aims to increase application approvals and enhance the overall experience.





ENABLING CAPABILITIES STRENGTHENING ORGANISATIONAL 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 2024–25 Corporate Plan (Performance section, page 37).
Definition	The % of core enterprise capabilities that meet or exceed annual maturity targets.
Target	Baseline established.
Result rating	✔ Achieved
Result value	Baseline maturity – 5 of the 27 elements (19%) are at their target maturity level.
Result analysis	<p>Maturity baselines were established for all 4 enabling capabilities – People, Technology, Data and Risk Management – using industry best practice maturity models. The baseline measure has been calculated as the number of capability elements that meet target maturity levels, expressed as a percentage of the total number of maturity elements.</p> <p>A total of 27 capability elements were identified across the 4 capabilities with 5 elements (19%) achieving their target maturity level as a baseline.</p>
Previous results	Not reported prior to 2024-25.

Performance Measure	People Capability
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 37).
Definition	The overall maturity of People capabilities^.
Target	Baseline established.
Result rating	✔ Achieved
Result value	Baseline maturity – 4 elements at level 1 maturity and 2 elements at level 2 maturity.
Result analysis	<p>To baseline People maturity an assessment was completed using the Gartner HR Maturity Assessment Model.</p> <p>The Gartner HR Maturity Assessment Model is a comprehensive model that measures maturity, on a scale of 1–5, across 6 core HR functions – Managing HR functions; Rewarding Employees; Developing Employees; Recruiting Employees; Shaping the Employee Experience; and Driving Organisational Effectiveness. Based on an initial assessment against each of the 6 elements, 4 elements have been assessed as level 1 maturity and 2 elements have been assessed as level 2 maturity.</p> <p>As a baseline 0 elements have been assessed as achieving their target maturity.</p>
Previous results	Not reported prior to 2024-25.

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

Performance Measure	Technology Capability
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 37).
Definition	The overall maturity of Technology capabilities^.
Target	Baseline established.
Result rating	✔ Achieved
Result value	Baseline maturity – 10 elements at level 2 maturity.
Result analysis	<p>To baseline the maturity of our Technology capability, industry-leading frameworks were adopted with a focus on Cyber security and IT Service Management.</p> <p>For Cyber security, the NIST Cyber Security Framework (CSF) helps organisations manage and reduce cyber security risks. The elements of the framework are 1-Identify, 2-Protect, 3-Detect, 4-Respond and 5-Recover. Based on an assessment against the 5 elements of the framework, all 5 were assessed at level 2 maturity.</p> <p>For IT Service Management, the ITSM Framework provides a structured approach to managing IT services and encompasses standardised practices and procedures to design, deliver, and support IT services. The elements of the framework are 1-Incident, 2-Service Request, 3-Problem, 4-Change and 5-Asset Management. Based on an assessment against the 5 elements of the framework, all 5 elements were assessed as level 2 maturity.</p> <p>As a baseline 0 elements have been assessed as achieving their target maturity.</p>
Previous results	Not reported prior to 2024-25.

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

Performance Measure	Data Capability
Criterion source	Coal LSL 2024–25 Corporate Plan (Performance section, page 37).
Definition	The overall maturity of enterprise Data capabilities^.
Target	Baseline established.
Result rating	✔ Achieved
Result value	Baseline maturity – 2 elements at level 1 maturity, 3 elements at level 2 maturity and 1 element at level 3 maturity.
Result analysis	<p>To baseline the maturity of our Data capability, an industry-leading framework was adopted. DMBOK is a comprehensive framework that serves as a reference for best practices, principles and processes in data management. The elements of the framework are Data Governance, Reference and Master Data, Data Quality, Data Warehousing and Business Intelligence, Data Integration and Interoperability and Data Storage and Operations.</p> <p>Based on an assessment against 6 elements of the framework, 2 elements were assessed as level 1 maturity, 3 elements were assessed as level 2 maturity and 1 element was assessed as level 3 maturity.</p> <p>As a baseline 0 elements have been assessed as achieving their target maturity.</p>
Previous results	Not reported prior to 2024-25.

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

Performance measure results

Performance Measure	Risk Management Capability
Criterion source	Coal LSL 2024-25 Corporate Plan (Performance section, page 37).
Definition	The overall maturity of enterprise Risk Management capabilities [^] .
Target	Baseline established.
Result rating	✔ Achieved
Result value	Baseline maturity – 5 elements at level 4 maturity (Embedded).
Result analysis	<p>Coal LSL leverages Comcover's Commonwealth Risk Management Benchmarking Program ('Benchmarking Program') as the foundational tool for assessing the maturity of our risk management capabilities. This program is widely recognised across Commonwealth entities and provides a measurable framework for evaluating the integration and effectiveness of risk management practices.</p> <p>The elements of the framework are 1-Simple, 2-Established, 3-Defined, 4-Embedded and 5-Advanced.</p> <p>In 2025, Coal LSL participated in the Benchmarking Program and the organisation's Risk Management Framework was assessed at the 'Embedded' maturity level. This marks a notable improvement from our 2023-24 self-assessment, which rated our maturity as 'Defined'.</p> <p>As a baseline 5 elements have been assessed as achieving their target maturity.</p>
Previous results	Not reported prior to 2024-25.

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

Analysis of performance

We continued to mature our enabling capabilities through targeted activities to uplift people, technology, data and risk management processes and functions to align with those of a contemporary organisation.

With a focus on building organisational capabilities and enhancing our employee experience we updated our Health and Safety Framework to include proactive management of psychosocial hazards. 82% of our people completed our staff engagement survey which identified additional areas to improve the employee experience including investment in developing our people. We also implemented a capability development framework with supporting processes and guidelines to provide fair and consistent access to development opportunities.

We modernised our Standard Operating Environment and Endpoint Device Management capabilities to meet better industry practices, improve governance and security, and deliver an enhanced user experience. Protecting our systems and data

remained a high priority as we built out cyber security capabilities and progressed implementation of our cyber security roadmap.

Over the financial year, the focus for data capabilities was on activities needed to support our multi-year transformation program. Following an external review of our data readiness, we have developed a data migration strategy and data remediation plans and revised our governance processes to maintain the quality and security of our data as we prepare to transition to a new registry system.

Building on the positive risk maturity scores, we continued to uplift risk capabilities and embed a positive risk culture across the organisation. Revised training programs were rolled out across the organisation to further strengthen our second line of defence. We continued to evolve our approach to identify, assess and report risks and embedded processes to ensure controls are considered as processes and procedures are updated.

Spotlight: Enhancing the communities we serve

It was a busy year on the Coal LSL Community Program calendar.



With giving back to the community a priority for Coal LSL, we offer Volunteer Leave to ensure our employees are able to volunteer 1 day each year to an approved charity or program. In the past year Coal LSL staff have used their leave to bring joy to foster children and their families at the Barnardos Annual Hunter Interagency Foster and Kinship Care Picnic.

The picnic day is a way for carer families to come together and be celebrated for the valuable work they do in providing safe homes for children in need. The team worked alongside other volunteers to help with the event setup and children's activities, including face painting and spray tattooing.



Other staff made a difference in the community by assisting in one of Rotary Australia's community-based initiatives aimed at helping high school students become safer drivers. Developed in consultation with Service NSW and the NSW Government Departments of Education and Training, Health and Police, the one-day program is targeted at Year 11 students and is designed to reinforce the K-12 road safety curriculum already being implemented in schools.

Coal LSL also supported Movember in 2024, a movement that raises awareness and funds to support men's health projects focused on mental health and suicide prevention, prostate and testicular cancer.

With \$2,170 raised and 476 kilometres of activity tracked, the Coal LSL Long Stepper Crew well and truly exceeded their Movember Move for Mental Health targets.



258

Our workforce



>3,800

Training courses completed



PART 4: FINANCIAL STATEMENTS

CONTENTS

Statement by Directors, Chief Executive Officer and General Manager Finance	46
Statement of comprehensive income	47
Statement of financial position	48
Statement of changes in equity	49
Statement of cash flows	50
Notes to the financial statements	51
Overview	51
1. Statement of comprehensive income	54
2. Financial assets and liabilities	58
3. Non-financial assets	68
4. People and relationships	72
5. Provisions	74
6. Contingencies and commitments	77
7. Current/non-current distinction for assets and liabilities	79
Independent auditor's report	80



STATEMENT BY DIRECTORS, CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER FINANCE

In our opinion, the attached financial statements for the year ended 30 June 2025 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

Sydney
12 September 2025

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Note	2025 \$'000	Restated 2024 ¹ \$'000
Expenses			
Employee benefits	1.1 (a)	31,846	28,370
Professional services	1.1 (b)	7,049	5,753
Directors' remuneration and expenses	1.1 (c)	282	181
Depreciation and amortisation	3.1	3,528	4,623
Interest on lease liabilities		312	390
Write-down and impairment of non-financial assets	3.1	-	1,332
Other expenses	1.1 (d)	10,075	9,138
Increase in provision for reimbursements	5.1 & 5.2	383,840	325,209
Total expenses		436,932	374,996
Own-source revenue			
Investment revenue	1.2 (a)	237,375	228,563
Other revenue		588	154
Total own-source revenue		237,963	228,717
Net (cost of) services		(198,969)	(146,279)
Revenue from government	1.2 (b)	267,983	239,364
Surplus on continuing operations		69,014	93,085
Other comprehensive income	1.3	1,194	-
Total comprehensive income		70,208	93,085

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

¹ Results for the period ended 30 June 2024 have been restated due to an error made in the calculation of provision for reimbursements. Further detail is provided within Overview and note 5.1(a).

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	2025 \$'000	Restated 2024 ² \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	2.2	158,194	209,578
Other investments	2.3	55,000	-
Trade and other receivables	2.4	48,766	28,377
Unit trusts	2.5	2,404,180	2,147,791
Total financial assets		2,666,140	2,385,746
Non-financial assets¹			
Prepayments		2,876	1,612
Property, plant and equipment	3.1	18,830	21,972
Software	3.1	2,201	545
Total non-financial assets		23,907	24,129
Total assets		2,690,047	2,409,875
LIABILITIES			
Payables			
Trade and other payables	2.8	3,444	3,144
Total payables		3,444	3,144
Interest-bearing liabilities			
Leases	2.9	15,681	21,045
Total interest-bearing liabilities		15,681	21,045
Provisions			
Employee provisions	4.1	4,297	3,514
Provision for reimbursements	5.1	2,166,155	1,952,602
Other provisions	5.2	692	-
Total provisions		2,171,144	1,956,116
Total liabilities		2,190,269	1,980,305
Net assets		499,778	429,570
EQUITY			
Asset revaluation reserve		1,194	-
Retained surplus		498,584	429,570
Total equity		499,778	429,570

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

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

² Balances at 30 June 2024 have been restated due to an error made in the calculation of provision for reimbursements. Further detail is provided within Overview and note 5.1(a).

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	2025 \$'000	Restated 2024 ¹ \$'000
RETAINED SURPLUS		
Balance carried forward from previous period	429,570	336,485
Net surplus for the year	69,014	93,085
Closing balance as at 30 June	498,584	429,570
ASSET REVALUATION RESERVE		
Balance carried forward from previous period	-	-
Other comprehensive income	1,194	-
Closing balance as at 30 June	1,194	-
TOTAL EQUITY		
Balance carried forward from previous period	429,570	336,485
Net surplus for the year	69,014	93,085
Other comprehensive income	1,194	-
Closing balance as at 30 June	499,778	429,570

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

¹ Results for the period ended 30 June 2024 have been restated due to an error made in the calculation of provision for reimbursements. Further detail is provided within Overview and note 5.1(a).

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	2025 \$'000	2024 \$'000
OPERATING ACTIVITIES		
Cash received		
Investment income	33,659	17,102
Receipts from government	267,667	232,702
Other revenue	245	159
Net GST received	1,973	1,527
	303,544	251,490
Cash used		
Employees	30,803	27,847
Reimbursements to employers	169,595	157,408
Interest payments on lease liabilities	312	390
Other expenses	22,933	16,467
	223,643	202,112
Net cash from operating activities	79,901	49,378
INVESTING ACTIVITIES		
Cash received		
Sale of investments	84,036	220,657
	84,036	220,657
Cash used		
Purchase of non-financial assets	1,527	496
Purchase of investments	211,750	171,257
	213,277	171,753
Net cash (used by)/from investing activities	(129,241)	48,904
FINANCING ACTIVITIES		
Cash used		
Principal payments of lease liabilities	2,044	2,533
	2,044	2,533
Net cash (used by) financing activities	(2,044)	(2,533)
Net (decrease)/increase in cash held	(51,384)	95,749
Cash and cash equivalents at the beginning of the reporting period	209,578	113,829
Cash and cash equivalents at the end of the reporting period	158,194	209,578

Non-cash investing activities

During the year, financial assets held at fair value through profit or loss were acquired as a result of:

	2025 \$'000	2024 \$'000
Reinvestment of distributions and manager fee rebates	104,171	46,454
Total non-cash investing activities	104,171	46,454

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

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 (CONT.)

For the year ended 30 June 2025

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.

Standard / interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-For-Profit Public Sector Entities</i>	AASB 2022-10 amends AASB 13 for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.
AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	AASB 2022-5 amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale.
AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.
AASB 2023-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i>	AASB 2023-1 amends AASB 7 and AASB 107 to require an entity to provide additional disclosures about its supplier finance arrangements.
AASB 2023-3 <i>Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2</i>	AASB 2023-3 amends the Tier 2 reporting requirements in AASB 1060 to be consistent with the Tier 1 reporting requirements amended by AASB 2020-1 and AASB 2022-6.
AASB 2024-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures</i>	AASB 2024-1 amends AASB 1060 to require a Tier 2 entity to include in its financial statements the same specific disclosures that AASB 2023-1 requires in the financial statements of Tier 1 entities.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

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 2024 until 30 June 2025 were calculated at 2.7% as defined by the Act (period 1 July 2023 until 30 June 2024: 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

There were no specific events subsequent to 30 June 2025 that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

Correction of a prior period error

The results at 30 June 2024 have been restated to reduce the *Provision for reimbursements* in the Statement of Financial Position by \$76.0m and the *Increase in provision for reimbursements* in the Statement of Comprehensive Income by the same amount. As a result, the 2024 *Surplus on continuing operations* increased by \$76.0m, to \$93.1m for the year. The restatement is the result of an error made in the actuary's calculation of the Provision for reimbursements at 30 June 2024, whereby expected future leave payments were overstated. The error was not identified as part of the 30 June 2024 review. In addition, it was isolated to 30 June 2024 and did not have any impact on the 1 July 2023 retained surplus. The error was contained to the provision reported in the financial statements and did not impact reimbursements paid to employers or entitlements paid to eligible employees in the Scheme. Refer to note 5.1 (a) for further details.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

1. STATEMENT OF COMPREHENSIVE INCOME

1.1 EXPENSES	2025 \$'000	2024 \$'000
(a) Employee benefits		
Wages and salaries	27,402	24,537
Superannuation	3,390	2,820
Leave and other entitlements	1,054	1,013
Total employee benefits	31,846	28,370

ACCOUNTING POLICY

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

	2025 \$'000	2024 \$'000
(b) Professional services		
Legal fees	1,013	940
Audit of the financial statements – ANAO	127	106
Internal audit	72	90
Investment management and advice	1,145	990
Consultants and other professional services	4,692	3,627
Total professional services	7,049	5,753

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

1. STATEMENT OF COMPREHENSIVE INCOME (CONT.)

(c) Directors' remuneration and expenses

Between 1 July 2024 and 24 December 2024 the remuneration of directors was by way of a daily fee for part-time holders of public office as determined under Part 4 of the determination of the (Commonwealth) Remuneration Tribunal. From 25 December 2024 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.

	2025 \$'000	2024 \$'000
Remuneration paid or payable to directors	232	95
Directors' expenses	50	86
Total directors' remuneration and expenses	282	181

The total number of directors that are included in the above table is 7 (2024: 7). Refer to note 4.3 for further details.

	2025 \$'000	2024 \$'000
(d) Other expenses		
Technology costs	3,802	3,695
Employment-related costs	2,797	2,276
Contractors	1,053	1,017
Property-related costs	640	756
Insurance	682	690
Operating expenses	1,101	704
Total other expenses	10,075	9,138

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

1. STATEMENT OF COMPREHENSIVE INCOME (CONT.)

1.2 REVENUE	2025 \$'000	2024 \$'000
(a) Investment revenue		
Unit trust distributions	140,635	55,980
Deposit interest	12,232	8,300
Investment manager fee rebates	5,004	4,883
Changes in fair value of investments held at balance date	68,420	150,858
Net realised gain on sale of investments	11,084	8,542
Total investment revenue	237,375	228,563

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 (CONT.)

For the year ended 30 June 2025

1. STATEMENT OF COMPREHENSIVE INCOME (CONT.)

(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 2025, the balance in this levy account was **\$20,477,081** (2024: \$20,161,083). This amount was remitted to Consolidated Revenue on 1 July 2025 and has been recognised as a receivable which is disclosed in note 2.4.

	2025 \$'000	2024 \$'000
Levy collections from employers	267,983	239,364
Total revenue from government	267,983	239,364

ACCOUNTING POLICY

Revenues from government are recognised when Coal LSL has a right to receive the associated cash flows.

1.3 OTHER COMPREHENSIVE INCOME	2025 \$'000	2024 \$'000
Other comprehensive income		
- Changes in asset revaluation reserve	1,194	-
Total other comprehensive income	1,194	-

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

2. FINANCIAL ASSETS AND LIABILITIES

2.1 CATEGORIES OF FINANCIAL INSTRUMENTS	2025 \$'000	2024 \$'000
Financial assets		
Amortised cost		
Cash and cash equivalents	158,194	209,578
Other investments	55,000	-
Trade and other receivables	48,766	28,377
Total at amortised cost	261,960	237,955
Fair value through profit or loss		
Unit trusts	2,404,180	2,147,791
Total financial assets	2,666,140	2,385,746
Financial liabilities		
Amortised cost		
Trade and other payables	2,634	2,194
Total financial liabilities	2,634	2,194

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 general 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.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

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 (CONT.)

For the year ended 30 June 2025

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.2 CASH AND CASH EQUIVALENTS	2025 \$'000	2024 \$'000
Cash at bank	54,194	51,468
Term deposits	104,000	158,000
Deposits at custodian	-	110
Total cash and cash equivalents	158,194	209,578

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	2025 \$'000	2024 \$'000
Term deposits – maturity >3 months	55,000	-
Total other investments	55,000	-

2.4 TRADE AND OTHER RECEIVABLES	2025 \$'000	2024 \$'000
Receivable from Department of Employment and Workplace Relations	20,477	20,161
Accrued income from investments	26,462	6,908
Accrued bank interest	1,568	1,082
GST paid and claimable	254	217
Other assets	5	9
Total trade and other receivables	48,766	28,377

At 30 June 2025, no trade or other receivables were overdue or impaired (2024: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.5 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Investments

	2025 \$'000	2024 \$'000
As at 1 July	2,147,791	1,991,337
Purchases	260,921	217,711
Sales	(84,036)	(220,657)
Realised and unrealised gains	79,504	159,400
Total as at 30 June	2,404,180	2,147,791

b) As at 30 June 2025, a total of **\$2,404.2m** (2024: \$2,147.8m) 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:

	2025 \$'000	2024 \$'000
Fund managers		
Barings	99,507	92,333
Challenger	108,994	101,749
Dexus	-	3,049
Finisterre	87,207	77,552
GQG Partners	194,499	199,203
Hyperion Asset Management	114,637	98,573
Igneo Infrastructure Partners	174,927	143,180
Independent Franchise Partners	216,683	205,105
Lazard Asset Management	107,783	112,555
Macquarie Investment Management – True Index	142,346	100,880
Macquarie Investment Management – Pure Index	104,300	92,920
Mirvac	37,877	38,004
Northleaf Senior Private Credit	61,639	-
Palisade Investment Partners	112,375	103,616
PIMCO	140,667	102,156
QIC	18,007	17,304
Resolution Capital	112,091	106,399
Skerryvore Asset Management	167,917	148,700
Vanguard	317,172	328,280
Yarra Capital Management	85,552	76,233
Total unit trusts	2,404,180	2,147,791

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

Effective 1 February 2025 the Master Custodian services of JPMorgan Chase Bank N.A. transitioned to the new Master Custodian, State Street Australia Limited. For the year ended 30 June 2025, the return on the investment of funds was **10.0%** (2024: 10.8%).

	2025 \$'000	2024 \$'000
Sector exposure		
Australian fixed interest	142,346	100,880
Overseas fixed interest	140,667	102,156
Australian equities	412,272	380,281
Overseas equities	896,271	881,288
Alternatives	357,347	271,634
Infrastructure	287,302	246,796
Property	149,968	147,452
Cash ¹	231,201	226,882
Total investments	2,617,374	2,357,369

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 2025. The estimated exposure to assets domiciled in Russia/Belarus/Ukraine was **0.04%** and Israel/Lebanon **0.29%**.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

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 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 (CONT.)

For the year ended 30 June 2025

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 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.

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.

Interest rate risk

At 30 June 2025, 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 1.9% decrease in interest rates would decrease the operating result and equity by **\$4.4m** (2024: 1.1%, \$2.3m). An increase of 1.9% would have an equal but opposite effect on the result and equity position.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

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 2025:

	%	\$'000	%	\$'000
Australian fixed interest	3.4	4,840	(3.4)	(4,840)
Overseas fixed interest	3.4	4,783	(3.4)	(4,783)
Australian equities	17.1	70,292	(17.1)	(70,292)
Overseas equities	17.0	152,366	(17.0)	(152,366)
Alternatives	10.0	35,735	(10.0)	(35,735)
Infrastructure	13.6	38,929	(13.6)	(38,929)
Property	13.6	20,321	(13.6)	(20,321)

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 **\$130.9m** and **\$392.6m** respectively (2024: \$117.9m and \$353.6m).

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. 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, **\$1,885.0m** 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 (CONT.)

For the year ended 30 June 2025

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 2025. 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	2025 \$'000	2024 \$'000
Financial asset			
Unit trusts	2	1,821,161	1,680,641
Unit trusts	3	583,019	467,150
Total unit trusts		2,404,180	2,147,791

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

(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 assumptions which are considered their best estimate as at 30 June 2025. The likely key inputs to these valuations may include discount rate, net cash flow projections and terminal value. Taking into account the information available at 30 June 2025, the directors consider these assumptions reasonable; however, by their nature, accept the assumptions may prove to be inaccurate. Sensitivity tables are included within note 2.6 (a).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

2.8 TRADE AND OTHER PAYABLES	2025 \$'000	2024 \$'000
Trade creditors and accruals	2,134	1,818
Other payables	500	376
Salaries and wages	722	493
Superannuation	88	57
Provision for make good	-	400
Total trade and other payables	3,444	3,144

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.

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.

On 17 October 2024 Coal LSL transferred the lease of its previous head office premises in Newcastle. The lease had commenced on 1 March 2019 for an initial period of ten (10) years with a five (5) year plus five (5) year renewal option. Included in this lease was an annual fixed increase of 3.5% over the initial lease period, with a market review should the option be exercised.

The corresponding right-of-use asset was impaired by \$1.2m in the 2022 financial year, impaired by a further \$0.5m at 30 June 2024, and derecognised in the 2025 financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

2. FINANCIAL ASSETS AND LIABILITIES (CONT.)

	2025 \$'000	2024 \$'000
Lease liabilities		
- Buildings	15,681	21,022
- Plant and equipment	-	23
Total lease liabilities	15,681	21,045

Total cash outflow for leases for the year ended 30 June 2025 was **\$2.4m** (2024: \$2.9m).

Maturity analysis – contractual undiscounted cash flows

	2025 \$'000	2024 \$'000
Within 1 year	2,149	2,759
Between 1 to 5 years	10,154	12,666
More than 5 years	4,381	7,042
Total leases	16,684	22,467

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

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 (CONT.)

For the year ended 30 June 2025

3. NON-FINANCIAL ASSETS

3.1 PROPERTY, PLANT AND EQUIPMENT AND SOFTWARE	Buildings ¹ \$'000	Plant & equipment \$'000	Software \$'000	Total \$'000
Reconciliation of opening and closing balances				
As at 1 July 2024				
Gross book value	31,555	5,183	3,908	40,646
Accumulated depreciation, amortisation and impairment	(11,631)	(3,135)	(3,363)	(18,129)
Total as at 1 July 2024	19,924	2,048	545	22,517
Purchased or internally developed	-	336	1,960	2,296
Revaluations and impairments recognised in other comprehensive income	1,018	176	-	1,194
Depreciation and amortisation	(2,468)	(756)	(304)	(3,528)
Disposals	(1,438)	(10)	-	(1,448)
Total as at 30 June 2025	17,036	1,794	2,201	21,031
Total as at 30 June represented by				
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 30 June 2025	17,036	1,794	2,201	21,031
Carrying amount of right-of-use assets	10,662	-	-	10,662

¹ Buildings include a right-of-use asset and leasehold improvements for the head office premises.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated below. On 19 May 2025 an independent valuer conducted a fair value assessment of the carrying values of Coal LSL's leasehold improvements and furniture as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

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 2025, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

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 2025. 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 2025.

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 (CONT.)

For the year ended 30 June 2025

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 8 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 are tested for impairment annually. All intangible assets were assessed for indications of impairment at 30 June 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

4. PEOPLE AND RELATIONSHIPS

4.1 EMPLOYEE PROVISIONS

	2025 \$'000	2024 \$'000
Leave	4,297	3,514
Total employee provisions	4,297	3,514

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:

	2025 \$'000	2024 \$'000
Short-term employee benefits	2,573	2,241
Post-employment benefits	234	195
Other long-term employee benefits	92	47
Total key management personnel remuneration expenses¹	2,899	2,483

The total number of key management personnel that are included in the above table is **13** (2024: 14).

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 (CONT.)

For the year ended 30 June 2025

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 (term ended 4 June 2025, reappointed effective 16 June 2025)
- Mr Grahame Kelly, Deputy Chair
- Mr Scott Faragher
- Mr Shane Stephan (resigned 3 March 2025)
- Mr Robert Coluccio
- Ms Eliza Sarlos
- Ms Judy Bertram (appointed 3 March 2025)

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
- Ms Lisbeth Rasmussen, Chief Investment Officer
- Mr Sharife Rahmani, Chief Regulatory Officer
- Ms Kylie Miller, Chief Innovation & Strategy Officer
- Mr Andrew Bain, Chief Transformation Officer (resigned 28 February 2025)

(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. In addition, Coal LSL may transact with related parties through the collection of levies, payment of reimbursements and recognition of eligible employment service in the same manner as other registered employers and eligible employees. These transactions have not been disclosed in this note.

Apart from items disclosed 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 (CONT.)

For the year ended 30 June 2025

5. PROVISIONS

5.1 PROVISION FOR REIMBURSEMENTS

	2025 \$'000	Restated 2024 \$'000
Current	1,797,189	1,624,440
Non-current	368,966	328,162
Total provision for reimbursements	2,166,155	1,952,602
As at 1 July	1,952,602	1,784,801
Reimbursements paid	(169,595)	(157,408)
Additional provisions recognised	353,297	344,992
Increase/(decrease) in provision due to change in discount rate	29,851	(19,783)
As at 30 June	2,166,155	1,952,602

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 **\$203.8m** (2024: \$207.5m).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

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 2025.

Salary growth

At 30 June 2025, the actuarial salary growth rate assumptions were **3.5%** for 2025-26 (2024: 3.75%), **3.5%** for 2026-27 (2024: 3.5%), and **3.5%** for all other periods (2024: 3.5%).

Demographic assumptions

At 30 June 2025, age-based employee turnover rates were assumed ranging from **1.6%** at age 16 to **100.0%** at age 80 (2024: 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

(2024: 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 (2024: 0.0% to 45.0%).

Leave usage

Long service leave is assumed to be taken in service by qualified employees at an annual rate of **8.0%** (2024: 8.0%).

Discount rates

At 30 June 2025, the discount rate utilised was **3.95%** (2024: 4.18%).

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 2025		
	Base provision as reported in Statement of Financial Position \$'000	Impact on provision \$'000	Adjusted provision after impact of sensitivity \$'000
Change in discount rate			
1% increase in discount rate	2,166,155	(123,969)	2,042,186
1% decrease in discount rate	2,166,155	140,232	2,306,387
Change in wage assumption			
1% increase in wage increase assumption	2,166,155	130,116	2,296,271
1% decrease in wage increase assumption	2,166,155	(117,510)	2,048,645
Change in demographic assumption			
5% higher probability of return for dormant employees	2,166,155	9,818	2,175,973
5% lower active to dormant net movement	2,166,155	64,710	2,230,865
1.5 times usage rate (12%)	2,166,155	17,650	2,183,805

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

5. PROVISIONS (CONT.)

5.1 (a) CORRECTION OF PRIOR PERIOD ERROR	Note \$'000	FY24 Signed \$'000	Adjustment \$'000	FY24 Restated \$'000
Current	5.1	1,688,119	(63,679)	1,624,440
Non-current		340,528	(12,366)	328,162
Total provision for reimbursements		2,028,647	(76,045)	1,952,602
As at 1 July		1,784,801		1,784,801
Reimbursements paid		(157,408)		(157,408)
Additional provisions recognised		421,037	(76,045)	344,992
Increase/(decrease) in provision due to change in discount rate		(19,783)		(19,783)
As at 30 June		2,028,647	(76,045)	1,952,602
Net surplus for the year		17,040	76,045	93,085

The results at 30 June 2024 have been restated due to an error made in the actuary's model of the Provision for reimbursements at 30 June 2024, which overstated expected future leave payments. This error was contained to the provision reported in the financial statements and did not impact reimbursements paid to employers or entitlements paid to eligible employees in the Scheme. There was no impact to the cash flow statement. For further information on the restatement of the 2024 balance refer to the Overview in the notes to the financial statements.

5.2 OTHER PROVISIONS

	Provision for levy refunds \$'000	Total \$'000
As at 1 July 2024	-	-
Additional provisions made	692	692
Amounts used	-	-
Amounts reversed	-	-
Total as at 30 June 2025	692	692

At 30 June 2025 a provision of \$0.7m was recognised 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. 22 of the 28 impacted employers were refunded levies and interest prior to 30 June 2025 (\$0.5m). It is expected the remaining 6 employers will be paid within the next 12 months. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

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 2025 Coal LSL has an estimated contingent liability of **\$1.1m** (2024: \$0.8m).

Coal LSL has an estimated contingent asset of **\$7.4m** at 30 June 2025 (2024: \$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.

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 some 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, **2** legal proceedings were in progress:

- Orica Australia Pty Limited appealed the December 2023 decision that found Orica's 'shotfirer' employees were eligible employees. In May 2025 the full Federal Court of Australia's judgment found that these employees were only eligible employees between March 2013 to February 2022. Coal LSL has sought leave to appeal this judgment to the High Court of Australia.
- 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. A hearing took place in May 2025, with judgment yet to be handed down.

Although contingent assets and/or liabilities may arise as a result of these proceedings, these amounts are not reliably measurable at 30 June 2025. Future legal fees in relation to the proceedings are estimated at **\$0.2m** (2024: \$0.5m).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

6. CONTINGENCIES AND COMMITMENTS (CONT.)

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	2025 \$'000	2024 \$'000
Not later than one year	33,250	-
Later than one year and not later than five (5) years	-	-
Total investment commitments	33,250	-

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2025

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	2025 \$'000	Restated 2024 \$'000
Assets expected to be recovered in:			
No more than 12 months			
Cash and cash equivalents	2.2	158,194	209,578
Other investments	2.3	55,000	-
Trade and other receivables	2.4	48,766	28,377
Prepayments		2,876	1,612
Total no more than 12 months		264,836	239,567
More than 12 months			
Unit trusts	2.5	2,404,180	2,147,791
Property, plant and equipment	3.1	18,830	21,972
Software	3.1	2,201	545
Total more than 12 months		2,425,211	2,170,308
Total assets		2,690,047	2,409,875
Liabilities expected to be settled in:			
No more than 12 months			
Trade and other payables	2.8	3,311	2,646
Leases	2.9	1,964	2,412
Employee provisions	4.1	1,541	1,609
Provision for reimbursements	5.1	203,803	207,451
Other provisions	5.2	692	-
Total no more than 12 months		211,311	214,118
More than 12 months			
Trade and other payables	2.8	133	498
Leases	2.9	13,717	18,633
Employee provisions	4.1	2,756	1,905
Provision for reimbursements	5.1	1,962,352	1,745,151
Total more than 12 months		1,978,958	1,766,187
Total liabilities		2,190,269	1,980,305



INDEPENDENT AUDITOR'S REPORT

To the Minister of 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 2025:

- (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 2025 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 2025 and for the year then ended:

- Statement by the Directors, Chief Executive Officer and General Manager Finance;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flow Statement;
- 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Phone (02) 6203 7300

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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, Chief Executive Officer and General Finance Manager are also responsible for such internal control as the Directors, Chief Executive Officer and General Finance Manager 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, Chief Executive Officer and General Finance Manager 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, Chief Executive Officer and General Finance Manager 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.

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 skepticism 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
15 September 2025

* PART 5: APPENDICES

AT A GLANCE



181

New employers
registered in 2024-2025



23,470

Levy forms processed



258

Our workforce



17,480

Applications for long
service leave processed



DISCLOSURES



Work health and safety

Coal LSL made significant progress in advancing its safety and wellbeing maturity throughout 2024–2025, with a strong focus on meeting regulatory requirements and proactively managing emerging risks, particularly in relation to psychosocial hazards.

Following the introduction of the *Commonwealth Work Health Safety (Managing Psychosocial Hazards at Work) Code of Practice 2024* on 1 November 2024, Coal LSL undertook a range of initiatives to support compliance and enhance workplace wellbeing.

These included:

- development of new WHS Guidelines to guide compliance with the Code and broader legislative obligations
- delivery of psychosocial risk awareness and education sessions for the executives, senior leaders and team leads
- facilitation and promotion of the Mental Health Support Officer (MHSO) program including initiatives to raise awareness of available support services across the organisation
- refresher training for First Aid Officers and Wardens

- implementation of a new provider for the Employee Assistance Program (EAP) with expanded individual counselling and leader support services
- rollout of a Staff Psychosocial Health Survey in June 2025 to assist in identifying and managing work-related psychosocial hazards.

Coal LSL's safety committee continues to meet regularly to discuss and consider safety matters with representation from across the various work groups.

Coal LSL participated in Comcare's proactive monitoring and compliance inspection of Consultation, Cooperation and Coordination obligations under the WHS Act and Regulations. Coal LSL had no non-compliance identified as a result of this inspection.

During 2024-2025 Coal LSL had no notifiable incidents to Comcare and was not involved in any statutory enforcement or investigation action.



Ecologically sustainable development and environmental performance

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).

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 objectives of the investment portfolio. The areas of perceived risks and opportunities will evolve over time. Coal LSL will work with its service providers to manage such risks and capture opportunities on an active basis.

Coal LSL is committed to integrating consideration of ESG into its selection and performance monitoring of investment managers and advisers. The investment managers and advisers are expected to do the same where possible and where not possible advise as to why. The Coal LSL Fund's assets are overseen by an internal investment team. Day-to-day management of the Fund's assets is outsourced to investment managers.

Coal LSL invests in pooled investment trusts. It is therefore acknowledged that explicit mitigation of specific ESG risks is difficult either through voting or engagement. Coal LSL believes that investment managers are typically in the best position to analyse governance matters concerning the entities in which they invest.

Ecologically Sustainable Development (ESD)

Ecologically Sustainable Development (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 was maintained at 5.5 stars, the NABERS Water rating increased from 4 to 5 stars and an additional NABERS rating relating to the indoor environment was introduced, resulting in a 5.5 star rating.

Coal LSL:

- uses renewable energy sources (solar to power our operations)
- uses environmentally sustainable finishes and fixtures like 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
- is developing our emissions reporting to align to APS Net Zero 2030.

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
- installing 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)
- donating keyboards to school programs
- initiating an employee led can/bottle collection program.



Emissions Reporting/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*, non-corporate Commonwealth entities, corporate 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 over the 2024–25 financial

year. The greenhouse gas emissions reported are calculated on the basis of Carbon Dioxide Equivalent (CO₂-e) and in line with the 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 the report and amendments to data may be required in future reports.

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

2024-25 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)	N/A	117.02	7.09	124.11
Natural Gas	0.00	N/A	0.00	0.00
Solid Waste	0.00	N/A	0.00	0.00
Refrigerants	0.00	N/A	N/A	0.00
Fleet and Other Vehicles	0.00	N/A	0.00	0.00
Domestic Commercial Flights	N/A	N/A	34.56	34.56
Domestic Hire Car	N/A	N/A	0.65	0.65
Domestic Travel Accommodation	N/A	N/A	9.65	9.65
Other Energy	0.00	N/A	0.00	0.00
Total t CO₂-e	0.00	117.02	51.95	168.97

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent. N/A = not applicable

2024-25 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
Electricity (Location Based Approach)	117.02	7.09	124.11	177,307.54
Market-based electricity emissions	89.53	12.16	101.69	110,525.53
Total renewable electricity consumed	N/A	N/A	N/A	66,782.01
<i>Renewable Power Percentage¹</i>	N/A	N/A	N/A	32,261.11
<i>Jurisdictional Renewable Power Percentage^{2,3}</i>	N/A	N/A	N/A	–
<i>GreenPower²</i>	N/A	N/A	N/A	34,520.90
<i>Large-scale generation certificates²</i>	N/A	N/A	N/A	–
<i>Behind the meter solar⁴</i>	N/A	N/A	N/A	–
Total renewable electricity produced	N/A	N/A	N/A	–
<i>Large-scale generation certificates²</i>	N/A	N/A	N/A	–
<i>Behind the meter solar⁴</i>	N/A	N/A	N/A	–

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 Listed as Mandatory renewables in 2023-24 Annual Reports. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

² Listed as Voluntary renewables in 2023-24 Annual Reports.

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

⁴ Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.

Related party transactions of accountable authority

Apart from the remuneration of the directors as disclosed in the notes to the 30 June 2025 Financial Statements, there were no further related party transactions with the accountable authority.

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 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 July 2024, we conducted a comprehensive organisational fraud and corruption risk assessment. We continue to regularly review and update our risk profile to ensure it remains

fit-for-purpose and reflective of our evolving risk environment.

Our commitment to prevention is further supported by ongoing staff training and awareness initiatives, which foster a culture of integrity and encourage the reporting of suspected incidents. As of 30 June 2025, there were no active investigations, and no instances of minor or serious 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 these capacities. Coal LSL paid \$124,156.01 inclusive of GST for IMI in 2024–25.

There were no claims against our liability insurances during the 2024–25 financial year.



Sponsorships

Recipient	Date	Sponsored Amount (ex. GST) (\$)	Details of Sponsorship
Mining and Energy Union (MEU)	28 October – 1 November 2024	28,000	Sponsorship for the purposes of the MEU National Convention Oct/Nov 2024.
Mining and Energy Union (MEU)	3 – 4 April 2025	6,000	Sponsorship for the purposes of the MEU Northern Delegates Annual General Meeting April 2025.
Mining and Energy Union (MEU)	8 – 9 May 2025	3,000	Sponsorship for the purposes of the MEU South Western Lode Officers Conference May 2025.

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

Workforce profile

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

The majority of staff members were based in NSW, Australia, with the exception of one (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

The following table represents our workforce profile for the period 2023–24.

The majority of staff members were based in NSW, Australia, with the exception of one (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	67	1	68	135	16	151	0	0	0	0	0	0	0	0	0	219
Non-ongoing	4	0	4	3	0	3	0	0	0	0	0	0	0	0	0	7

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	485,405	-	1,411	57,871	27,102	-	-	571,789
Lisbeth Rasmussen	Chief Investment Officer	377,129	-	548	30,188	17,119	-	-	424,984
Tony Windever	Chief Operating Officer	437,407	-	930	33,058	13,003	-	-	484,398
Sharife Rahmani	Chief Regulatory Officer	425,711	-	962	37,160	11,322	-	-	475,155
Kylie Miller	Chief Innovation and Strategy Officer	343,619	-	1,058	41,146	26,772	-	-	412,595
Andrew Bain ¹	Chief Transformation Officer	279,208	-	932	20,831	-3,436	-	-	297,535
Christina Langby ²	Chair/Director ⁵	54,627	-	-	6,304	-	-	-	60,931
Grahame Kelly	Deputy Chair/Director ⁵	32,765	-	-	-	-	-	-	32,765
Scott Faragher	Director ⁵	32,701	-	-	3,778	-	-	-	36,479
Shane Stephan ³	Director ⁵	19,652	-	-	2,260	-	-	-	21,912
Robert Coluccio	Director ⁵	31,925	-	-	-	-	-	-	31,925
Eliza Sarlos	Director ⁵	32,442	-	-	-	-	-	-	32,442
Judy Bertram ⁴	Director ⁵	14,083	-	-	1,690	-	-	-	15,773
Total key management personnel remuneration		2,566,674	-	5,841	234,286	91,882	-	-	2,898,683

¹ Resigned 28 February 2025.

² Term ended 4 June 2025, reappointed effective 16 June 2025.

³ Resigned 3 March 2025.

⁴ Appointed 3 March 2025.

⁵ Between 1 July 2024 and 24 December 2024 the remuneration of directors was by way of a daily fee for part-time holders of public office as determined under Part 4 of the determination of the (Commonwealth) Remuneration Tribunal. From 25 December 2024 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 (\$)
\$260,000 - \$270,000	1	224,949	-	1,026	26,637	8,551	-	-	261,163
\$270,001 - \$295,000	2	238,831	-	918	32,417	5,909	-	-	278,075
\$295,001 - \$320,000	1	265,678	-	141	29,894	5,934	-	-	301,647

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

The following was paid to the ARCC members for ARCC duties only (i.e. excluding Board and other subcommittee remuneration) in 2024–25.

Member Name ¹	Role	Total Annual Remuneration (Super And Gst Inc.) ² (\$)	Super Paid ³
Martin Matthews ⁴	Independent Chair	12,500	No
Tony Nimac ⁵	Independent Chair	55,000	No
Scott Faragher	Director	3,890	Yes
Robert Coluccio	Director	3,837	No
Eliza Sarlos	Director	3,837	No

¹ Total annual remuneration for ARCC directors is included in the Key Management Personnel total remuneration figures (on p.89).

² All committee members are entitled to travelling and other expenses incurred while fulfilling their duties as members of the ARCC. These expenses are paid in addition to the remuneration included in the table above.

³ Superannuation is not payable by Coal LSL where director fees are paid to an organisation.

⁴ Term concluded on 30 September 2024.

⁵ Appointed to the ARCC from 1 July 2024 and as Independent Chair from 1 October 2024.

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*.

The **Amendment Act** means the *Coal Mining Industry (Long Service Leave) Legislation Amendment Act 2011*.

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 2024–25 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)	Part 1: About Coal LSL Overview	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Part 1: About Coal LSL Overview	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Part 1: About Coal LSL Vision and purpose	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Part 1: 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)	Part 2: Governance practices 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)	Part 2: Governance practices 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)	Part 2: Governance practices 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)	Part 3: 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)	Part 2: Governance practices 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)	Part 1: 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)	Part 1: About Coal LSL Organisational structure	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Part 5: 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)	Part 5: Appendices Disclosures Workforce profile	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Part 2: Governance practices	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Part 5: Appendices Disclosures Related party 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 one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	Part 1: About Coal LSL Investments and Litigation	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(q)	Part 2: Governance practices External scrutiny	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)	Part 2: Governance practices External scrutiny	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)	Part 5: 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) Part 2: Governance practices Board and subcommittees (e) Part 5: Appendices Disclosures Executive remuneration	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)	Part 5: Appendices Disclosures Executive remuneration	Information about executive remuneration	Mandatory
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

Part B – Other legislation

Section	Part of Report	Description
Environment Protection and Biodiversity Conservation Act 1999		
S.516A(6)	Part 5: Appendices Disclosures Ecologically sustainable development and environmental performance	Ecologically sustainable development and environmental performance
Work Health and Safety Act 2011		
Sch2, Pt 4, Clause 4(2)	Part 5: Appendices Disclosures Work Health and Safety	Work health and safety initiatives, outcomes, statistics and investigations



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