

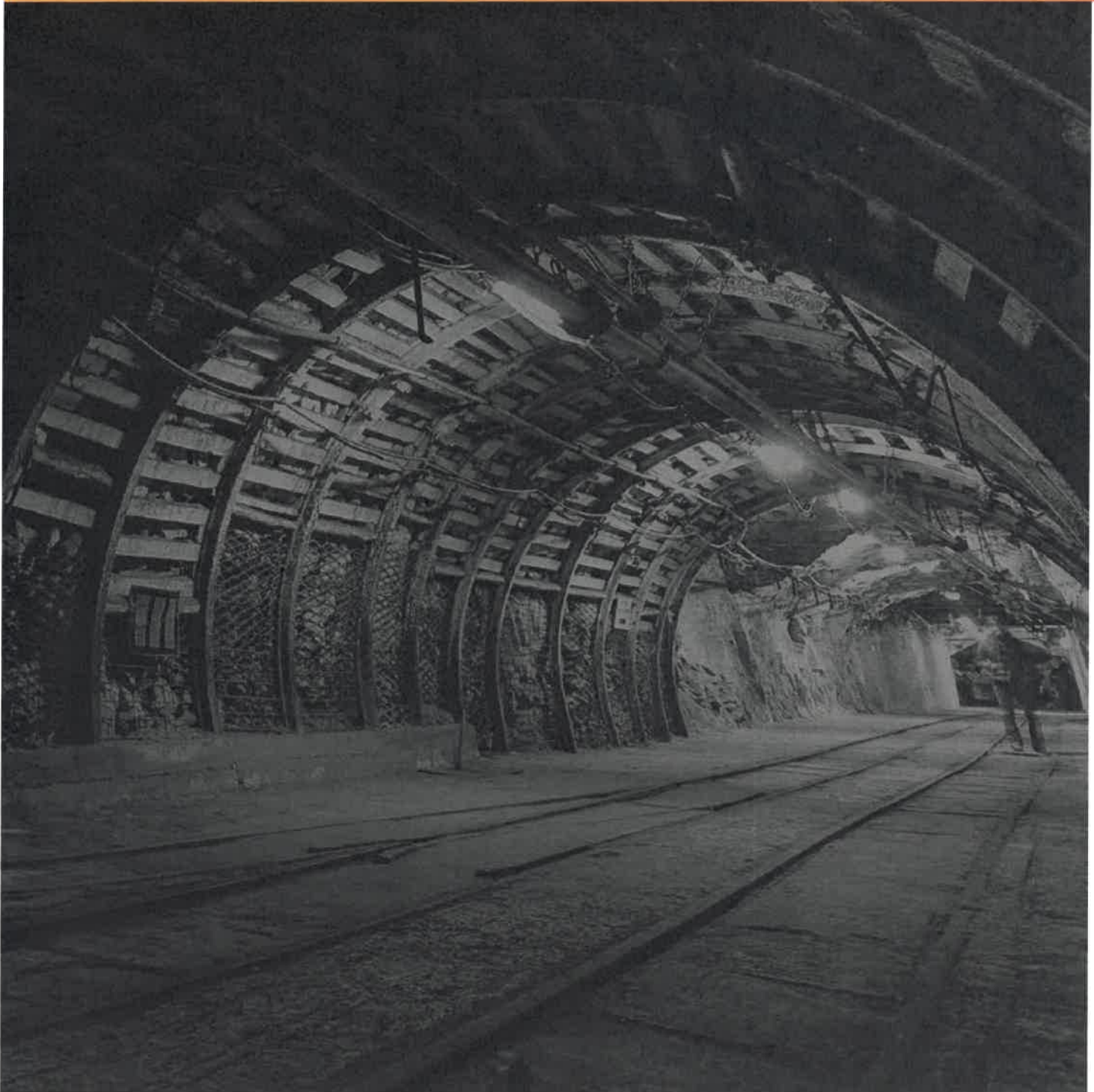


Australian Government

Coal Mining Industry  
(Long Service Leave Funding) Corporation

2015

# ANNUAL REPORT



# OBJECTIVES CONT

## **ACTUARIAL REVIEW**

The legislation requires that the Fund be subjected to periodic actuarial reviews and the rate of levy payable by employers be set having regard for the findings of these reviews as to the estimated future liabilities and the adequacy of the invested assets to meet these liabilities as and when they fall due. During the year an actuarial review as at 30 June 2014 was completed.

Following consideration of the review and the actuarial recommendations the Board of Directors reaffirmed that the levy rate on eligible wages remain at 2.7% and that the Administration Fee of 0.1% reduced to nil for all levies paid in respect of the months July 2015 and thereafter, until further notice.

## **PROFESSIONAL ASSISTANCE TO THE CORPORATION**

Following the establishment of the Corporation in 1992, Directors made the decision that to contract the administration of the Fund would be more cost-effective than maintaining its own administration.

They have likewise contracted professional services in the areas of Legal Counsel, Internal Auditing, Actuarial Services, Investment Consultancy and Secretarial Support. The Corporation does not employ any staff.

## **PUBLICATIONS**

In accordance with the guidelines for the preparation of Annual Reports by Commonwealth Government Authorities, the Directors of the Corporation advise that a number of "Employer and Employee Information Brochure" publications continued to be issued by the Corporation during the period of this Annual Report.

## **FREEDOM OF INFORMATION**

The Corporation has been advised that as it is an entity of the Commonwealth, it is subject to the provisions of the PGPA Act and the requirements of the "Freedom of Information" legislation of the Commonwealth.

During the year of this report the Corporation did not receive any requests for information under these provisions.

## **COMPLIANCE**

The Corporation is committed to maintaining the highest standards of best practice and good governance. To this end, it requires contracted providers of out-sourced services to accept compliance with these standards as a condition of contract, and monitors this compliance during the term of the contract.

Additionally the Corporation is satisfied that there are adequate fraud control measures in place to comply with the Commonwealth Fraud Control Guidelines.

To comply with a Continuing Order of the Senate (The Harradine Motion) the Corporation has continued to maintain its own website [www.coallscorp.com.au](http://www.coallscorp.com.au)

## **FINANCIAL**

The Statement of Financial Position, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity together with notes thereto and the Auditor's Report thereon are presented with this Report.

The Statement of Financial Position records the full value of accrued liability for reimbursement of long service leave payments.



### **COMMITTEES**

The Board continues to maintain a high level of corporate governance over financial management and investment performance consistent with best practice, through its Audit Risk and Compliance, Investment and Transitional Service Review Committees, independent internal audit and regular actuarial reviews of the financial standing of the Fund.

During the year in complying with Government's direction, the Board continued its appointment of an independent member to the Audit Committee.

Also during the year the Board appointed an independent financial advisor to the Investment Committee.

### **ADMINISTRATION**

Mine Wealth & Wellbeing Services Pty Ltd (formally AUSCOAL Services Pty Ltd) acted for the Corporation in the administration and collection of levies and the payment of reimbursements.

Mine Wealth & Wellbeing Services Pty Ltd is also the administrator of coal industry superannuation scheme and serves substantially the same employers and employees as are subject to the long service leave legislation administered by the Corporation. We believe that the close synergy between these administrations also continues to produce efficiencies and a benefit in administration costs to the Corporation. The Corporation periodically tests the costs of administration provided by Mine Wealth & Wellbeing Services Pty Ltd against the general marketplace to ensure they remain cost-effective.

### **MANAGEMENT**

The Directors have established the Corporation's affairs on sound principles of commercial management.

The administration of the Corporation is carried out under contract. A Secretary to the Corporation is also engaged under contract to undertake the secretariat and treasury functions related to the administration of the Corporation as a body corporate and oversee the investment of the assets of the Fund.

Specialist services such as Internal Audit, Actuarial Services, Legal Counsel and Asset Consultant are all retained under contract on an 'as required' basis.

The basis of management is determined by the governing legislation and the Governance and Policy Framework. The Governance and Policy Framework incorporates Investment Policy Investment Strategy, for the investment of the assets of the Fund.