

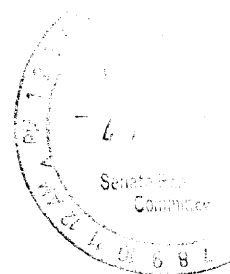
COAL MINING INDUSTRY  
(LONG SERVICE LEAVE FUNDING) CORPORATION

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31 March 2003

Ms Kathleen Dermody,  
Committee Secretary,  
Senate Economics Legislation Committee,  
Room SG.64  
Parliament House,  
CANBERRA ACT 2600



Dear Ms Dermody,

**Re: Taxation Laws Amendment Bill (No.4) 2003**

I am in receipt of your letter to interested parties dated 28 March 2003, and thank you for including the Corporation in your advice.

As you may or may not be aware, this Corporation was established by the Coal Mining Industry (Long Service Leave Funding) Act 1992 to administer a central fund for the reimbursement of employers in the black coal industry, making long service leave payments to "eligible employees".

The funding of these payments is by way of a levy on (coal industry) employers of "eligible employees", paid to consolidated revenue under the Coal Mining Industry (Long Service Leave) Payroll Levy Collections Act, and appropriated to the Corporation for investment until required for payment of accrued liabilities.

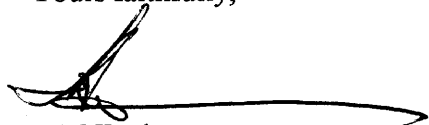
The Act limits the Corporation to the making of reimbursement payments to employers, except in circumstances of the winding-up of the employer when the Corporation may, itself, make a direct payment to the employee in receipt of a long service leave entitlement.

Our advice is that, because the Corporation does not make payments to employees, its receipts are not subject to the interpretation of the taxation law that gives rise to the amendment bill.

We would however, seek your advice and confirmation that this is so, or, if not, if the Corporation is to be specifically exempted from the tax by way of mention under the proposed legislation.

I would appreciate your early reply in order that we institute whatever action is necessary in order that the Corporation is not wrongfully exposed to the imposition of fringe benefit tax.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'R.M. Taylor', written over a horizontal line.

R.M. Taylor,  
Secretary