Long service leave entitlements in the coal mining industry are administered under the Coal Mining Industry (Long Service Leave) Payroll Act 1992 through a long service leave funding scheme. Under this scheme, employers are required to pay a levy to fund the ongoing accrual of long service leave entitlements and to extinguish an accumulated unfunded liability.

The Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 (‘the Levy Act’) imposes a levy on eligible wages at a rate prescribed by regulations.

Subsection 8(1) of the Levy Act provides that the Governor-General may make regulations prescribing the rate of levy. Since 1993, the Coal Mining Industry (Long Service Leave) Payroll Levy Regulations (‘the Principal Regulations’) have required eligible employers in the coal mining industry to pay a levy of 5 per cent of eligible wages.

The purpose of the Regulations is to reduce the prescribed rate of levy from 5 per cent to 2.8 per cent of the eligible wages paid. The reduced rate of levy is a result of the recent actuarial valuation of the Coal Mining Industry (Long Service Leave) Fund (‘the Fund’) by Mercer Human Resource Consulting.

Subsection 8(2) of the Levy Act provides that, before making a regulation under subsection 8(1), the Governor-General must take into consideration any advice given to the Minister by the Coal Mining Industry (Long Service Leave Funding) Corporation (‘the Corporation’) which manages the Fund. The new rate has been approved by the Board of Directors of the Corporation.

Relevant stakeholders in the coal mining industry have been consulted in the making of these Regulations.

Details of the Regulations are set out in the Attachment.

The Regulations commence on 1 January 2006. The Regulations are a legislative instrument for the purposes of the Legislative Instruments Act 2003.
Details of the Coal Mining Industry (Long Service Leave) Payroll Levy Amendment Regulations 2005 (No. 1)

Regulation 1 – Name of Regulations

Regulation 1 provides that the name of these Regulations is the Coal Mining Industry (Long Service Leave) Payroll Levy Amendment Regulations 2005 (No. 1)

Regulation 2 - Commencement

Regulation 2 provides that the Regulations commence on 1 January 2006.

Regulation 3 - Amendment of Coal Mining Industry (Long Service Leave) Payroll Levy Regulations

Regulation 3 provides that the Coal Mining Industry (Long Service Leave) Payroll Levy Regulations (‘the Principal Regulations’) are to be amended as set out in Schedule 1.

Schedule 1 – Amendments

Item 1 – Regulation 1

This item amends Regulation 1 to update the full title of the Principal Regulations as the Coal Mining Industry (Long Service Leave) Payroll Levy Regulations 1993, to reflect current drafting practice.

Item 1 – Regulation 4

This item amends the prescribed percentage of the eligible wages paid, for the purposes of section 5 of the Levy Act, by omitting “5 per cent” and inserting “2.8 per cent”.