

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2008 No. 147**

Issued by the authority of the Minister for Employment and Workplace Relations

*Coal Mining Industry (Long Service Leave) Payroll Act 1992*

#### ***Coal Mining Industry (Long Service Leave) Payroll Levy Amendment Regulations 2008 (No. 1)***

Long service leave entitlements in the coal mining industry are administered under the *Coal Mining Industry (Long Service Leave Funding) Act 1992* (the Funding Act) 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 1 January 2006, the *Coal Mining Industry (Long Service Leave) Payroll Levy Regulations 1993* (the Principal Regulations) have required eligible employers in the coal mining industry to pay a levy of 2.8 per cent of eligible wages.

The purpose of the Regulations is to reduce the prescribed rate of levy from 2.8 per cent to 2.7 per cent of the eligible wages paid. The reduced rate of levy is recommended by a recent actuarial valuation of the Coal Mining Industry (Long Service Leave) Fund (the Fund).

Subsection 8(2) of the Levy Act provides that, before making a regulation under subsection 8(1), the Governor-General is to 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 recommended to the Minister by the directors of the Corporation.

The Corporation has been consulted in the making of these Regulations.

Details of the Regulations are set out in the Attachment.

The Regulations commence on 1 August 2008. The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

## **ATTACHMENT**

### **Details of the Coal Mining Industry (Long Service Leave) Payroll Levy Amendment Regulations 2008 (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 2008 (No. 1)*

#### **Regulation 2 - Commencement**

Regulation 2 provides that the Regulations commence on 1 August 2008.

#### **Regulation 3 - Amendment of Coal Mining Industry (Long Service Leave) Payroll Levy Regulations 1993**

Regulation 3 provides that the *Coal Mining Industry (Long Service Leave) Payroll Levy Regulations 1993* (the Principal Regulations) are to be amended as set out in Schedule 1.

#### **Schedule 1 – Amendment**

##### **Item 1 – Regulation 4**

This item (in effect) reduces the prescribed percentage for purposes of section 5 of the Levy Act, from 2.8 per cent to 2.7 per cent.