



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

REGULATORY COMPLIANCE AND ENFORCEMENT POLICY

COALLSL



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1. INTRODUCTION

The Coal Mining Industry (Long Service Leave Funding) Corporation (CLSL) is the custodian and regulator of the long service leave scheme for employees within the black coal mining industry. It is our responsibility to ensure that employees can access their long service leave benefits and oversee that employers fulfil their legislative obligations. This is achieved by ensuring effective regulation.

In line with CLSL's Statement of Intent¹, effective regulation requires appropriate and strategic use of resources to minimise regulatory burden for employers and ensure outcomes are proportionately applied.

2. POLICY PURPOSE

The Regulatory Compliance and Enforcement Policy (RCEP) reflects CLSL's commitment to being an effective regulator of the *Coal Mining Industry (Long Service Leave) Administration Act 1992* (Administration Act) and associated legislation. It sets out CLSL's regulatory intent and the principles that underpin its approach to regulation, assurance, compliance, and enforcement processes, in accordance with the government principles of regulator best practice.

3. POLICY SCOPE

The RCEP has been developed for CLSL officers, staff members and contractors, with the intent of facilitating effective and consistent, risk-based, and data-driven regulatory activity. The application of the principles described by the RCEP is through activities undertaken, primarily, by the Regulation Division and Scheme Services Business Unit.

4. POLICY OBJECTIVES

The objectives of this policy are to ensure:

- CLSL's regulatory activities are undertaken in a consistent manner, in line with the Statement of Intent and the principles of regulatory best practice.
- Obligations regarding regulatory activities are set out clearly and that these activities are undertaken in accordance with the policy principles.

¹ The Coal Mining Industry (Long Service Leave Funding) Corporation Statement of Intent



5. COMPLIANCE & ENFORCEMENT PRINCIPLES

5.1 Regulatory Authority

CLSL is established under the Administration Act to administer and regulate the Scheme. CLSL does not have the power to modify or reduce the obligations of employers. It is expected that employers take their obligations seriously and comply with requirements.

5.2 Regulatory Principles

When considering regulatory action, the following principles are relevant and should be considered in any decisions or actions undertaken:

- 1. Outcome focussed** – priority is given to establishing the appropriate regulatory resolution to the issue, based on recommended solutions.
- 2. Data driven** – staff have access to and can utilise all known facts, metrics, and data to define appropriate outcomes and develop solutions.
- 3. Risk-based** – defined processes, delegations and escalation points include the relevant checks and assurances in line with our organisational risk matrix and risk appetite.
- 4. Proportionate** – outcomes are fair, reasonable, and balanced.
- 5. Procedurally fair** – ensuring all impacted stakeholders have been provided the appropriate opportunity to contribute before a decision is made.
- 6. Transparent** – stakeholders have visibility that circumstances have been appropriately considered by providing clarity of process, reasoning, and outcome.

7. Consistent – decision-makers apply the same approach to matters of similar factual circumstance and any precedent surrounding the case has been appropriately considered in its resolution.

8. Timely – the organisation is empowered to make decisions without undue delay.

9. Impartial – outcomes are independently defined, documented and explained in line with the law, CLSL policies and procedures.

5.3 Regulatory Priorities

CLSL's Regulatory Priorities provide the framework through which regulatory activities are prioritised; activities are aligned to best achieve the organisational vision and purpose and operate in line with the Statement of Intent. These priorities, approved by the Board, are maintained separately to the RCEP.

5.4 Regulatory Intent

CLSL conducts regulatory activity under the **responsive regulation model** (refer to figure on page 5), which promotes voluntary compliance and good practice but will allow for application of escalating enforcement action where required.

CLSL's actions regarding compliance are driven by a risk-based approach and application of intervention guidelines for escalating (and de-escalating) enforcement actions to target specific issues. The degree of action will consider the following factors:

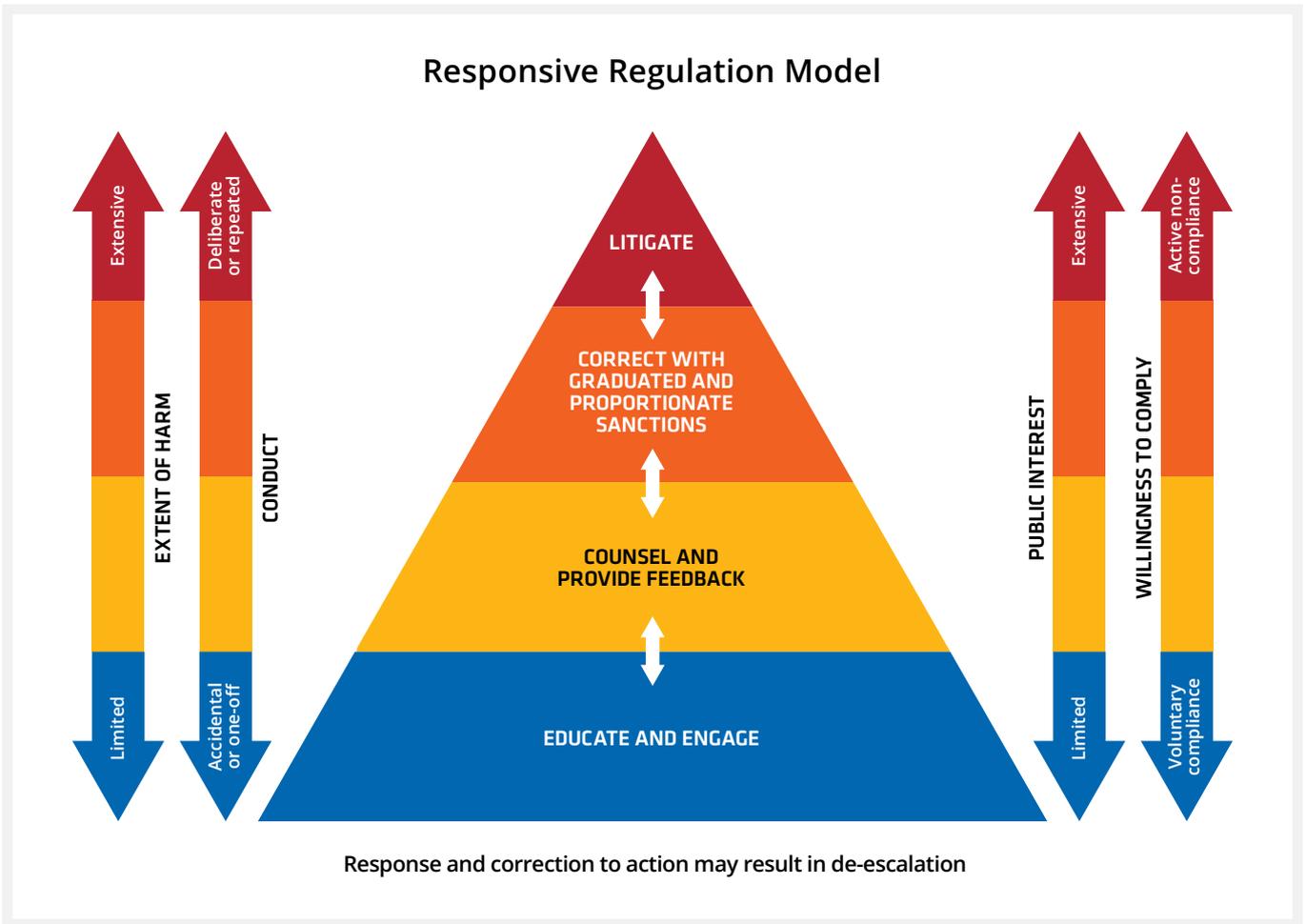
- 1. Extent or risk of harm** – the impact or potential impact to the sufficiency of the fund, employee long service leave balances or qualifying service, or CLSL's regulatory reputation.
- 2. Conduct** – the behaviour, intent and capability of the employer.



- 3. Public interest** – whether the matter is of interest to the public. Of particular significance is consideration of whether action is necessary to deter others from similar conduct or clarify a grey area of law, and whether the action would be considered appropriate use of public funds.
- 4. Willingness to comply** – the nature of action taken by CLSL will usually be informed by the attitude of the employer toward compliance. This helps ensure the action(s) have the desired effect. This does not prevent significant action being taken for other reasons, even when the employer is willing to comply.

5.5 Regulatory Monitoring

Effective compliance and enforcement action is also dependent on the detection of compliance breaches and concerns. The principles and priorities of CLSL’s regulatory monitoring activities will be described in the Regulatory Monitoring Guideline, once developed.





6. RESPONSIBILITIES AND DELEGATIONS

Position	Responsibilities and delegations
Board	<ul style="list-style-type: none">• approving this policy• monitoring CLSL's performance against this policy• reviewing any reported matters.
Regulatory Appeals Committee (RAC)	<ul style="list-style-type: none">• overseeing the adequacy, capability and controls of the compliance and enforcement policy• monitoring risks and controls relating this policy and supporting guidelines and frameworks• reviewing proposed amendments to this policy and recommend to the Board to approve amendments.
Executive Leadership Team	<ul style="list-style-type: none">• providing leadership by embracing the responsive regulatory model and the regulatory best practice principles• overseeing an effective system of internal controls.
Senior Leaders Cohort (SLC)	<ul style="list-style-type: none">• advising on any changes in the operating environment that may impact this policy or supporting guidelines and frameworks• ensuring adequate systems of internal review, monitoring and compliance exist within their areas of responsibility• maintaining a working understanding of this policy and providing advice to internal stakeholders about this policy.
General Manager – Regulatory Insight	<ul style="list-style-type: none">• establishing and overseeing this policy, and supporting guidelines and frameworks, to ensure alignment with legislative obligations and organisational strategy and requirements• reviewing and maintaining this policy.
General Managers of the Regulation and Scheme Services Business Units	<ul style="list-style-type: none">• implementing operational procedures to support this policy and associated guidelines and frameworks• reporting CLSL's performance against this policy• facilitating internal training to ensure awareness and adequate regulatory action within CLSL• providing input and feedback regarding any operational use of this policy and its associated guidelines and frameworks to facilitate innovation and continuous improvement.
Staff of the Regulation and Scheme Services Business Units	<ul style="list-style-type: none">• undertaking regulatory actions on behalf of CLSL, in line with this policy and within the parameters of their individual role• providing input and feedback regarding any operational use of this policy and its associated guidelines and frameworks to facilitate innovation and continuous improvement.



7. BREACH OF POLICY

Breaches of this policy will be investigated. If a breach is established, appropriate action will be taken. Action may include disciplinary action, termination of employment or any other action deemed appropriate.

Significant breach of this policy – refers to when the assessment of a breach against Coal LSL’s Risk Matrix results in a High or Extreme risk rating.

8. REVIEW AND REPORTING

The Board will be notified and updated on all significant breaches of this policy and the corresponding action undertaken.

The CLSL RCEP is owned by the Regulation Division and will be reviewed every two years or more frequently, where there is a substantial change in the delegations, systems, functions, legislation or activities of Coal LSL that necessitates review.

The RCEP is reviewed and approved in accordance with CLSL’s *Policy Governance Policy*.

9. ESSENTIAL SUPPORTING DOCUMENTS AND FRAMEWORK ELEMENTS

The regulatory actions taken will be dependent on the specific non-compliance issue and the legislative tools available to CLSL to apply. More detailed consideration of the legislative tools in the context of specific non-compliance will be provided in the below guidelines, once developed:

- Levy Compliance Guideline
- Employer Audit Report Submission Guideline
- Employee LSL Access Compliance Guideline
- Litigation Guideline

10. VERSION HISTORY

Version	Date	Ownership	Approved by	Changes made
1.	Aug 2024	GM Regulatory Insight	RAC/Board	Policy established

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