Australian Government

Coal Mining Industry
(Long Service Leave Funding) Corporation

REGULATORY COMPLIANCE AND ENFORCEMENT POLICY

COAL LSL

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1. Introduction

The Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL) 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 employers in the industry fulfil their legislative obligations. This is achieved by ensuring effective regulation.

In line with Coal LSL's Statement of Intent, effective regulation requires appropriate and strategic use of resources to minimise regulatory burden for employers and ensure regulatory actions are proportionately applied.

2. Policy purpose

The Regulatory Compliance and Enforcement Policy (RCEP) reflects Coal LSL's commitment to being an effective regulator in accordance with the *Coal Mining Industry (Long Service Leave) Administration Act 1992* (Administration Act) and associated legislation. It sets out Coal LSL'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 Coal LSL 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 RCEP are to ensure:

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

5. Compliance and enforcement principles

5.1 Regulatory authority

Coal LSL is established under the Administration Act to administer and regulate the Coal Mining Industry Long Service Leave Scheme (the Scheme). Coal LSL works with the Department of Employment and Workplace Relations to offer expertise on the Scheme where needed for policy decisions. Coal LSL 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 must be considered in any decisions or actions undertaken:

1. **Outcome-focused** – 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 Management Framework.
4. **Proportionate** – regulatory actions and regulatory outcomes are fair, reasonable, and balanced.
5. **Procedurally fair** – all impacted stakeholders are 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** – Coal LSL is empowered to make decisions without undue delay.
9. **Impartial** – outcomes are independently documented and explained in line with the law, Coal LSL policies and procedures.

5.3 Regulatory Priorities

Coal LSL'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 Coal LSL's Statement of Intent. These priorities, approved by the Board, are maintained separately to the RCEP.

5.4 Regulatory intent

Coal LSL conducts regulatory activity under the Responsive Regulation Model, which promotes voluntary compliance and good practice but allows for application of escalating enforcement action where required.

Coal LSL's compliance actions are undertaken through a risk-based lens and through the application of intervention guidelines for escalating (and de-escalation) enforcement actions to target specific issues. Coal LSL applies structured review and escalation of matters through the application of Trigger Action Response Plans (TARPs). Staff are empowered to apply discretion within the boundaries of the TARP when considering the proportionality of regulatory action required, taking into account the seriousness of the non-compliance matter being assessed. Where a proposed outcome is outside parameters prescribed by a TARP, internal delegations and the Regulatory Decision Making Framework facilitate appropriate authority in decision-making. 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 Coal LSL'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 Coal LSL 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.

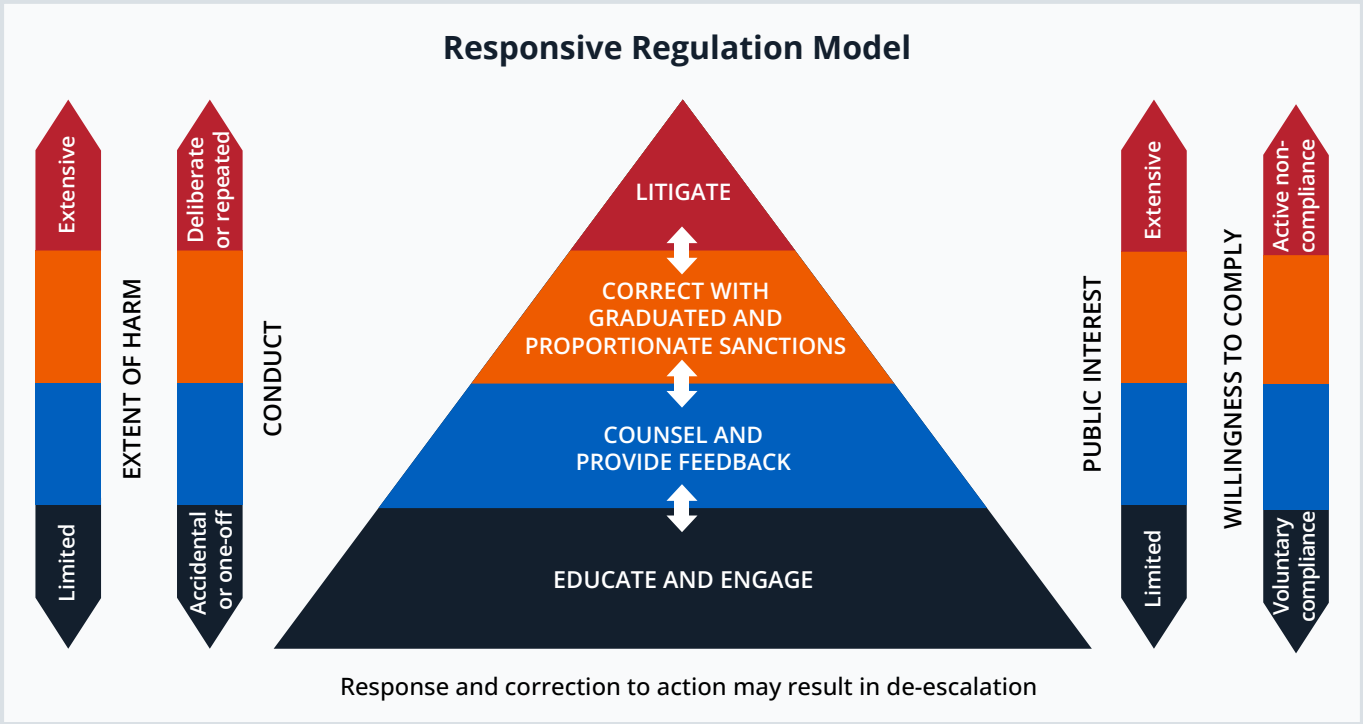

Figure 1 - Responsive Regulation Model

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 Coal LSL's regulatory monitoring activities will be described in the Regulatory Monitoring Guideline, once developed.

5.6 Governance of regulatory action

The regulatory actions taken will be dependent on the specific non-compliance issue and the legislative tools available to Coal LSL to apply (e.g. the charging of additional levy for late levy payment). Coal LSL operates under procedures and guidelines that support consideration of the legislative tools in the context of specific non-compliance.

6. Responsibilities and delegations

Position	Responsibilities and delegations
Staff of the Regulation Division and Scheme Services Business Units	• Undertaking regulatory actions on behalf of Coal LSL, 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 • Reporting breaches of this policy immediately to designated management
Board	• Providing strategic oversight of regulatory governance and policy adherence within Coal LSL • Establishing and promoting a culture for regulatory priority and maturity in all activity • Approving this policy • Monitoring Coal LSL's performance against this policy • Reviewing any reported matters
Regulatory Appeals Committee (RAC)	• Overseeing the adequacy, capability and controls of the compliance and enforcement policy • Monitoring risks and controls relating to this policy and supporting guidelines and frameworks • Reviewing proposed amendments to this policy and recommending to the Board to approve amendments
Chief Regulatory Officer (CRO)	• Promoting adherence to this policy as part of the organisational culture • Reporting to the RAC and the Board on our regulatory performance

Position	Responsibilities and delegations
Executive Leadership Team / Senior Leadership Cohort / Team Leaders	• Providing leadership by embracing the Responsive Regulation Model and the regulatory best practice principles. • Ensuring adequate systems of internal review, monitoring and compliance exist within their areas of responsibility, in respect of the activities governed by this policy • Advising on any changes in the operating environment that may impact this policy or supporting guidelines and frameworks • Maintaining a working understanding of this policy and providing advice to internal stakeholders about this policy
General Manager – Regulatory Insight	• Implementing and maintaining this policy, and supporting guidelines and frameworks, to ensure alignment with legislative obligations and organisational strategy and requirements • Monitoring and addressing policy compliance, including investigating and responding to reported breaches
General Managers of the Regulation Division and Scheme Services Business Units	• Implementing operational procedures to support this policy and associated guidelines and frameworks • Reporting to the ELT on Coal LSL's performance against this policy • Facilitating internal training to ensure awareness and adequate regulatory action within Coal LSL • 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 Coal LSL 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 Coal LSL's *Policy Governance Policy*.

9. Version history

Version	Date	Ownership	Approved by	Changes made
1.	September 2024	GM Regulatory Insight	RAC/Board	Policy established.
2.	11 August 2026	GM Regulatory Insight	RAC (under delegation 4.1(a1))	Updates to improve clarity, consistency and accessibility of the Policy, while maintaining alignment with Coal LSL's established regulatory posture.