

# Compliance and enforcement approach

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## Purpose

This policy sets out the principles that underpin the Resources Regulator's compliance and enforcement processes and regulatory actions and forms part of our risk-based and outcomes-focused approach to compliance and enforcement.

It gives guidance on the high-level compliance expectations, enforcement processes and regulatory methods that we will use to ensure that obligations under the legislation that we administer are met.

## Our objectives

The Resources Regulator aims to:

- ensure a safe, sustainable and innovative mining, extractive and petroleum industry in NSW
- provide information and guidance about safety, environmental and other regulatory obligations to protect and support industry, workers, the community and the state
- promote confidence in how the industry is regulated
- make regulation transparent
- engage with and educate both industry and the community about best practice
- support industry to meet its regulatory obligations.



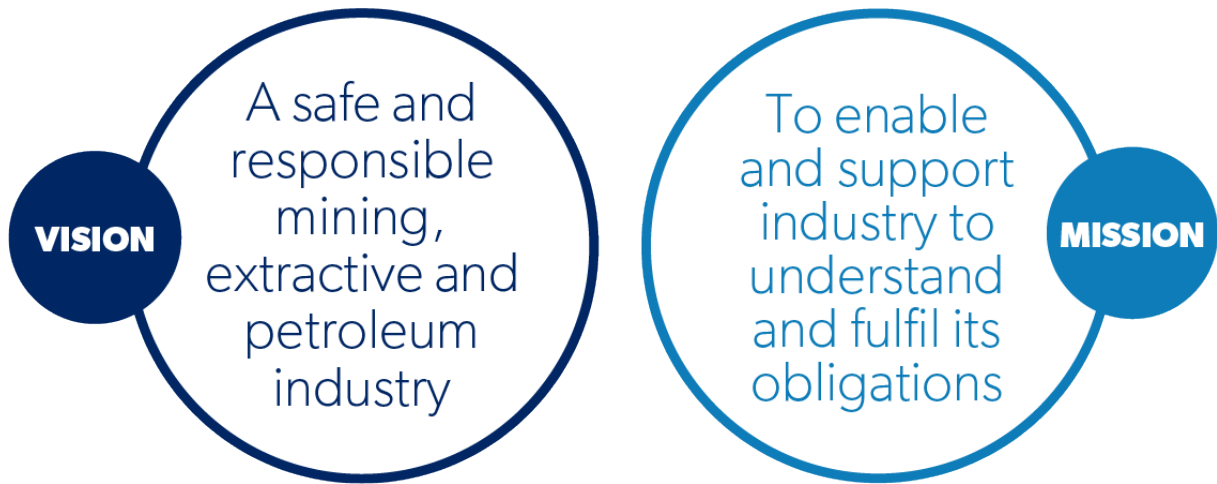
## About us

The Resources Regulator is a specialist regulator within the Department of Primary Industries and Regional Development, responsible for compliance and enforcement activities across the mining, extractive and petroleum industries.

This framework is designed to ensure a consistent and responsive regulatory approach and to provide increased transparency and community confidence in relation to our regulatory activities.

The primary focus of the Resources Regulator is on compliance activities in relation to the following:

- Compliance with the Mining Act.
- Regulating safety and health performance at NSW mines and petroleum sites.



Further information on the Regulator is contained in our [strategic plan](#).

## Legislation and obligations

When undertaking exploration, extraction, production of minerals or mining rehabilitation, industry participants are required to operate in accordance with certain standards and obligations. The obligations that are governed by the Resources Regulator include:

- relevant legislation that confers the right to operate, being the *Mining Act 1992* or the *Petroleum (Onshore) Act 1991*<sup>1</sup> and associated Regulations and State Environmental Planning Policies
- work health and safety obligations contained in the following Acts (and associated Regulations):
  - *Work Health and Safety Act 2011*
  - *Work Health and Safety (Mines and Petroleum Sites) Act 2013*
  - *Explosives Act 2003*
  - *Protection from Harmful Radiation Act 1990*
- conditions or obligations contained in authorisations, approvals, permits, registrations or licences issued under the above legislation
- requirements contained in codes of practice, policies, and standards.

In addition to the above, there are also other obligations that we will be involved in, although governed by other agencies. This includes incidents notified to the Resources Regulator under the obligations of other relevant legislation, for example the *Protection of Environment Operations Act 1997*.

While the laws we administer set minimum standards that industry participants must adhere to, we seek to encourage a positive compliance culture where industry participants demonstrate best practice by actively adopting measures and practices over and above legislative requirements to further minimise potential harms and risks.

## WHS framework

The Commonwealth, state and territory governments operate under harmonised work health and safety laws to improve work health and safety, provide consistent protection for Australian workers and reduce the regulatory burden. These laws are supported by a National Compliance and Enforcement Policy in order to ensure a nationally consistent approach to compliance and enforcement.

This Compliance and enforcement approach is consistent with the National Compliance and Enforcement Policy and the principles that underpin the approach that all work health and safety regulators will take to monitoring and enforcing compliance with the WHS Act and Regulations.

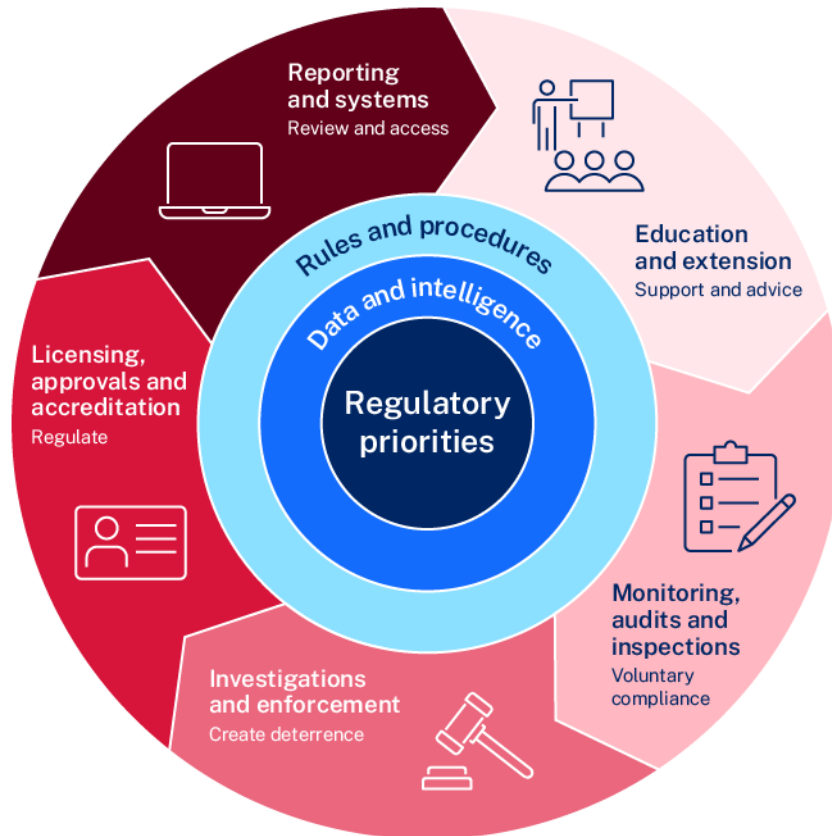
The National Compliance and Enforcement Policy is available on the Safe Work Australia [website](#).

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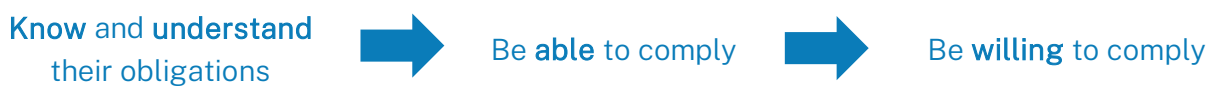
<sup>1</sup> The EPA is the lead regulator for all onshore petroleum exploration and production activities and is responsible for all compliance and enforcement activities under the *Petroleum (Onshore) Act 1991*, with the exception of work health and safety.

# Regulatory approach

Compliance is a whole-of-organisation responsibility and regulatory interventions occur in many different ways across the Regulator. We recognise that ensuring compliance is a key consideration in the way we design our policies, systems and processes, communicate with stakeholders, present our information materials, and explain our approaches and decisions.



Importantly we understand that in order to positively influence compliance behaviours and promote high levels of safety and compliance, three conditions must be satisfied. Industry participants must:



We believe that the majority of industry participants want to do the right thing and will comply if they understand their rights and responsibilities – and we seek to provide industry with the tools and information that will allow it to achieve compliance with these obligations.

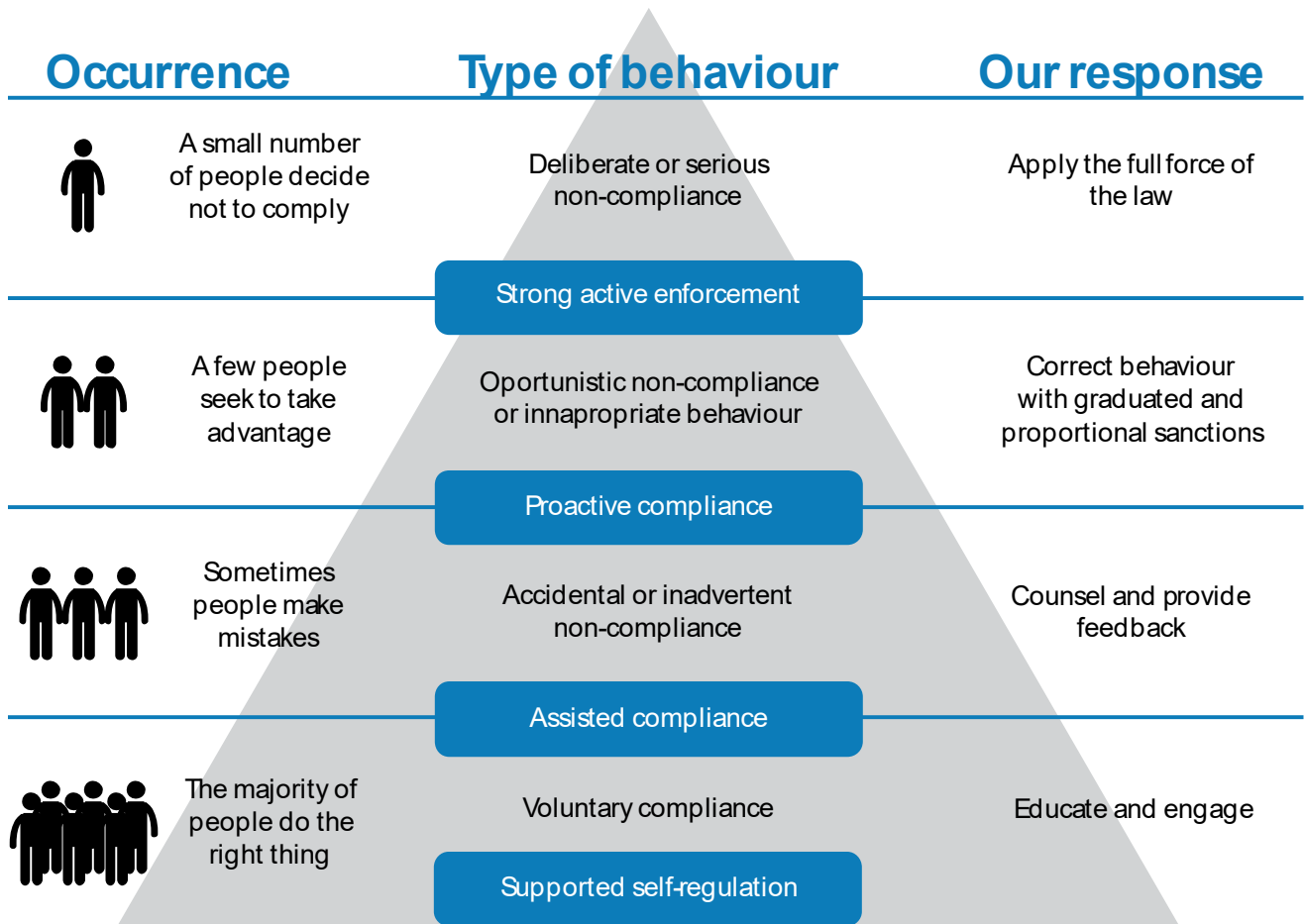
To assist industry, we produce regular reports on our activities and identify and publish our compliance priorities for each upcoming six-month period.

## Our responsive compliance model

The Resources Regulator promotes voluntary compliance and good practice while applying escalating enforcement action that targets those who demonstrate more serious, repeated or sustained contraventions or other misconduct inconsistent with community expectations and the public interest.

Our compliance and enforcement actions are driven by a risk-based approach and we apply a flexible and robust intervention framework that can apply a variety of escalating enforcement actions to target specific risks or misconduct. In this context risk is measured by identifying the likelihood of a particular event occurring and the consequence (actual or potential) to the industry, workers, the community and the state should that event occur.

Our compliance model aims to put risk at the heart of all of our actions and decisions. We therefore seek to address low risk non-compliances through a collaborative process with industry involving education through advisory services and publication. Moderate and higher risk non-compliances will be dealt with in an escalating manner with increasingly severe enforcement action taken based on the level of risk and potential for harm. This model is known as a responsive compliance model and is demonstrated by the compliance pyramid below.





## Our values and principles

The Resources Regulator, as part of the NSW public sector, is committed to upholding the core values of integrity, trust, service and accountability. In carrying out our compliance and enforcement functions we also have regard to the following principles:

<b>Accountability</b>	We are responsible for our compliance and enforcement activities and are answerable for our decisions, including where we act or decide not to act. All our decisions are based on the available evidence and we are willing to explain the reasons for our decisions and make available avenues of complaint or appeal.
<b>Consistency</b>	We endeavour to ensure consistency in the application of enforcement measures for matters of similar significance to provide certainty for industry and the community. However, this does not mean we adopt a one-size-fits-all approach, and we will consider the circumstances and facts of each matter when deciding the nature of any regulatory action that may be appropriate.
<b>Constructiveness</b>	We provide support, advice and guidance to help industry comply with their regulatory obligations. We promote best practice within the NSW mining, exploration and petroleum sectors and seek to foster a capable, sustainable, socially responsible industry.
<b>Outcomes focused</b>	We measure our success by the quality of our outcomes rather than the quantity of our activities.
<b>Proportionality</b>	Compliance and enforcement actions will be proportionate to identified conduct, having regard to the level of harm, the seriousness of the wrongdoing or misconduct and relevant behavioural drivers.
<b>Targeted</b>	Our activities are focused on areas of greatest risk and our strategic priorities and we use our limited resources effectively by adopting an intelligence-led, risk-based model.
<b>Responsiveness and timeliness</b>	We commit to conducting our activities as efficiently and as quickly as possible to reduce any further harms, minimise disruption and provide certainty to industry and stakeholders
<b>Transparency</b>	We will demonstrate impartiality, balance and integrity in all our compliance and enforcement activities. Compliance expectations will be clearly communicated, and our activities will be measured and publicly reported on to ensure that there is a clear understanding of what is expected from industry, and importantly, what industry and stakeholders can expect from us.

## Working with industry participants and stakeholders

The successful management of our diverse compliance activities relies on support from industry participants, key stakeholders and the community. This makes it vital that we have a strong, well-founded regime in place to ensure compliance with legislation and broader community standards.

Our role is to assist industry participants to be aware of, and comply with, any relevant requirements.

We support industry participants, other stakeholders, and the community by:

- providing access to necessary information to help them understand regulatory requirements and expectations
- providing consistent and authoritative guidance
- applying a considered proportionate regulatory response/ intervention, rather than a one size fits all approach
- communicating instances of non-compliance in an appropriate manner
- engaging with them in the development of strategies and initiatives designed to influence positive compliance behaviours and maximise voluntary compliance
- consulting in the development of risk-based compliance programs
- demonstrating an appreciation and understanding of business and industry, including regulatory burden issues
- streamlining regulatory processes and developing and tailoring incentives to encourage the mutual benefits of compliance
- meeting our commitments and community and stakeholder expectations of us.

## Our compliance processes and governance arrangements

Our compliance and enforcement activities are undertaken within a strict governance framework to ensure efficient and effective allocation of resources and adherence to this policy document.

Decisions around when and how to deal with an allegation of non-compliance and enforcement processes for formal investigations are handled by specific governance and oversight committees.

Assessing suspected failures to meet regulatory obligations

All allegations of irresponsible conduct, wrongdoing and failure to meet regulatory obligations reported to, or identified by, the Resources Regulator are assessed by a governance committee against the following uniform criteria to determine how they will be handled, prioritised and resourced:







- whether the matter is within our jurisdiction
- whether we are the most appropriate agency to respond
- the objectives of the relevant legislation
- our regulatory priorities
- whether other action may be more appropriate and available regulatory options

- the seriousness of the alleged irresponsible conduct or wrongdoing and whether it is ongoing
- the apparent behavioural drivers behind the alleged misconduct
- the severity and scale of potential or actual harm
- the likelihood of continued or repeated non-compliance
- the likelihood and practicality of a successful outcome
- the specific and general deterrent impact of our actions
- the regulatory burden of any action and the impact that it would have on the industry participant and other stakeholders
- the person's or entity's compliance history
- whether the person or entity was licensed or authorised to undertake certain types of works or activities
- whether the resource requirements are proportionate to achieving the desired outcome
- community expectations and public interest considerations.

In relation to WHS matters, the following circumstances or allegations are priority areas for investigations :

- work-related fatalities and serious injuries or where there is a risk of such outcomes
- non-compliance with inspectors' notices or directions
- offences against inspectors
- offences against health and safety representatives and matters relating to entry permit holders
- discrimination against workers on the basis of their work health and safety activities
- failure to notify incidents.

When considering how to deal with a matter the committee may determine one or more of the following actions including assigning a priority:

-  **Note the material for intelligence**
-  **Take no further action**
-  **Refer to another agency**
-  **Take remedial action**
-  **Conduct preliminary inquiries**
-  **Commence a formal investigation**

We do not investigate all matters reported to us and we adopt a risk-based approach to ensure finite resources are applied where the seriousness of alleged misconduct and risk of harm is greatest. We exercise discretion in determining whether we will commit resources to a formal investigation or take other action.

This may include, where appropriate, undertaking a causal investigation to enable the quick and full understanding of the causes of safety incidents and the publication of corresponding lessons to reduce the likelihood of recurrence. Causal investigations will only be considered where there is a clear need to communicate early learnings.

In relation to matters that do not involve serious work health or safety risks, we are less likely to pursue those that:

- are one-off, isolated events
- resulted in little or no harm and/or have already been rectified
- are more appropriately resolved directly between the parties involved
- involve issues more effectively dealt with by another agency.

### Determining the enforcement action

Where a formal investigation is undertaken, a separate governance committee considers investigations findings and determines the most appropriate regulatory action, including determining to take no further action.

The committee considers the following criteria when considering investigation findings:

- Reduce or remove an unacceptable risk of harm to workers, the environment or the community.
- Secure remedial and future compliance.
- Change the behaviour of the industry participant and others in the industry.
- Clarify the relevant law.
- Instil public confidence in our regulation of industry.
- Achieve specific and general deterrence.

## Enforcement toolkit

Our enforcement toolkit allows for a balanced enforcement approach which stops the improper conduct and promotes behavioural change, that is remedial and future compliance - rather than simply applying a punishment. This means that we may simultaneously apply multiple enforcement tools to achieve the desired compliance outcome.

Responses may be directed to a range of industry participants, including the mine or petroleum company or operator, to contractors, to people with statutory functions, to particular workers, or to a combination of these persons.

The range of compliance and enforcement actions available to us includes:

**Increased intensity of regulatory engagement** Increased frequency and scope of inspections, audits or other regulatory engagements (e.g. including meeting with company senior executives) may be used where the Regulator has concerns around a specific risk or operation.

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**Advisory letters** Issued to provide information and advice on regulatory obligations and good practice. Advisory letters are used where a specific allegation is undetermined or unsustainable but there remain general compliance concerns or identified opportunities for improved practice.

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**Warning letters** Issued to advise an industry participant that they are currently in non-compliance and that they should take immediate action to remedy the breach. Warnings are issued prior to final enforcement action being determined by the Regulator.

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**Official cautions** Issued for low level non-compliances where, having regard to the circumstances, the Regulator has determined not take escalated action (i.e. issue a penalty notice or commence prosecution action).  
Refer to the [Caution guidelines](#).

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**Penalty notices** Are used as an effective and efficient method of dealing with less serious breaches of the legislation which warrant sanction but are not considered serious enough to warrant formal prosecution action. A person served with a penalty notice may elect not to pay the penalty and to have the matter dealt with by the court.

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**Notices and directions** Directions and notices are issued under both the Mining Act and WHS legislation directing a party to do or not do something (including stop work orders). The aim of issuing a notice or direction is to ensure that a risk or non-compliance is remedied. These notices are not a sanction for non-compliant behaviour, and the Regulator will also consider with other enforcement action is appropriate.

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**Imposing additional controls such as licence conditions or orders** Additional controls and restrictions may be imposed on an authority, licence or permit to mitigate against specific or potential risks.

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**Making public comments about irresponsible conduct or wrongdoing** Details of significant enforcement actions are published to maximise the deterrent effect, bring awareness to important health and safety issues and to reinforce key messages.  
Refer to the [Compliance publication](#) policy.

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**Civil proceedings or court orders** Injunctions and other civil proceedings may be sought by the regulator to compel a person to comply with certain requirements or to recover costs.

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**Suspension or cancellation of a licence, permit or authorisation** Suspension or cancellation of an authority may be sought where serious contraventions have occurred or where the authority holder is unwilling or unable to return to compliance. Suspension and cancellation are likely to occur in conjunction with other enforcement actions such as prosecution.

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**Enforceable undertakings** An enforceable undertaking is a written, legally binding agreement proposed by a company or individual following an alleged contravention. The undertaking must be demonstrated to be the most effective and appropriate regulatory outcome in the circumstances.  
Refer to the [Enforceable undertaking guidelines](#).

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**Prosecution** Are undertaken for serious, ongoing or repeated breaches of legislation.  
Refer to the [Prosecution guidelines](#).

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