



# Compliance strategy

## The strategy explained

While this department understands there are fundamental attitudes towards compliance with our laws, we must operate within the regulatory environment and requirements.

This strategy recognises the range of environments that influence compliance and has identified a range of approaches that can be used for ensuring compliance occurs.

**The purpose of the Department of Commerce is to create a contemporary, diversified economy that provides for the growth, safety and protection of the community by:**

- promoting innovation and science;
- enhancing capacity; and
- ensuring a world class regulatory environment.

## A key direction

Enforcing the law is one of the key directions of the department's Corporate plan.

## A comprehensive framework

The Department of Commerce has developed this compliance strategy showing its approach to enforcing the law. The strategy and associated enforcement policies enable consumers and traders and employees and employers to understand the department's approach to achieving compliance with consumer and employment laws.

The department uses the compliance strategy as a framework for developing compliance programs across the breadth of its responsibilities. The department strives to enforce compliance effectively, efficiently and equitably in laws governing consumer protection, labour relations, occupational safety and health, energy safety and building.

## A model approach

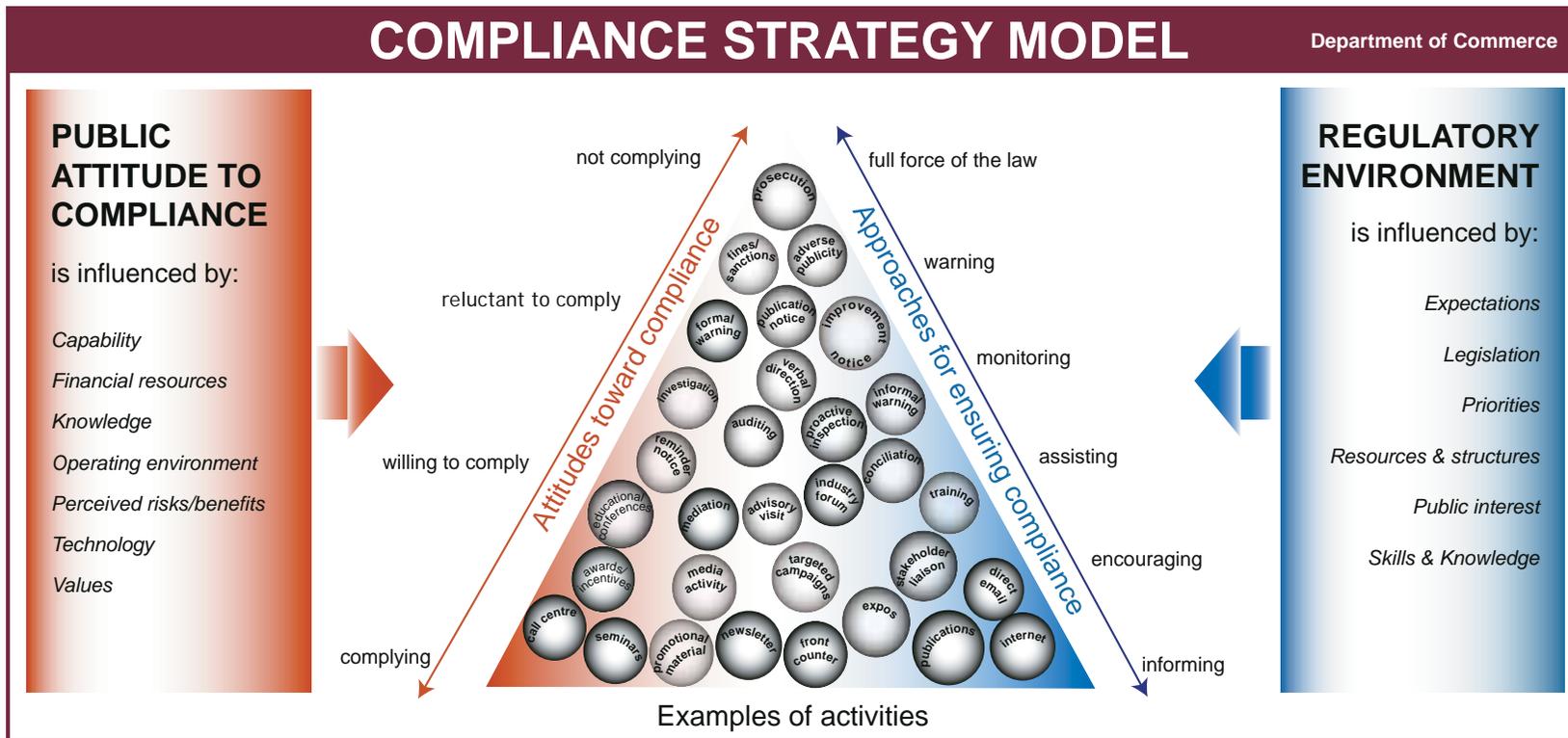
The Department of Commerce's compliance strategy model outlines compliance approaches and activities used to enforce the law. The model guides the department to assist people to comply with the law through responsive and effective regulatory programs.

The model assumes most individuals and organisations will comply, or try to comply, with their obligations. The department acknowledges that it is not appropriate to respond to all compliance issues in the same way. The department also acknowledges the need for traditional enforcement techniques to deal with non-compliance where serious breaches of the law occur.

The Department of Commerce recognises the way in which it responds can influence the behaviour of individuals and organisations. The department's aim is to encourage compliance.

# COMPLIANCE STRATEGY MODEL

Department of Commerce



## Public attitudes influencing willingness to comply

Factors influencing public attitudes towards compliance may include knowledge and understanding of the obligations imposed by regulation, current financial situation and capacity to comply.

## Public attitudes toward complying with regulation

While many individuals and organisations actively comply with regulatory requirements, there are those who choose not to comply. In between these extremes are those who try to comply but may not succeed, and those who have no particular desire to comply and make little effort to do so.

## Approaches used by the department to ensure compliance

The compliance approaches used by the department range from informing and encouraging through to warning and using the full force of the law. These are designed to assist individuals and organisations to meet their obligations. (see Compliance approaches).

## Compliance activities

The Department of Commerce is able to choose from a range of compliance activities in constructing compliance programs. The activities selected will reflect the appropriate response to the compliance issue.

## The regulatory environment

The strategy provides examples of factors that influence the department's decision-making about compliance. These influences include the government's priorities, the existing legislative framework and resources made available to the department for compliance programs.



## Compliance approaches

Examples of the approaches that are used at the various levels of the strategy are outlined below:

**Full force of the law** - There are some failures for which the most appropriate regulatory response is for the department to take more traditional enforcement action. Actions that the department may take include prosecutions seeking the imposition of penalties, court action seeking injunctions or enforceable undertakings and the use of media to protect the public from offenders.

**Warning** - Where appropriate, the department notifies and cautions individuals and organisations that are not complying with their obligations. Some of the approaches used include issuing prohibition notices, formal warnings, improvement notices and product recalls.

**Monitoring** - The department checks whether individuals and organisations are complying with their regulatory obligations. The department uses a variety of monitoring methods including proactive inspections and investigation of complaints.

**Assisting** - The department helps and supports individuals and organisations who are endeavouring to comply with regulation. For example, the department provides online training, conducts advisory visits to industry participants and offers conciliation services to resolve disputes.

**Encouraging** - The department undertakes a number of activities aimed at encouraging compliance. These include targeted campaigns promoting compliance in high-risk areas and acknowledgement of compliance with rewards and incentives.

**Informing** - The department wants individuals and organisations to understand their responsibilities. The department provides information in a variety of formats including newsletters, publications, hotlines, front counter services and online information and services.

# COMPLIANCE STRATEGY MODEL

Department of Commerce

## PUBLIC ATTITUDE TO COMPLIANCE

is influenced by:

- Capability
- Financial resources
- Knowledge
- Operating environment
- Perceived risks/benefits
- Technology
- Values



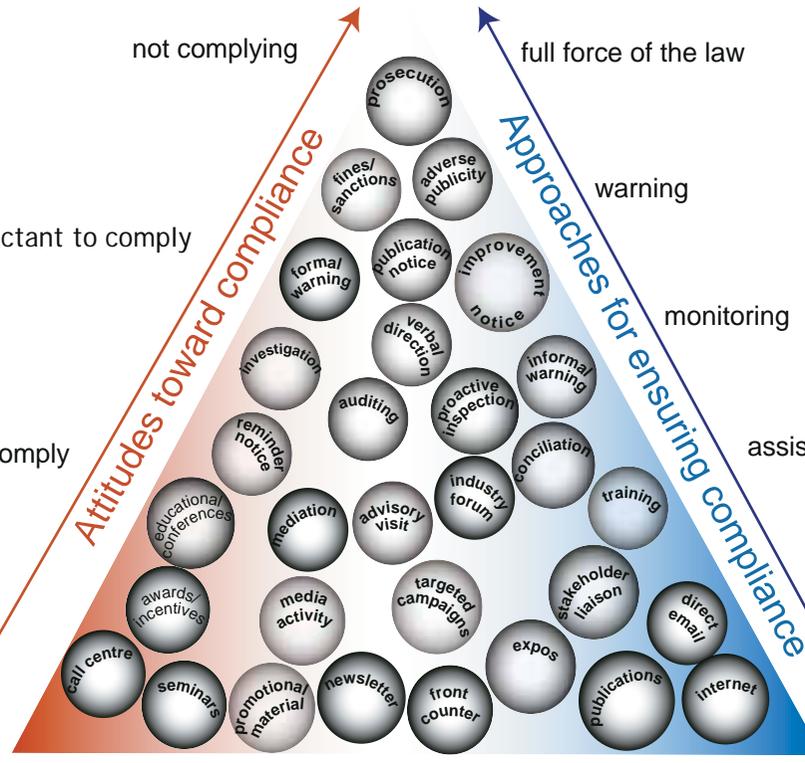
willing to comply

complying

reluctant to comply

not complying

*Attitudes toward compliance*



Examples of activities

## REGULATORY ENVIRONMENT

is influenced by:

- Expectations
- Legislation
- Priorities
- Resources & structures
- Public interest
- Skills & Knowledge



full force of the law

warning

monitoring

assisting

encouraging

informing

*Approaches for ensuring compliance*