



Compliance in Energy

Mitigating risk and meeting
complex workforce regulations



Certainty, every day

kinatico.com

Guide contents

In such a pressurised, highly regulated sector, energy companies need a clear overview of vital compliance information. This guide covers the overall details, summarises the risks, provides advice on creating a safety-focused culture, and explains the benefits of an end-to-end compliance management platform.

Regulatory bodies	3
Visit your state regulator	4
Federal regulations	5
SOCI Act	6
Energy sector risks	7
Creating a safety culture	9
A workforce compliance solution	9
Contractor compliance	11
Compliance in the contractual chain	12
Portable credentials	13
Kinatiko's compliance solution	14
An end-to-end workforce compliance solution	15

Regulatory bodies

For energy companies to stay on top of evolving regulations and avoid repercussions for non-compliance, they must understand the hierarchy of regulatory bodies and be aware of the energy sector areas they relate to.

The energy sector operates under three regulatory levels:

- Federal
- State/territory
- Local council

State regulations

Monitoring onshore activities

Onshore exploration and extraction activities are regulated by the same state department that grants exploration titles. State departments track and enforce compliance with mineral and energy resources legislation by:

- Providing materials like guidelines and codes of practice
- Carrying out inspections to monitor practices and processes
- Following up on complaints
- Carrying out enforcement actions; including issuing directions and improvement/infringement notices, and referring matters for prosecution

Other onshore authorities

Onshore operators must also comply with regulations from:

- The Environmental Protection Authority (EPA), which regulates environment considerations around pollution and waste
- Work health and safety regulators

Some local council laws may also apply, such as development and planning approval requirements.



Visit your state regulator to learn more

- Western Australia: <https://www.dmp.wa.gov.au/Petroleum/Legislation-and-compliance-12878.aspx>
- Victoria: <https://earthresources.vic.gov.au/legislation-and-regulations/legislation>
- Tasmania: <https://www.legislation.tas.gov.au/view/html/inforce/current/act-1995-116>
- South Australia: <https://www.energymining.sa.gov.au/industry/energy-resources>
- Queensland: <https://www.business.qld.gov.au/industries/mining-energy-water/resources>
- Northern Territory: <https://nt.gov.au/industry/mining-and-petroleum/mineral-and-energy-resources>
- New South Wales: <https://www.resourcesregulator.nsw.gov.au/>

Certain local council laws such as developmental and planning approval requirements may apply.



Federal Regulations

Monitoring Offshore Activities

Offshore exploration and extraction in Australian waters is regulated at the federal level. The National Offshore Petroleum Titles Administrator (NOPTA) maintains the titles register for these energy operations.



Offshore titles register map



Compliance and enforcement policy

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) regulates:



Health and safety



Structural integrity



Environmental management



Security of Critical Infrastructure Act (SOCl Act)

Energy companies affected by 2023 SOCl Act amendments

The energy sector is considered part of Australia's critical infrastructure and since August 2023, all companies that handle the generation, transmission, and distribution of electricity, as well as gas production, storage, and distribution, are held up against strict new compliance laws.

Energy companies must now:

- Register critical assets
- Report cybersecurity events
- Create and follow a Risk Management Program (RMP)

The most time-consuming aspect of these new requirements is the Risk Management Program (RMP). Companies must meet a high standard in their background screening and workforce compliance processes for critical staff, and proactively manage contractor compliance data and screening information.

Although strengthening risk management strategies is essential for hazardous industries like energy and resources, the required changes can add to administrative burden. Digital workforce management systems ease this transition and ensure compliance requirements are met.

"The most frustrating thing is definitely the reporting. It's a lot of admin. If I could get it all from one system... It's very difficult to get all qualitative information from the one system." HR manager, energy and resources, NSW

Energy sector risks

Geopolitical, climate, environmental, safety, and cyber

The energy and resources sector is rife with health and safety hazards in particular. An average workday for mining employees often involves exposure to risks like hazardous substances, explosion or fire-prone environments, high-powered machinery, and heavy vehicle operation.

The US-based Occupational Safety and Health Administration (OSHA) identified ten safety hazards associated with oil and gas extraction operations globally:

- ✓ Vehicle collisions
- ✓ Struck by / caught in / caught between
- ✓ Explosions and fires
- ✓ Falls from heights
- ✓ Confined spaces
- ✓ Ergonomic hazards
- ✓ Electrical and other hazardous energy
- ✓ Machine hazards
- ✓ High pressure lines and equipment
- ✓ Inadequate planning and prevention

In high-intensity workplaces, risk management is essential

Fast-paced industries like energy and resources often rely on every worker delivering their physical and mental best—a system that attracts teams with a distinctive grit and work ethic. However, there will always be what the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) describes as the ‘human factor’. Mistakes will happen, whether it’s particular employees with unpredictable or unsafe behaviour, or rare occurrences of human error.

Rather than blaming individuals for health and safety breaches—and subsequently letting the cycle continue—companies can address the issue with two main strategies:

- Creating a safety culture
- Ensuring workforce compliance



“Getting everybody across the line with their compliance training, that’s the mammoth task. Some people are 90 days overdue.”

HR manager, energy and resources, QLD







Creating a safety culture

A safety culture goes beyond written rules and policies; its success relies on worker beliefs, values, and attitudes.

Challenges when developing a safety culture:



Inflexible attitudes and beliefs



Failure to learn from mistakes



Training that doesn't stick.



A lack of support from the leadership team.



Employees feeling unsafe to speak up.



Employees not understanding expectations



Inadequate workforce verification and ongoing compliance management.



A successful safety culture plan

Once a plan is developed, it must not be a set-and-forget strategy that only involves defining and communicating policies. The key elements of cultivating a successful, ongoing safety culture include:

- Harnessing support from the senior leadership team
- Broadcasting a "safety first" message
- Bolstering training with ongoing communication
- Ensuring employees feel safe to speak up when they see something unsafe,
- Gathering feedback and learning from mistakes,
- Running an end-to-end workforce verification and compliance program.



A workforce compliance solution

Energy sector workforce compliance requirements vary by state, organisation, and level of operational risk.

- ✓ High Risk Work Licence
- ✓ QBCC Licence (QLD)
- ✓ Electrical Workers Licence
- ✓ Refrigerant Handling Licence
- ✓ Gas Fitting Licence
- ✓ Rope Access Certificate
- ✓ Plumbing Licence
- ✓ First Aid Certificate
- ✓ Contractor and Tradesperson Licence (NSW)
- ✓ Laboratory Drug and Alcohol Screening.

Consequences for non-compliance

With daunting financial penalties and restrictions that could halt operations, failing to appropriately track and manage workforce compliance is not only a risk to the completion of critical projects, but also brand perception and employee wellbeing.

Without a smooth compliance management system, it can be easy for out-of-date licences and certifications to slip under the radar. Using traditional processes, compliance officers face an unmanageable amount of documentation management.

"If we had a proper management system our team would be freed up to do more of what they're passionate about."

*— HR Manager,
Energy/Resources, QLD*





Contractor Compliance

The energy sector is in the midst of a skills shortage—triggered by existing employees shifting into renewable energy and a lack of young workers joining the industry. Faced with this issue, energy companies have inevitably looked to the country's pool of contractors. Unfortunately, contractors can lead to major compliance and safety risks.

Contractors tend to be unfamiliar with company processes, are often less supervised, and may not be as committed to the safety culture as internal employees. Considering these factors, the risk of health and safety breaches and accidents rises dramatically.

Contractor management requirements

Under the Workplace Health and Safety Act, employers are responsible for the health and safety of contractors while they are on site. Energy companies have an obligation to provide contractors with information, training, and supervision, and must develop systems that reduce exposure to hazards—including ensuring they meet certification requirements.

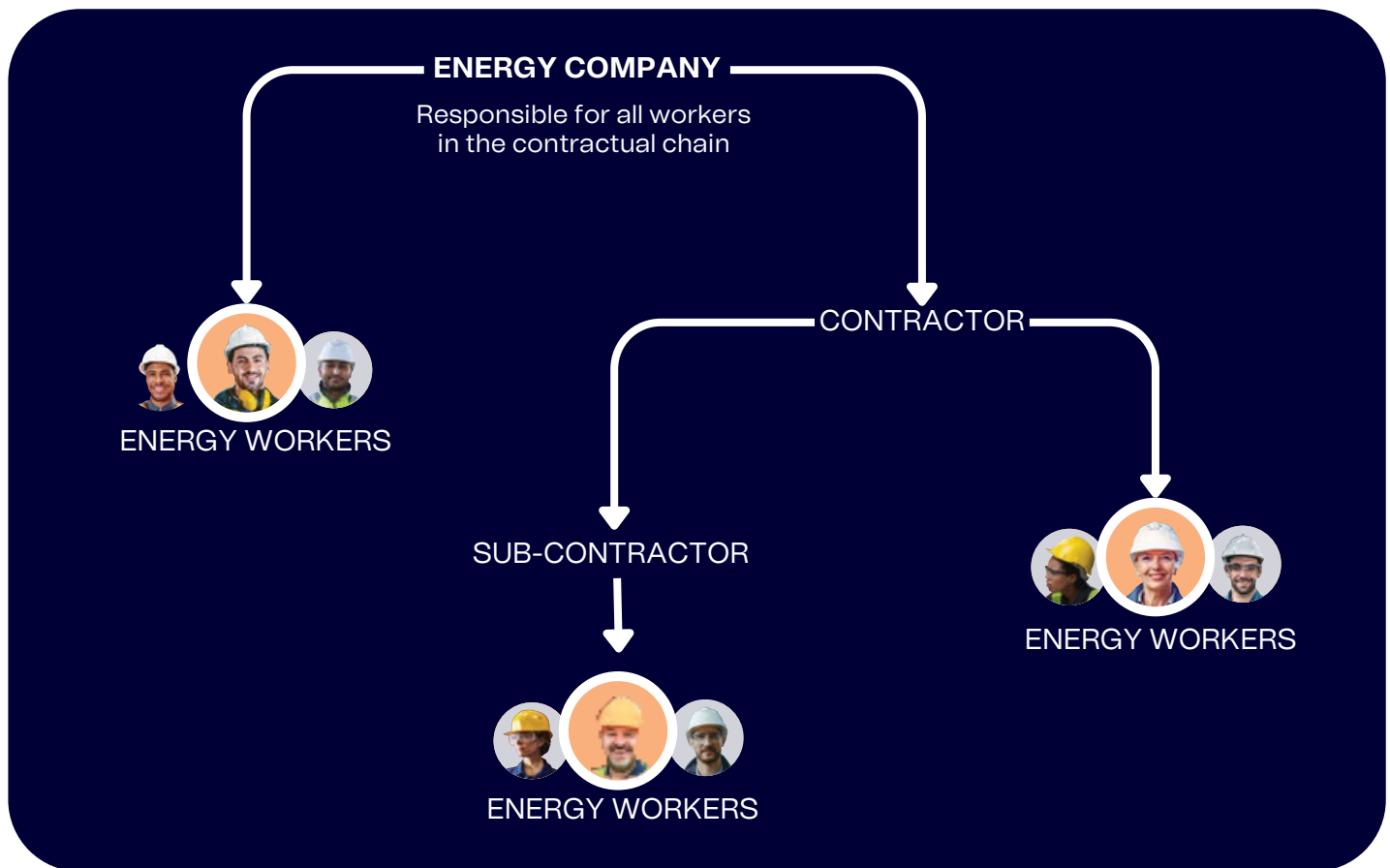
Five tips for reducing contractor risk

- Focus on contractor pre-qualification
- Embed safety agreements in the contract
- Carry out effective safety inductions
- Monitor and supervise contractors on-site
- Use a compliance management platform





Compliance in the contractual chain



Workplace health and safety requirements can become more complex when a 'contractual chain' exists—meaning a situation where multiple contractors and subcontractors are working on the same project. Health and safety responsibilities are not transferrable, so a company is equally responsible for its level one contractors as all the subcontractors further down the chain.

All subcontractors, no matter how far they are down the contractual chain, must be 100% visible from a compliance standpoint. So, onboarding and monitoring subcontractors can become a challenge without an effective workforce compliance management platform in place.



Portable credentials

Attracting talent with a practical credential system

In the current skills shortage, the industry's recruitment challenge has shifted from attracting employees to sourcing and retaining the most highly skilled contractors. Outdated workforce management technology makes onboarding a laborious experience, and this can be off-putting for contractors who can easily switch to a more streamlined competitor.

A common issue contractors have with the traditional recruitment process is needing to repeat workforce compliance checks when they move between projects and employers—delaying start dates and adding unnecessary costs. Portable credentials bypass this inefficiency by holding contractor information in a single location, where it is updated in real time and can be shared across multiple employers. And this tool is an integral component of a comprehensive workforce management platform.

"We have a huge [challenge] with contractors because we use so many of them. There's a big gap in contractor management – there's no system."

— HR Manager, Energy/Resources, QLD



Kinatico's compliance solution

Our platform simplifies critical industry compliance. It's the always-on, automation-friendly version of monitored compliance that tracks and updates in real time, serving that vital top-level information at a glance.



The Kinatico system can:

- Track all worker certifications over the life of their employment
- Receive automated alerts and reminders for pending certification expiry
- Easily forecast the impact of changes to compliance requirements
- Automatically manage grace periods and exemptions

Our integrated vendor and contract management system can:

- Onboard vendors and vendor workforces
- Easily share role, location, or project requirements
- Offer vendors self-service compliance management
- Save time and cost with portable credentials
- Conduct vendor verification and credit checks



Kinatico's compliance solution

Kinatico has a cloud-based digital platform that streamlines onboarding and workforce monitoring processes, simplifying the path to compliance.



Risk management

Track and verify all your workers from one dashboard



Portable checks in one central place

Transferable data means no more repeated background checks



Rapid mobilisations

Faster onboarding and deployment to multiple sites on time



Real-time duty of care

Meet regulatory compliance requirements with one system



Automated document collection

Proactively collect certifications and updates from workers



Compliance with each site's requirements

Configurable dashboard shows all worker and site credentials

Kinatico's other benefits include:

- Efficient incident reporting
- Guaranteed privacy and information security
- Easily scales from a single team to thousands of workers across multiple sites





Kinatico means a workforce you can trust. Our monitored compliance solutions ensure your team stays active, your people stay safe, and you have the insights you need to make better decisions for your business.

Our team are masters of managing moving parts, making critical industry compliance simplified; through user-friendly, end-to-end solutions.

No matter the size of your operation, Kinatico will keep you and your team connected.

Historically, managing a workforce has meant a number of ad hoc systems and solutions that aren't fit for purpose. The Kinatico ecosystem is a connected suite of services that work in concert to provide end-to-end support in workforce management.

It's company-wide compliance at a glance, giving you the tools you need to know your people.

From screening to onboarding, training to accreditation, scheduling to resource planning; the services we specialise in speak to every stage of the employee compliance lifecycle. They have the breadth and depth to build bespoke models capable of solving almost any workforce management issue.

But the true value of working with Kinatico comes through automating and executing important tasks before they become urgent. Meaning less stress, more time, and more focus for innovative thinking that can push your company forward.

Talk to our Team



sales@kinatico.com



www.kinatico.com



(08) 9388 3000

