Australian Government
Department of Home Affairs

2017–18 Regulator Performance Framework Self-Assessment

Department of Home Affairs

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Introduction

The Government introduced the Regulator Performance Framework (RPF) in October 2014. The RPF proposes a range of common performance measures and public reporting and engagement requirements to assess and audit the performance of regulators on an annual basis.

The RPF aims to encourage regulators to undertake their functions with the minimum impact necessary to achieve regulatory objectives and to effect positive ongoing and lasting cultural change within regulators. The Framework allows regulators to report on the outcomes of their efforts to administer regulation fairly, effectively and efficiently.

The RPF operates on a financial year basis. This report covers functions of the Department of Home Affairs (the Department) for the reporting period 1 July 2017 to 30 June 2018 and comprises two parts:

- Part 1 covers the functions related to migration, citizenship, travel, trade and customs.

- Part 2 covers the functions related to aviation and maritime security. These functions sit within the Aviation and Maritime Security (AMS) Division, formerly the Office of Transport Security (OTS), which joined the Department of Home Affairs from the Department of Infrastructure and Regional Development in December 2017.

Part 1 of the self-assessment has a focus on significant examples of good regulatory performance, showcasing change in its effectiveness as a regulator rather than on business-as-usual activities, to illustrate the Department's performance over the reporting period. The report covers six Key Performance Indicators (KPIs) as outlined in the RPF and 20 Measures of Good Regulatory Performance (Performance Measures) developed by the former Department of Immigration and Border Protection.

Part 2 of the self-assessment is informed by the six performance measures outlined in the Portfolio Budget Statement 2017–18 for the Department of Infrastructure and Regional Development and Cities. These performance measures are specific to the former OTS' purpose and strategic priority activities.

The Department is undertaking a review of its regulatory functions, KPIs and Performance Measures for 2018–19. This will see changes for future years to reflect the regulatory functions now within the Department.

Part 1: Migration, Citizenship, Travel, Trade and Customs

The Department of Home Affairs (the Department) evaluates its operation as a regulator through considering its performance against six key performance indicators (KPIs) for the following regulatory functions:

- Delivery of visitor, temporary resident, migration and citizenship programs

- Delivery of humanitarian and refugee programs

- Facilitation of travel

- Facilitation of trade and customs.

The six KPIs and performance measures are as follows:

The 2017–18 RPF Self-Assessment KPIs and Performance Measures

KPI	Performance Measures
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	1. understanding the operating environment of our clients and the current and emerging issues that affect them 2. minimising unintended negative impacts of regulatory activities 3. implementing continuous improvement strategies to reduce the costs of compliance for those we regulate
KPI 2 – Communication with regulated entities is clear, targeted and effective	1. providing guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience 2. considering the impact on regulated entities and engaging with industry groups and representatives of affected stakeholders before changing policies, practices or service standards 3. providing decisions and advice in a timely manner, clearly articulating expectations and the underlying reasons for decisions 4. providing consistent advice and supporting predictable outcomes
KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed	1. applying a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions 2. reassessing and amending our strategies and activities to address regulatory risk in response to new and evolving threats, without reducing certainty or effectiveness 3. reassessing regulatory risk to ensure the Department operates strategically and amending activities and enforcement actions to reflect the Department's most current priorities and the changing environment 4. recognising the compliance record of our clients and granting earned autonomy where appropriate
KPI 4 – Compliance and monitoring approaches are streamlined and coordinated	1. tailoring information requests that are necessary to secure regulatory objectives while minimising the impact on stakeholders 2. minimising the frequency of information collection and coordinating with similar processes so that, as far as possible, information is only requested once 3. using and sharing existing client data to reduce information requests, where possible

KPI	Performance Measures
	4. understanding the circumstances and operation needs of the regulated entity, before commencing regulatory monitoring and inspection for risks
KPI 5 – Regulators are open and transparent in their dealings with regulated entities	1. publishing clear, understandable and accessible risk-based frameworks 2. responding to requests from our clients openly and in a timely manner 3. publishing performance measurement results in a timely manner
KPI 6 – Regulators actively contribute to the continuous improvement of regulatory frameworks	1. improving our regulatory frameworks and/or reducing the costs of compliance for our clients 2. sharing feedback from stakeholders and performance information with clients and other stakeholders to improve the operation of our regulatory frameworks

The following rating scale was applied to evaluate the Department's performance for the 2017–18 reporting period:

Not applicable	Not at all effective	Ineffective	Effective	Very Effective
KPI is not applicable	Performance did not meet established expectations in relation to this KPI	Performance in relation to this KPI somewhat met established expectations	Performance in relation to this KPI meets established expectations	Performance exceeded established expectations in relation to this KPI

Findings of the 2017–18 Self-Assessment

The Department's overall assessment of its performance for these functions was positive, with a rating of 'Effective' against each KPI. This is comparable to the Department of Immigration and Border Protection and the Department of Infrastructure, Regional Development and Cities' performance in the 2015–16 and 2016–17 reporting periods.

Key activities that support this rating have been outlined against each KPI in the following report.

To improve readability, the Department focussed on examples that demonstrate significant instances of good regulatory performance, showcasing change in its effectiveness as a regulator, rather than focus on business-as-usual activities. This reduces the risk of duplicating information that was contained in previous reports.

The role of external stakeholders

As part of the RPF, the Government tasked each portfolio to identify a Ministerial Advisory Council or equivalent stakeholder consultation mechanism to validate its self-assessment under the RPF. In 2015, the then Minister for Immigration and Border Protection agreed that the Ministerial Advisory Council on Skilled Migration (MACSM) and the National Committee on Trade Facilitation (NCTF) would fulfil this role for the Immigration and Border Protection portfolio.

MACSM is a tripartite body comprising industry, union and government representatives that provides advice to the Minister and Assistant Minister for Home Affairs on Australia's temporary and permanent skilled migration programs and associated matters.

The NCTF provides a forum for the discussion of strategic issues affecting Australian industry stakeholders in the international trade environment. The NCTF examines opportunities for reform and

improvements to the international trade environment. The NCTF fulfils the obligations imposed by the World Trade Organization's Agreement on Trade Facilitation and serves as the Department's Ministerial Advisory Committee on Deregulation for trade facilitation issues. Within the NCTF, the Regulatory Reform Working Group (RRWG) was established to undertake the duties associated with validating the Department's performance under the RPF.

External validation

External stakeholders from MACSM and the RRWG were invited to review the Department's 2017–18 RPF Self-Assessment Report, prior to publication, and provide feedback on the Department's self-rating.

MACSM validated the Department's self-assessment rating of effective in relation to regulatory functions related to temporary and permanent skilled migration programs and associated matters.

RRWG members validated the Department's self-assessment rating of effective in relation to regulatory functions related to trade facilitation, noting that 16.6% of responses provided feedback that disagreed with the Department's self-rating. In addition, RRWG members also provided feedback related to the metrics used. This feedback will be incorporated into the Department's review of its RPF metrics for the 2018–19 Financial Year and onwards, which will include further consultation with industry.

KPI 1 — Regulators do not unnecessarily impede the efficient operation of regulated entities

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measures of Good Regulatory Performance* for this KPI are:

- **understanding the operating environment of our clients and the current and emerging issues that affect them**

- **minimising unintended negative impacts of regulatory activities**

- **implementing continuous improvement strategies to reduce the costs of compliance for those we regulate.**

Case Study – Updating the Department's website

During 2017–18, the Department commenced work to improve website navigation, structure, language and design to make information easier to find and understand. The Department undertook extensive user-experience research with clients and key stakeholders over a six-month period to understand the context in which they use the website and to deepen understanding of their needs and expectations. The Department listened to and transcribed over 1000 calls to our call centres, surveyed more than 35,000 clients around the world, conducted more than 40 in-depth interviews and held four focus groups, conducted more than 160 research sessions at counters, held 18 workshops with staff and held close to 100 usability testing sessions with clients. In redesigning the website, the Department is implementing the Digital Transformation Agency's Digital Service Standard, which ensures that government agencies build services that are simple, clear and fast. The new website went live during the 2018–19 reporting period.

The Department's Industry Summit held in July 2017 brought together approximately 250 government and industry leaders from the trade, travel and migration sectors, and from peak bodies with the theme *Border innovation: strengthening our nation's economy, security and society*. The Department is using ideas from the summit to brief Government and to inform future policy and operational settings.

Other significant examples of activities demonstrating good regulatory performance against this KPI include:

- data sharing with other departments, including the Australian Taxation Office (ATO) on the import clearance data for excise-equivalent goods, customs duty and access to the Integrated Cargo System, and the Department of Agriculture and Water Resources on matters of joint interest in the international mail environment

- releasing the *Managing Australia's Migrant Intake* discussion paper to support the consultation process with stakeholders across Australia

- educating and supporting the trading community through our website and industry fora presentations, to minimise occurrences of unwittingly importing or exporting prohibited and restricted goods

- promoting the protection of intellectual property rights with peak industry groups

- using information on brand protection initiatives to allow Australian Border Force (ABF) officers to more easily identify counterfeit goods

- raising awareness among stakeholders about the risk of importing goods containing asbestos

- establishing an industry advisory group of representatives of start-ups, tech and biomedical sectors and universities to advise on the *Global Talent Scheme* pilot to support talent and innovation

- engaging with the Migration Institute of Australia to ensure members provide the Department with complete client applications and present their clients' cases most effectively

- amending the *Migration Act 1958* to authorise the public disclosure of sponsor sanction details to deter sponsors from breaching their obligations

- reforming the Seasonal Worker Program to enable visa applicants to lodge their applications and be granted a visa earlier and enable sponsors to potentially access cheaper airfares.

The Department consults extensively with stakeholders to ensure that reforms and changes with a negative regulatory impact are minimised. For example, the Office of the Migration Agents Registration Authority (OMARA) published an issues paper and invited submissions for the review of the Code of Conduct for registered migration agents. Focus groups were held for stakeholders in Sydney, Melbourne, Adelaide, Perth, Brisbane and Canberra.

The definition of Eligible New Zealand Citizen (ENZC) in the *Migration Regulations 1994* was amended to re-align the migration law definition of ENZC with the equivalent social security law definition in the *Social Security Act 1991*. The change also resulted in a simpler process for ENZCs sponsoring non-citizens for a visa to Australia.

Reforms to the employer sponsored migration program followed extensive consultation with stakeholders which included publication of a discussion paper, briefings with key industry groups, migration agent information sessions and a briefing for the diplomatic community.

The Government announced in the 2017–18 Budget that the Department would consolidate its three call centres in London, Ottawa and Sydney into one centre onshore in Australia to provide a more efficient service and reduce waiting time for clients. The Government announced it would engage a specialist call centre provider to deliver those services.

On 10 January 2018, the Department announced Datacom Connect Pty Ltd as the successful tenderer to deliver the Department's call centre operations. A gradual transfer of call centre operations to Datacom began in March 2018 to allow knowledge transfer and technical issues to be identified and addressed in a lower volume and lower risk environment. On 30 June 2018, the Department achieved the Government's 2017 Budget commitment to fully outsource the Department's three service centres to deliver a better service to clients.

These examples demonstrate that the Department has met established expectations against this KPI — the Department has rated itself as 'effective'.

KPI 2 — Communication with regulated entities is clear, targeted and effective

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measures of Good Regulatory Performance* for this KPI are:

- **providing guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience**

- **considering the impact on regulated entities and engaging with industry groups and representatives of affected stakeholders before changing policies, practices or service standards**

- **providing decisions and advice in a timely manner, clearly articulating expectations and the underlying reasons for decisions**

- **providing consistent advice and supporting predictable outcomes.**

Case Study - The Office of the Migration Agents Registration Authority

To provide clear, timely and accessible guidance and information, the Office of the Migration Agents Registration Authority (OMARA) uses email, its website and an agent telephone 'hotline' to provide:

- a current register of migration agents, enabling consumers to check an agent's registration details

- an online complaints form

- consumer information in 34 languages

- information about registration requirements for new and repeat registration applicants

- guidance material for agents such as the Code of Conduct and practice guides, an Ethics Toolkit and a Client Monies toolkit.

The OMARA also provides a written statement of reasons for all adverse decisions and publishes disciplinary decisions on the OMARA website in the interest of consumer protection.

The Department continued to engage with partner states to increase their capability to facilitate legitimate trade, movement of goods and improve security in global supply chains. The Department supported Fiji as Regional Vice Chair of the World Customs Organisation (WCO) and provided assistance with hosting the Regional Contact Points (RCP) meeting. At the RCP meeting, Australia's proposal to establish a Counter-Terrorism Working Group was endorsed which will enable information and expertise to be shared to improve facilitation and security outcomes.

The Department ensures that information is accessible to stakeholders and clients in a range of languages and formats. Guidance is regularly updated and information is communicated clearly and consistently. Relevant examples include:

- updating the Department's Asia-Pacific Economic Corporation (APEC) webpages and providing a 'one stop' client experience

- updating a range of policy instructions and other publicly available guidance information in preparation for skilled visa reforms in March 2018

- providing information to stakeholders on reforms to the employer sponsored migration program, the Global Talent Scheme, the Pacific Labour Scheme, reforms to the Seasonal Worker Program and changes to the skilled migration program through the Home Affairs website, factsheets and brochures, client correspondence, and migration agent newsletters

- providing information to assist clients to pass the Australian citizenship test, such as four practice tests and a tutorial and a test resource book in 38 languages

- publishing *Home Affairs Notices* informing importers, exporters and service providers of new and changed regulations controlling the movement of restricted and regulated goods

- maintaining up-to-date information on the Department's website in relation to drawbacks, duty refunds, import processing charges, indirect taxes and industry assistance schemes such as the Tariff Concession System

- continuing the implementation of the E-plus dynamic checklist across skilled visas, ensuring complete applications and reduced requests for information.

Tightened legislative and policy settings in the Permanent Employer Sponsored Entry (PESE) program, implemented in March 2018, also provide greater clarity on visa requirements and ensure that program risks can be better managed. This includes:

- revised market salary rate requirements

- expanded skilled occupations list requirements that specify occupations eligible for the Employer Nomination Scheme (ENS) and Regional Sponsored Migration Scheme (RSMS) visas, with the RSMS providing access to a larger number of occupations on the new Regional Occupations List

- tightened employment, work experience and age requirements.

On 20 April 2017 the Government announced program and policy changes to strengthen the requirements for Australian Citizenship. To explain these changes the Department published a discussion paper titled *Strengthening the Test for Australian Citizenship*. Key stakeholders and the general public were invited to provide feedback on the proposed changes through a range of channels, including submissions and written feedback through a dedicated electronic mailbox. Several presentations were made to key stakeholders to communicate the proposed changes.

Correspondence with clients has also been enhanced and simplified. These changes were implemented for application acknowledgements, Bridging Visa A and visa grant notifications. Additional correspondence is also being sent to partner visa applicants to reassure them of progress on their applications and to remind them when further action is required.

Translating and Interpreting Service (TIS National) provides high quality, cost-effective and secure language services for the Department. It helps non-English speakers to communicate effectively with government departments and agencies, healthcare service providers, police and emergency services, utilities, banks, other organisations and businesses. In 2017–18, TIS National provided 983,763 phone interpreting services and 118,166 on-site services through 3,141 independently contracted interpreters.

These examples demonstrate that the Department has met established expectations against this KPI — the Department has rated itself as 'effective'.

KPI 3 — Actions taken by regulators are proportionate to the regulatory risk being managed

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measures of Good Regulatory Performance* for this KPI are:

- **applying a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions**

- **reassessing and amending our strategies and activities to address regulatory risk in response to new and evolving threats, without reducing certainty or effectiveness**

- **reassessing regulatory risk to ensure the Department operates strategically and amending activities and enforcement actions to reflect the Department's most current priorities and the changing environment**

- **recognising the compliance record of our clients and granting earned autonomy where appropriate.**

Case Study - The Australian Trusted Trader Compliance Framework

The Australian Trusted Trader (ATT) Compliance Framework provides a tiered approach to compliance management, with individualised control plans in place for all Trusted Traders.

The Department undertakes a thorough analysis of each Trusted Trader before providing accreditation into the ATT Program. The data and evidence is subject to regular and ongoing review to ensure the suitability of an entity to remain within the program, and to ensure that a collaborative approach to compliance is taken in partnership with the Australian Border Force.

Accredited Trusted Traders are generally recognised as presenting a lower risk, and therefore may be subjected to a lighter touch at the border. Since commencing in 2016, the application process to become part of the ATT Program has been significantly reworked to reduce the burden on applicants. The online form has been streamlined and now takes approximately four hours to complete, down from more than 200.

In 2017–18, 157 new Trusted Traders were recognised and added to the 36 from the previous year.

The Department actively targets non-compliance and issues infringement notices where appropriate. The ABF's transition from a transactional monitoring approach to utilising intelligence-informed compliance activities has resulted in more efficient use of resources allocated to compliance activities for revenue collection. This approach has enabled the Australian Border Force to focus on high-risk entities and cargo movements as well as removing red tape for trusted traders.

The Department applies risk-based approaches that promote the most efficient use of resources and improve the effectiveness of the regulatory framework. We endeavour to minimise the burden on those who are voluntarily compliant and ensure that enforcement action for non-compliance is proportionate to the risk being managed. Examples of relevant actions include:

- analysing and reviewing data to identify emerging caseloads, trends and risks, and developing/refining policies and risk treatments to enhance and maintain program integrity

- collaborating with program management counterparts in other agencies to ensure appropriate measures (risk assessments, treatments and mitigations) are in place to reduce regulatory burden on low-risk clients and Department staff are adequately trained and empowered to apply policies and procedures, address risks and escalate complex issues

- regularly reviewing new research on migration programs and associated emerging issues, such as social cohesion and national security.

The Department facilitates an annual targeted offshore panel physician audit program, which is a key element of the Health Quality Assurance Framework to identify, manage and mitigate risk and implement continuous improvement. Audits include desktop audits of errors, complaints and assessments made by the panels as well as onsite audits of panel facilities and associated services such as tuberculosis diagnostics and management.

Other applications of our risk-based and proportionate approach to regulatory enforcement include:

- entity matching processes within the Sponsored Family Visitor visa caseload, allowing case officers to identify and manage risks appropriately, identify potential threats and mitigation strategies

- streamlining of the Maritime Crew Visa process using finely calibrated risk and threat profiles that more accurately identify risk in the caseload

- adopting a nationally consistent approach to identifying and treating risks in the Citizenship program and applying a case prioritisation tool and risk treatment guidelines

- Push notifications to clients continued to be expanded, with visa cessation reminders now sent to holders of evisitor (subclass 651) visas and new post-visa-expiry notices introduced for Visitor (subclass 600) visa holders who remain in Australia after their visa has expired. Push messaging also saw the implementation of new functionality consisting of standard business sponsorship expiry reminder emails, employment cessation reminder emails and travel expiry reminder emails.

The Department regularly assesses its regulatory risk and adapts as appropriate. Following the commencement of the Temporary Skill Shortage (TSS) program in March 2018, new systems functionality was implemented to allow auto-renewal of sponsorships and auto-approval of eligible sponsorship/nomination applications for the first time. This included further expanding the scope of sponsorship accreditation which allows a greater range of businesses access to accreditation and the associated benefits of priority processing and auto-approval for low risk nominations.

In the 2016–17 Budget, the Government increased the tobacco excise by 12.5 per cent, with effect from 1 September 2017, and three subsequent annual increases until 2020. Noting the price rise could increase the risk of tobacco smuggling, the Government agreed to strengthen the legislative framework for illicit tobacco offences. The Department developed the Customs Amendment (Illicit Tobacco Offences) Bill 2018, which was introduced into Parliament on 28 March 2018. The Bill amends the *Customs Act 1901* to allow prosecution of a wider range of illicit tobacco offences.

These examples demonstrate that the Department has met established expectations against this KPI — the Department has rated itself as 'effective'.

KPI 4 — Compliance and monitoring approaches are streamlined and coordinated

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measures of Good Regulatory Performance* for this KPI are:

- **tailoring information requests that are necessary to secure regulatory objectives while minimising the impact on stakeholders**

- **minimising the frequency of information collection and coordinating with similar processes so that, as far as possible, information is only requested once**

- **using and sharing existing client data to reduce information requests, where possible**

- **understanding the circumstances and operation needs of the regulated entity, before commencing regulatory monitoring and inspection for risks.**

Snapshot – Leveraging information requests

The Department aims to reduce the regulatory impact of information collection on stakeholders. When it is necessary to collect information from stakeholders, the Department seeks to minimise the frequency of information requests and leverage such requests off pre-existing or similar processes. For example:

- Changes to the Integrated Cargo System allow for a Vendor ID, Importer ID and the use of a GST-paid exemption code (where applicable) to assist vendors with their reporting obligations to the Australian Taxation Office. This approach ensures minimum administrative burden on industry, building upon the existing data framework.

- Trusted Traders continue to benefit from reduced red tape on importing consolidated cargo. Trusted Trader importers, or their licensed customs broker, can lodge a single import declaration for consolidated cargo for all sea and air cargo types, attracting only a single Import Processing Charge.

The Department also reduces the regulatory impact of information requests through a range of other measures that use and share existing client data and information, including:

- using existing data, such as that collected via the visa application process and the census, to inform an understanding of the impact of the Migration Program on Australian communities and the economy

- sharing information with government agencies such as the Department of Foreign Affairs and Trade (DFAT), the Australian Federal Police and the Department of Human Services to minimise requests for information from citizenship applicants

- continuing to provide State and Territory regulators with import data for certain building products, to assist with domestic compliance and enforcement activities

- sharing data with the Department of the Environment and Energy to meet requirements under the *Petroleum and Other Fuels Reporting Act 2017*

- engaging with the DFAT and the Department of Industry, Innovation and Science for the monitoring and enforcement of border controls for rough diamonds under the Kimberley Process Certification Scheme.

The Department seeks to understand the circumstances and operational needs of regulated entities before commencing regulatory monitoring and inspection through a range of activities, including:

- formalising arrangements with external agencies for information sharing, for example, interactions with the Department of Social Services and DFAT in the context of the Humanitarian Program

- collaborating with its program management counterparts to engage with the Department of Human Services for insights into integration and citizenship related issues

- partnering in a community of practice with the Immigration Appeals Authority and the Migration Review Division of the Administrative Appeals Tribunal to share best practice and observations of trends in the caseload

- facilitating Best Practice Groups to promote best practice and national consistency across the Detention and Removal programs and Field Operations programs.

The Department also chairs the M5 Returns Network—an inter-government consultative group of representatives of immigration and border agencies from Australia, Canada, New Zealand, the United Kingdom and the United States that examines best practice in returns and removal processes.

The Department works with States and Territories to progress longer-term resolution of the illegal maritime arrivals legacy caseload. Regular teleconferences provide perspectives into the delivery of the Safe Haven Enterprise Visa program messaging to clients. Feedback from these interactions have informed policy and procedural development and strategies to engage with clients more efficiently and effectively.

The Office of the Migration Agents Registration Authority continues to only request information relevant to continued registration once per year as part of the annual registration renewal process. Requests for information in relation to the consideration of complaints against registered migration agents continue to be made judiciously and proportionately in accordance with the complexity of the complaint.

These examples demonstrate that the Department has met established expectations against this KPI — the Department has rated itself as 'effective'.

KPI 5 — Regulators are open and transparent in their dealings with regulated entities

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measures of Good Regulatory Performance* for this KPI are:

- **publishing clear, understandable and accessible risk-based frameworks**

- **responding to requests from our clients openly and on time**

- **publishing performance measurement results on time.**

Case Study – Global processing times

The Department publishes information on its website to inform the public about the work it does. In relation to visa and citizenship programs, the Department publishes information about global processing times to ensure clients have the most realistic and up-to-date information to inform their travel and potential migration decisions.

Through publishing monthly global processing times, the Department aims to more accurately reflect the broader challenges and constraints associated with visa and citizenship program delivery. The 'global' context reflects the Department's Global Case Management model of visa processing which continues to be standardised across the Department's global network.

Other significant examples of the Department's open and transparent approach include:

- the Department's Annual Report which provides a comprehensive account of its performance in meeting its purposes, its financial performance and its management and accountability against a range of performance measures

- a fact sheet on Australia's migration program which explains Australia's approach to migration and the different streams that fall under the migration program

- a fact sheet on migration program planning levels which is updated annually and sets out the Migration Program planning levels for the current program year. While the program is set through a budget process, it is also informed by broad consultation with stakeholders.

In order to ensure transparency in the Department's risk-based frameworks over the 2017–18 year, the Department has:

- published the Office of the Migration Agents Registration Authority's (OMARA's) Policy Instruction and the complaints handling risk matrix on LEGEND.com (the Department's publicly available interactive legislation database)

- expanded the availability and scope of the migration agents newsletter about skilled migration, by publishing it on the Department's website

- published the Health Governance Framework which outlines the governance, risk management and safety and quality of health-related functions and services of the Department on LEGEND.com

- continued to give education providers access to data about their performance and how it effects their immigration risk ratings under the Simplified Student Visa framework.

The Department also defined a risk-based approach to determining the type of medical examinations and processes specific visa applicants will need to undergo for the purpose of meeting the health requirements. This approach is known as the Health Matrix and the settings are based on a number of factors including the applicant's country of citizenship/residence and its tuberculosis prevalence rate, their intended activities (as defined in the Health Matrix) and length of stay in Australia.

Over the year the Department has taken a number of actions to ensure openness and responsiveness to feedback and requests from our regulated clients, including:

- public consultations on changes to Citizenship policy and requirements and the annual Humanitarian program

- holding regular symposiums and industry advice group meetings on the Australian Trusted Trader program to listen to feedback from clients and drive further enhancements to the program

- engaging with the tobacco industry and retailers through the Illicit Tobacco Industry Advisory Group enabling industry and government to work together to eliminate the trade in illicit tobacco

- holding regular National Passenger Facilitation Committee meetings with key air and sea industry stakeholders.

The Department undertakes client-focused research to improve the design and delivery of its immigration services. It continues to develop its user-centered design capabilities to provide a seamless experience for people engaging with the Department. During 2017–18, the Department's research included in-depth interviews and workshops to understand our clients' experience and expectations. The Department also conducted several rounds of usability testing of its revised visa-product web pages that have been designed to better answer client queries and provide information in a clear and simple way. The Department undertook ethnographic research to improve its correspondence to make information clearer for clients and to help them better understand how to meet the Department's requirements.

New features within ImmiAccount include improved processes for clients to upload documents in support of their application and to identify the next action required in the application process. Processing times are now also visible through ImmiAccount, supporting clients by providing an indication of the time it will take to process their application. These new features continue to reduce enquiries to the Department.

Between September 2017 and June 2018, five editions of the *Skilled News* were published. In February 2018, skilled visa webpages were also redesigned to consolidate web information relating to skilled visa options and to make information easier to find.

The Department publishes a range of performance information and measures in a timely manner to assist with the reduction of regulatory burden on the public and industry, including:

- statistical information relating to the onshore and offshore Humanitarian program and citizenship processing times on the Department's website as well as in corporate publications

- statements about decisions to discipline registered migration agents and former migration agents on the OMARA website in the interest of consumer protection

- biannual performance information about the registration of migration agents in the *Migration Agent Activity Report*

- monthly updates on the progress of the Illegal Maritime Arrivals program and a yearly statistical snapshot of the Refugee and Humanitarian caseload on the Department's website

- quarterly subclass 457/TSS—Temporary Skill Shortage—statistical data, providing information on visa grants and numbers of visa holders in Australia, including information such as the location of the nominated position, nominated occupation, nominated salary and country of citizenship.

These examples demonstrate that the Department has met established expectations against this KPI — the Department has rated itself as 'effective'.

KPI 6 — Regulators actively contribute to the continuous improvement of regulatory frameworks

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measures of Good Regulatory Performance* for this KPI are:

- **improving our regulatory frameworks and/or reducing the costs of compliance for our clients**

- **sharing feedback from stakeholders and performance information with clients and other stakeholders to improve the operation of our regulatory frameworks.**

Case Study – Employer sponsored migration program

The Department continually improves its regulatory frameworks. The employer sponsored migration program was reformed to include a number of streamlining initiatives that are expected to result in reduced processing times across the program and faster access to skilled workers where they are needed. Specific initiatives included:

- a new standard five-year sponsorship approval period (including for start-ups)

- expansion of the accredited sponsorship framework

- automatic approval of low-risk nomination applications lodged by accredited sponsors

- a faster renewal process for existing sponsors

- new online forms for the Temporary Skill Shortage visa.

The Department has implemented a number of regulatory measures to improve frameworks or reduce the costs of compliance for clients, including the following:

- Two Work and Holiday Arrangements were signed with Austria and the Czech Republic, and cap increases were implemented for Argentina, Chile, Spain and Poland.

- New Work and Holiday Arrangements were implemented with Singapore and Peru.

- An auto-grant capability was implemented for the Onshore Visitor visa caseload.

- Online lodgement of visa and citizenship applications continues to grow, with changes including enhancements to online lodgment for Visitor (subclass 600) visas and its expansion to Indonesian passport holders, and an additional pathway for New Zealand citizens to apply for Australian permanent residence. Skilled visa reforms have been implemented including changes to deliver the new Temporary Skill Shortage (TSS) (subclass 482) visa and updates to related permanent skilled visa form lodgment.

- A new long-validity, multiple-entry Visitor visa (subclass 600) option for Singaporean passport holders commenced, providing increased convenience for frequent travellers from Singapore, with a visa validity period of up to six years.

- A new Temporary Skill Shortage visa framework and Enhanced Integrity Bill were drafted to ensure the regulations were robust, fit for purpose and minimised the burden on compliant sponsors.

Through the Department's membership of the WCO Policy Commission, and as Chair of the WCO Enforcement Committee, it influenced international Customs reform and enforcement activities to better align with our priorities. As chair of the WCO E-commerce Working Group, the Department was instrumental in establishing a cross border E-commerce framework of standards to ensure consistency and harmonisation in how global customs administrations manage E-commerce.

APEC Business Travel Card (ABTC) client processing has been enhanced by changes to IT systems. ABTC applications, renewals and passport updates for Australian citizens were transitioned from paper-based to electronic lodgement through ImmiAccount. Australian ABTC clients were also provided with the facility to make their payment directly through ImmiAccount.

The Department has reduced the information required from clients by removing the 1195 form which required clients to seek endorsement on their identity from third parties in support of their application. The Department relies on internal data sources and key government agencies to obtain this information related to the client.

Educational and self-auditing tools have been updated and streamlined to reduce the administrative burden on subclass 457 and Temporary Skill Shortage visa sponsors.

The Department commenced the roll out of next generation arrival Smart Gates with the initial pilot commencing at Canberra Airport in October 2018. These new arrival Smart Gates will remove the current two-step kiosk and gate process, improving traveller experience.

The Department undertook extensive engagement with stakeholders on the mobile boarding pass trial and implementation leading to the allowance of mobile boarding passes for all flights, and options for the removal of the incoming paper passenger card. Regulations were also changed to permit travellers to cross the border in a 'contactless mode'—without presenting their passport at passport control but using biometric images instead to verify a person's identity. This will improve the process for the traveller without compromising security.

Online application lodgement is a priority for the Citizenship program, beginning with greater promotion of online lodgement, transitioning to progressive removal of paper applications. This has resulted in a more streamlined experience for clients, reducing the number of invalid applications and the need for repeat applications. Compliance with regulatory requirements has been enhanced through mandatory attachment of identity documentation during the online application process.

The Department released its internal Channel Strategy 2017–20 to guide improvements to our client service channels — changing the way we do business and transforming the way clients interact with us. The strategy sets the vision for the Department of Home Affairs for seamless service delivery interactions across channels (phone, in-person, paper and digital), and how we will deliver high quality consistent, cross-channel experiences that use technology and digital media to deliver services.

A step in delivering the appointment-only model has been the development of the appointment booking system, which enables clients to reschedule their appointments online without having to talk to a departmental officer. The service was piloted in Melbourne in 2016 for citizenship appointments and was extended to other departmental offices in 2017−18. The service will be expanded to other business lines within the Department during 2018–19.

These examples demonstrate that the Department has met established expectations against this KPI — the Department has rated itself as 'effective'.

Part 2: Aviation and Maritime Security

Aviation and Maritime Security (AMS) Division, formerly OTS, is Australia's security regulator for aviation, maritime and the offshore oil and gas industries.

As a regulator, AMS has produced its own annual self-assessment reports for the past two years. Their 2017–18 report forms the second part of this report.

The KPIs and accompanying measures applied to AMS are outlined in the table below. These measures are specific to AMS' purpose and align with AMS' strategic priority activities. They reflect good regulatory practice and have guided the Division in assessing its achievements and evaluating performance this year.

For 2017–18, AMS evaluated its operation as a regulator through considering the following six performance measures:

Table 2: AMS 2017–18 RPF Self-Assessment KPIs and Performance Measures

KPI	Performance Measures
KPI 1 - Changes to transport security regulations are focussed on the highest risk	Regulatory impact on industry is reduced.
KPI 2 - Regulated industry participants' understanding of security risk to their operations and their obligations under the transport security regulatory regime	By 2017–18: have source data and establish a baseline to monitor progress and inform targets.
KPI 3 - Compliance by regulated industry participants with their transport security obligations	100 per cent of compliance activities set out in the National Compliance Plan completed. By 2017–18: have source data and establish a baseline to monitor progress and inform future targets.
KPI 4 - The extent to which international standards are influenced and the transport security capability of our regional partners improved	Observed improvements.
KPI 5 - Degree to which transport security regulations meet international standards for the secure movement of people and freight	95 per cent or more International Civil Aviation Organisation (ICAO) audit result.
KPI 6 - Changes to transport security regulations are proportionate to the risk being managed	Regulatory impact on industry is reduced.

The 2017–18 Federal Budget announcement of strengthened aviation screening requirements for all airports led the focus for AMS regulatory efforts during this year for new security and screening requirements relevant to the risk environment. Greater focus was placed on aviation security during this year, with regulatory changes impacting domestic and international screening including air cargo screening. Supply chain (air cargo) screening changes have been embedded following changes to the Known Consignor and Enhanced Air Cargo Examination (EACE) notices last year. This was reinforced through compliance campaigns during the year that focussed on security obligations in the aviation and air cargo industry sectors.

Internationally, the Division successfully led the incorporation of mutual recognition of security arrangements, developed by Australia, into guidance material to support Annex 17 to the Convention on International Civil Aviation. This was achieved through its representation at the Aviation Security Panel and a range of capacity building activities have been undertaken across south-east Asia.

Stakeholder engagement across all modes of transport (air, maritime, supply chain and offshore) through dedicated forums has enabled the Division to progress a wide range of regulatory initiatives. These engagements included forums with Aviation Security Identification Card (ASIC) and Maritime Security Identification Card (MSIC) issuing bodies across most capital cities.

The Division successfully completed 100% of the National Compliance Program (NCP) activities during 2016–17.

Findings of the 2017–18 Self-Assessment

The Department's overall assessment of its performance for these functions was positive, with a rating of 'Effective' against each KPI. This is comparable to the Department of Immigration and Border Protection and the Department of Infrastructure, Regional Development and Cities' performance in the 2015–16 and 2016–17 reporting periods.

Key activities that support this rating have been outlined against each KPI in the following report.

Method

AMS has drawn on several sources of information to provide performance evidence for this report including:

- the Department of Infrastructure and Regional Development Annual Report 2017–18 (relevant to December 2017) and the Department of Home Affairs Annual Report 2017–18 (relevant from January to June 2018)
- the Office of Transport Security National Compliance Plan 2017–18
- feedback and outcomes from consultative forums including: Aviation Security Advisory Forum (ASAF), Maritime Industry Security Consultative Forum (MISCF), Oil and Gas Security Forum (OGSF), and Regional Industry Consultative Meeting (RICM)
- feedback from attendance by AMS staff at international conferences including the International Civil Aviation Organisation (ICAO) Aviation Security Panel.

External validation

A survey was developed and distributed to regulated bodies, inviting ratings and comments against AMS performance during the 2016–17 year. This year, the survey was completed by 65 respondents with large business providing the majority of responses (52%), followed by medium business (35%) and small business (3%). A further 9% of responses came from industry associations. Respondents were asked to identify their primary role. The most common primary role was regional airport (34%). Port operators represented 14% of responses.

Responses were identified from all states and territories except South Australia. Queensland provided the largest number of responses (19 responses, or 29%), followed by Western Australia (11 responses, or 17%) and New South Wales (11 responses, or 17%).

Survey questions elicited the following information:

- Type of organisation and location
- Average frequency of interaction with AMS
- Extent of agreement with each statement below:
    - transport security regulations are focused on the highest risks
    - the department took appropriate action to mitigate against new or emerging risks
    - transport security regulations are proportionate to the risk being managed
    - international standards improve aviation and maritime security in Australia and the region
- Rating of their level of understanding of their organisation's security risks and security obligations
- Rating of their level of confidence that their organisation meets its security regulatory obligations and delivers them consistently
- Their satisfaction with the level of engagement by AMS
- Assessment of guidance material and the AMS Guidance Centre.

This year, the survey also included a specific question relating to AMS performance during the disrupted terror plot in late July 2017.

KPI 1 — Changes to transport security regulations are focused on the highest risk

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measure of Good Regulatory Performance* for this KPI is:

Regulatory impact on industry is reduced.

During 2017–18, close work with industry participants, particularly regional airports, assisted the implementation of new security and screening requirements relevant to the risk environment.

New regulatory settings will be introduced in 2018–19 to provide smaller industry participants with greater flexibility to deliver security outcomes. These new security measures reflect the changed security environment and set security requirements that are commensurate with the different risks faced by different airports.

The external survey asked respondents to address three statements designed to illicit whether they agreed or disagreed with the focus of transport security regulations (dealing with the highest risks; new or emerging risks; and the Department's action during the disrupted terror plot in July 2017):

- Nearly 77% of survey respondents agreed or strongly agreed with the statement 'Transport Security regulations are focussed on the highest risks'.

- Respondents were also asked to indicate whether they agreed with the statement 'The department took appropriate action to mitigate against new or emerging risks'. This year 71% of respondents agreed with the statement.

- This year, survey respondents were asked whether they agreed that AMS took appropriate action in response to the disrupted terror plot in July 2017. Over 70% agreed or strongly agreed with the action undertaken.

KPI 2 — Regulated industry participants' understanding of security risk to their operations and their obligations under the transport security regulatory regime

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measure of Good Regulatory Performance* for this KPI is:

By 2017–18: have source data and establish a baseline to monitor progress and inform targets.

Data sources have been established to monitor regulated industry participant's understanding of security risk and knowledge of obligations. A baseline is still being established based on the significant volume of industry responses.

Data has been collected through industry surveys, compliance activities and industry reporting (particularly through contact to the central Transport Security Guidance Centre). This data is being analysed to establish a baseline which will inform understanding of how well the various regulated industry sectors understand different elements of their regulatory requirements, including the risk to their operations and newly introduced regulation.

Regulated businesses have been supported to understand their security risk and their obligations under the transport security regulatory regime through the following:

- Four compliance campaigns were completed over 2017–18. This improved industry's understanding of current threats and provided information and guidance about regulatory obligations. The campaigns focussed on screening and security requirements in the air cargo and aviation sectors.

- The Transport Security Guidance Centre received 2,498 enquiries from businesses in 2017–18. Enquiries peaked after significant regulatory changes came into effect for the Aviation Security Identification Card (ASIC) and Maritime Security Identification Card (MSIC) schemes.

- Industry engagement activities with ASIC and MSIC issuing bodies were conducted in Canberra, Melbourne, Brisbane and Perth with 136 industry participants attending. These forums provided an important opportunity for feedback to be provided both ways on regulatory issues.

- 12 Security Updates were issued to industry, advising of new and updated transport security risks or additional screening requirements. In addition, the Transport Security Outlook to 2025 – Security Environment Review Update was published in October 2017, providing awareness for the Australian transport industry of the current transport security environment.

The external survey asked respondents to identify if they agreed or disagreed with two statements designed to illicit their level of understanding of security risks to their operations; and their level of understanding of regulatory obligations:

- Survey respondents were asked to rate their level of understanding of security risks to their organisation's operations.

- Respondents were also asked to rate their level of understanding of their organisation's security regulatory obligations. Like last year, nearly 88% of respondents reported that their level of understanding of their organisation's security regulatory obligations as excellent or good.

KPI 3 — Compliance by regulated industry participants with their transport security obligations

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measures of Good Regulatory Performance* for this KPI are:

100 per cent of compliance activities set out in the National Compliance Plan completed

By 2017–18: have source data and establish a baseline to monitor progress and inform future targets.

The 2017–18 National Compliance Plan (NCP) was fully implemented during 2017–18, equating to 1,558 core NCP activities. This is 630 more activities than conducted in 2016–17.

Additionally, as a result of refocusing effort following the disrupted terrorist plot in Sydney in July 2017, 750 targeted activities were also completed.

These activities showed improvements in compliance with obligations. Activities in 2017–18 resulted in 306 findings (216 non-compliance and 90 observations). This is a decrease of 375 findings compared to 2016–17 (207 non-compliances and 168 observations).

Preliminary analysis suggests that this lower number of findings is due to the introduction of a procedural fairness process when issuing findings. Source data has been established through the compliance activities completed and serve as a baseline to monitor ongoing progress.

During this year, Aviation and Maritime Security Division developed a framework to detect trends in the effectiveness of airport passenger screening points and airport access control measures. This work is being progressed through a pilot project.

The external survey asked respondents to rate their level of confidence that their organisation complies with, and delivers, their security regulatory obligations:

- The percentage of respondents reporting they were not confident that their organisation complies with their transport security obligations fell slightly, from 8% last year, to 6% for this year.

KPI 4 — The extent to which international standards are influenced and the transport security capability of our regional partners improved

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measure of Good Regulatory Performance* for this KPI is:

Observed improvements.

The Department actively participated in the ICAO Aviation Security (AVSEC) Panel's Working Groups on Guidance Material and Annex 17, which developed new international aviation security standards and guidance used to set global benchmarks.

The Department successfully led the incorporation of mutual recognition of security arrangements, developed by Australia, into the Annex 17 material through its representation at the AVSEC panel.

Twenty two capacity building activities were delivered in Indonesia, the Philippines, Thailand, Timor-Leste, and Papua New Guinea, focusing on improving operational and technical expertise, enhancing the quality of compliance and auditing skills and improving compliance with international standards.

The following examples illustrate successful activities from the 2017–18 program:

- The Civil Aviation Authority of Thailand (CAAT) received screening certification training to enhance Thailand's aviation security and governance arrangements. The training provided by the Department supported CAAT to undertake a gap analysis of current screener certification and accreditation processes against the national requirements. CAAT is now using this analysis to develop and implement a screener certification and accreditation process.

- Screening Checkpoint Supervisor Training was delivered on three occasions in Manila. This 5-day course developed supervisory skills of security screening personnel tasked to supervise screening checkpoints at Manila airport.

- The Aviation Security Foundations and Incident Management Workshop was conducted in Dili, Timor Leste, in collaboration with the Australian Federal Police. The workshop brought together key aviation security officials and industry participants who received aviation security training and participated in an incident response exercise.

- The Indonesia Advanced Technology Implementation activity provided training to 100 security officers from Denpasar, Surabaya, Yogyakarta and Jakarta on best practice approaches for using body scanners and explosive trace detection equipment.

The external survey asked respondents to indicate whether they agreed or disagreed with the statement that international standards improve aviation and maritime security in Australia and the region:

- Over 80% agreed or strongly agreed with the statement that 'International standards improve aviation and maritime security in Australia and the region'.

KPI 5 — Degree to which transport security regulations meet international standards for the secure movement of people and freight

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measure of Good Regulatory Performance* for this KPI is:

95 per cent or more ICAO audit result.

International Civil Aviation Organization (ICAO) audits of Australia are conducted approximately every five years and examine how Australia has met the requirements of Annex 17 to the Convention on International Civil Aviation. The last audit of Australia's aviation security oversight system was undertaken in October 2016 and a compliance rating of over 95 per cent was achieved.

The 2017–18 Federal Budget announcement of strengthened aviation screening requirements for all airports will ensure that Australia is compliant with new ICAO Standards on security screening.

Industry participants are not asked to respond to this KPI.

KPI 6 — Changes to transport security regulations are proportionate to the risk being managed

Summary

The Department performed **effectively** against this KPI during 2017–18.

This is **comparable** to the Department's performance in 2015–16 and 2016–17.

The *Measure of Good Regulatory Performance* for this KPI is:

Regulatory impact on industry is reduced.

During 2017–18, close work with industry participants, particularly regional airports, assisted the implementation of new security and screening requirements relevant to the risk environment.

New regulatory settings will be introduced in 2018–19 to provide smaller industry participants with greater flexibility to deliver security outcomes. These new security measures reflect the changed security environment and set security requirements that are commensurate with the risks faced by different airports.

Nearly 79% of external survey respondents agreed that transport security regulations are proportionate to the risk being managed.

Engagement

Last financial year (2016–17), 70% of respondents reported being satisfied or very satisfied with the overall level of engagement by AMS. This year, 63% of respondents reported to be satisfied or very satisfied. Satisfaction with the level of engagement across policy branches fell from 64% last year to 59% this year. Satisfaction with the level of engagement with operations across the compliance section and regulatory assessments section also fell from an overall level of satisfaction of 77% in 2016–17 to 59% in 2017–18.

The Guidance Centre has been established for over one year. The survey asked respondents to evaluate the Guidance Centre in terms of Professionalism of staff; Knowledge and expertise of staff; Timeliness of responses to enquiries; and Relevance and/or accuracy of information provided. The majority of respondents (58%) rated the Professionalism of Guidance Centre staff as 'excellent'. The most common rating for Knowledge and expertise of staff and Relevant and/or accuracy of information provided was 'fair'. Timeliness of responses to enquiries was rated 'poor' by nearly 55% of survey respondents. The quality of customer service experience was rated fair or good by 52% of survey respondents.

Progress from 2016–17 report

Overall, AMS has demonstrated through our work program and external validation that we are effective against all KPIs. Engagement will need to be examined further to address a reported fall with the level of satisfaction.

- This year, survey respondents reported a similar level of confidence that their organisation complies with their transport security obligations (86%) compared to last year (87%).

- Like last year, survey respondents were asked to rate their level of understanding of security risks to their organisation's operations. The result this year is the same as last year, with 92% rating their level of understanding as good or excellent.

- More respondents agreed this year that 'International standards improve aviation and maritime security in Australia and the region' (an increase of 5%).

- More respondents agreed that the regulations are proportionate to risk (an increase of 6%).

- Fewer respondents reported that they were not confident that their organisation complies with their transport security obligations, with the proportion falling from 8% last year, to 6% for this year.

- Fewer respondents agreed that transport security regulations are focussed on the highest risks (77% compared with 81% last year).

- Fewer respondents agreed that the Department appropriately addressed new or emerging risks (71% compared with 78% last year).

- The overall level of satisfaction of engagement by AMS for 2017–18 decreased 7% overall compared with 2016–17. The satisfaction with policy engagement reduced from 65% in 2016–17 to 59% in 2017–18, and reported satisfaction with operations engagement decreased from 77% to 59% in 2017–18.

  - Over 70% of respondents believe AMS took appropriate action in response to the disrupted terror plot in July 2017.