



Australian Government
Department of Home Affairs

2019–20 Regulator Performance Framework Self-assessment Report

Department of Home Affairs

Table of Contents

The Regulator Performance Framework	3
The Department's commitment to the Regulator Performance Framework	3
The Department's reporting under the Regulator Performance Framework	3
Deregulation during COVID-19 Pandemic	6
Performance Summary 2019–20 Financial Year	7
Part 1: Self-assessment of Performance	8
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	8
Delivery of Migration, Settlement and Citizenship Programs	8
Effective Regulation of Aviation and Maritime Security	9
Facilitation of Travel, Trade and Customs	9
KPI 2 – Communication with regulated entities is clear, targeted and effective	10
Delivery of Migration, Settlement and Citizenship Programs	10
Effective Regulation of Aviation and Maritime Security	10
Facilitation of Travel, Trade and Customs	11
KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed	12
Delivery of Migration, Settlement and Citizenship Programs	12
Effective Regulation of Aviation and Maritime Security	12
Facilitation of Travel, Trade and Customs	13
KPI 4 – Compliance and monitoring approaches are streamlined and coordinated	14
Delivery of Migration, Settlement and Citizenship Programs	14
Effective Regulation of Aviation and Maritime Security	14
Facilitation of Travel, Trade and Customs	14
KPI 5 – Regulators are open and transparent in their dealings with regulated communities	15
Delivery of Migration, Settlement and Citizenship Programs	15
Effective Regulation of Aviation and Maritime Security	15
Facilitation of Travel, Trade and Customs	15
KPI 6 – Regulators actively contribute to the continuous improvement of Regulatory Frameworks	17
Delivery of Migration, Settlement and Citizenship Programs	17
Effective Regulation of Aviation and Maritime Security	17
Facilitation of Travel, Trade and Customs	18
Part 2: External Validation	19
Overview	19
Department's External Validation Feedback Response	20
Glossary	21

The Regulator Performance Framework

Under the Australian Government's Deregulation Agenda, the Regulator Performance Framework (RPF) requires regulators to measure and report on their efforts to administer regulation fairly, effectively and efficiently. The aim of the RPF is to encourage regulators to undertake their functions with the minimum impact necessary to achieve regulatory objectives. There are six Key Performance Indicators (KPIs) of good practice regulatory performance under the RPF. Each regulator is required to report against the six KPIs of good practice regulatory performance, and develop appropriate relevant Performance Measures and Evidence Metrics.

The Department's commitment to the Regulator Performance Framework

The Department of Home Affairs and the Australian Border Force (collectively referred to as 'the Department') recognises that regulation is a key tool in contributing to the successful implementation of social, economic and environmental policies. However, unnecessary or inefficient regulation has the potential to cause unintended burden on individuals, businesses and community organisations (the regulated community or regulated entities). As such, the Department remains committed to the Australian Government's Deregulation Agenda.

The Department's reporting under the Regulator Performance Framework

The Department's RPF Evidence Metrics are outlined in Table 1, and are tailored to the environment and activities of the Department.

The Department undertakes the RPF Self-assessment Report on a financial year basis. Qualitative and quantitative input is sought across the Department against the Department's RPF Evidence Metrics to develop the RPF Self-assessment Report. The consolidated RPF Self-assessment Report is externally validated by the Department's ministerially approved consultation bodies outlined in Table 2. All external validators were invited to review the Department's 2019–20 RPF Self-assessment Report, and to provide feedback on the Department's self-assessment rating.

Functions that extend to national security, law enforcement and non-compliance activities, and courts and tribunals are exempt from the RPF, including functions relating to detention, illegal maritime arrivals, counter-terrorism and countering violent extremism, due to the sensitive nature of the information.

Table 1: Department of Home Affairs Regulator Performance Framework Evidence Metrics

Regulator Performance Framework Key Performance Indicators (KPI)	Performance Measures (PM)	Evidence Metrics (EM)
KPI 1 - Regulators do not unnecessarily impede the efficient operation of regulated entities.	PM 1.1. The Department demonstrates an understanding of the operational environment, pressures and circumstances which affect regulated entities.	EM 1.1.1. The Department engages with regulated communities and industries through fora, to better understand the operational environments of its regulated entities.
		EM 1.1.2. The Department, informed through appropriate and effective feedback mechanisms, analyses and addresses regulatory issues and pressures identified by its stakeholders.
	PM 1.2. The Department minimises the potential for unnecessary and unintended regulatory burden.	EM 1.2.1. The Department undertakes targeted consultation and engagement with stakeholders during the design and implementation of regulation.
		EM 1.2.2. The Department provides effective guidance to stakeholders post-implementation to facilitate compliance with regulatory requirements.
KPI 2 - Communication with regulated entities is clear, targeted and effective.	PM 2.1. The Department provides timely and transparent guidance on regulation that is accurate, clear and supports predictable outcomes for regulators.	EM 2.1.1. The Department develops effective frameworks and guidelines to ensure external publications are accurate, clear and consistent.
		EM 2.1.2. The Department provides tailored guidance material and advice through a range of mediums to regulated entities affected by new/changing regulation.
		EM 2.1.3. The Department responds to stakeholder enquiries within agreed services standards.
KPI 3 - Actions undertaken by Regulators are proportionate to the regulatory risk being managed.	PM 3.1. The Department delivers an optimal level of regulatory burden through a risk-based approach that is proportionate to its compliance obligations, targeted engagements and enforcement actions.	EM 3.1.1. The Department conducts regular reviews of its approaches to risk, in order to ensure compliance and enforcement activities are proportionate to the regulatory impact.
		EM 3.1.2. Where appropriate, the Department considers the risk rating of its regulated entities and finds proportionate efficiencies in regulatory processes.
	PM 3.2. The Department examines regulatory risk when amending its strategies, activities and enforcement actions in response to new and emerging threats.	EM 3.2.1. When introducing or changing regulations, the Department integrates regulatory assessments into decision-making frameworks.

Regulator Performance Framework Key Performance Indicators (KPI)	Performance Measures (PM)	Evidence Metrics (EM)
KPI 4 - Compliance and monitoring approaches are streamlined and coordinated.	PM 4.1 The Department takes a tiered risk-based approach with a focus on encouraging and reducing the burden of compliance.	EM 4.1.1. The Department balances compliance activities and improving regulated community awareness to improve voluntary compliance.
		EM 4.1.2. The Department reviews its information gathering approaches, to find regulatory efficiencies in compliance and monitoring.
KPI 5 - Regulators are open and transparent in their dealings with regulated communities.	PM 5.1. The Department publishes its regulatory information and risk-based frameworks in a clear and timely manner.	EM 5.1.1. The Department ensures appropriate processes and publications are in place to support regulated entities in accessing regulatory information and seeking advice.
KPI 6 - Regulators actively contribute to the continuous improvement of Regulatory Frameworks.	PM 6.1. The Department engages with stakeholders through appropriate feedback mechanisms to enable continuous business improvement.	EM 6.1.1. The Department's implementation of its regulatory frameworks is continuously improved through incorporating relevant feedback from regulated entities and consultation and engagement with industry.

Table 2: The Department of Home Affairs 2019–20 Regulator Performance Framework Self-assessment External Validators

Departmental Regulatory Functions	External Validation Body
Delivery of Migration, Settlement and Citizenship Programs	Education Visa Consultative Committee (EVCC)
	Tourism Visa Advisory Group (TVAG)
	A range of stakeholders and consultation groups from the migration industry, including the Migration Alliance (MA) and the Migration Institute of Australia (MIA)
Effective Regulation of Aviation and Maritime Security	A range of stakeholders and consultation groups from across the aviation and maritime industry, including Aviation Security Advisory Forum (ASAF), Maritime Industry Security Consultative Forum (MISCF), Oil and Gas Security Forum (OGSF) and Regional Industry Consultative Meeting (RICM)
Facilitation of Travel, Trade and Customs	National Committee on Trade Facilitation (NCTF)

Deregulation during COVID-19 Pandemic

During 2019–20, the Department demonstrated our ability to rapidly pivot our resources, focus and strategies to support Government's response to the COVID-19 pandemic, including minimising regulatory burden to support economic recovery. Given the wide-ranging impacts of the COVID-19 pandemic, the Department sought to better understand the operational environment, pressures and circumstances that affect our regulated entities to identify opportunities to make adjustments that reduced the impact of the crisis on business operations.

Activities in 2019–20 included:

- granting of exemption notices under the *Aviation Transport Security Regulations 2005* to allow electronic lodgement of certain applications to reduce the need for in-person attendance, as well as exemptions to allow arrivals and departures of repatriation flights
- updated COVID-19 Guidance for Screening Providers was also developed and issued to aviation security screening industry participants to assist in understanding of biosecurity requirements
- introduction of a temporary change to allow international students who are currently employed in select critical industries to work more than the normal maximum of 40 hours per fortnight
- AusCheck worked with checking partners to introduce a limited priority service for demonstrable operationally critical applicants for Aviation security identification cards (ASIC) and Maritime security identification cards (MSIC), with highest priority given to COVID-19 pandemic related need for same day finalisation wherever possible. AusCheck also enabled deferment of cash payments, as agreed on a case by case basis with individual entities
- announcement by Assistant Minister Wood on 28 April 2020 of a three month extension of deadlines for entities to lodge modern slavery statements in 2020. Responses from business and industry associations to this extension have been positive
- introduction of *Concessional Item 57 – Customs Tariff Act 1995* to provide a 'free' rate of customs duty for eligible medical and hygiene goods capable of being used in response to the COVID-19 pandemic. This temporary change reduced the cost of goods imported to assist in the Australian Government and community response to the pandemic. Without this item, importers would only be able to obtain a 'free' rate of customs duty by using a free trade agreement that have varying degrees of regulatory burden.

Further examples of activities of the Department's activities to support best practice regulation and reduce regulation in the context of COVID-19 pandemic are included in the 2019–20 self-assessment of performance in this report.

Performance Summary 2019–20 Financial Year

Part 1: Self-assessment of Performance of this report identifies notable examples of good practice regulatory performance, and demonstrates why the Department rated itself as having **Met** four and **Partially Met** two of the RPF's six KPIs of good practice regulatory performance.

Part 2: External Validation of this report provides a consolidated summary of external validator feedback on the Department's performance as a regulator, identifies relevant areas for improvement, and includes the Department's response to address industry's feedback on the relevant areas of improvement.

Departmental Self-assessment at a glance

An overview of the Department's Self-assessment rating against the RPF's six KPIs of good practice regulatory performance is outlined in Table 3.

Table 3: The Department of Home Affairs 2019–20 Regulator Performance Framework Self-assessment: At a glance

Key Performance Indicators (KPI)	2018–19 Overall Self-assessment Rating	2018–19 Overall External Validation's Level of Agreement with Self-assessment Rating	2019–20 Overall Self-assessment Rating	2019–20 Overall External Validation's Level of Agreement with Self-assessment Rating
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	<i>Met</i>	<i>Support</i>	<i>Met</i>	<i>Support</i>
KPI 2 – Communication with regulated entities is clear, targeted and effective	<i>Met</i>	<i>Support</i>	<i>Met</i>	<i>Support</i>
KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed	<i>Met</i>	<i>Support</i>	Partially Met	<i>Support</i>
KPI 4 – Compliance and monitoring approaches are streamlined and coordinated	<i>Met</i>	<i>Support</i>	Partially Met	<i>Support</i>
KPI 5 – Regulators are open and transparent in their dealings with regulated communities	<i>Met</i>	<i>Support</i>	<i>Met</i>	<i>Support</i>
KPI 6 – Regulators actively contribute to the continuous improvement of Regulatory Frameworks	<i>Met</i>	<i>Support</i>	<i>Met</i>	<i>Support</i>

Overall, the Department rated itself as having **Met** four of the RPF's six KPIs of good practice regulatory performance for the 2019–20 financial year. The Department rated itself as having **Partially Met** the remaining two KPIs.

This rating is a slight decrease compared to 2016–17, 2017–18 and 2018–19, where the Department rated itself as having **Met** all six KPIs.

During 2019–20, the Department demonstrated our ability to rapidly pivot our resources, focus and strategies to support the Government's response to the COVID-19 pandemic. However, a number of business functions were also reduced or delayed due to COVID-19 pandemic restrictions. This included the ability to undertake some engagement, compliance and monitoring activities with regulated entities. As such, the Department has rated itself as having **Partially Met** KPI 3 and KPI 4 for 2019–20 financial year.

Part 1: Self-assessment of Performance

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

The Department self-assessed as having **Met** all performance expectations associated with KPI 1. In 2019–20, the Department engaged widely with the regulated communities to understand the regulatory issues and pressures identified by stakeholders, and to reduce unnecessary impediment to the efficient operation of regulated entities. For example, the Department coordinated and participated in a multitude of fora including:

- hosting the *National Roundtable on Human Trafficking and Slavery* in Canberra in December 2019
- hosting the *Biennial World Customs Organisation's Fifth Global Canine Forum* in Melbourne in October 2019
- holding the annual *Home Affairs Portfolio Industry Summit* in Melbourne in November 2019.

The following examples demonstrates the Department's performance as having **Met** the requirements against KPI 1 for the 2019–20 financial year for each of the Department's regulatory functions under the RPF.

Delivery of Migration, Settlement and Citizenship Programs

During 2019–20, the Department used established feedback mechanisms in response to the changing environment as a result of the COVID-19 pandemic for the *Adult Migrant English Program (AMEP)*. The Department advised providers to move from face-to-face to remote delivery to ensure the safety and wellbeing for those within the AMEP. This shift in delivery method required rapid policy and program decisions. The Department commissioned Linda Wyse and Associates (LWA), a QA Provider, to provide a range of services to support AMEP providers' transition to online and remote learning. This included:

- professional development training for teachers via ZOOM on best practice delivery of AMEP curriculum and assessment outside the classroom,
- streamlining the Initial Assessment Kit for remote and online learning, and
- establishing an AMEP Providers Hub on GovTEAMS to answer AMEP Service Providers' queries and concerns.

LWA also provided a comprehensive report documenting AMEP service provider and client feedback on the transition of AMEP from face-to-face delivery to virtual participation and mixed mode delivery. Feedback on remote delivery options provided via the qualitative survey of provider management, teachers and students has informed the Department's policy approach on future delivery options.

The Department has a number of health considerations as part of the delivery of immigration programs. The Department strives to continuously improve the pre-migration health screening standards through an increased understanding of the operational environment, collaboration and engagement. During the 2019–20 financial year, the Department participated in a number of fora such as:

- The monthly Migration Five (M5) Health Working Group meetings, to provide the Department with an opportunity to consult with M5 partners regarding migration health screening measures, develop practical multilateral solutions to prevent the importation of diseases of public health significance, and contribute to international health security. For the 2019–20 program year, this included information sharing and consultation on key COVID-19 pandemic impacts on offshore health panels, national health resources and COVID -19 pandemic management measures.
- The International Panel Physician Association (IPPA) monthly meetings, to discuss the Intergovernmental Panel Physician Training Summit (IGTS) and other key panel training and development initiatives with Migration Five (M5) partners. The Department's participation and involvement with IPPA and the IGTS resulted in a growing network of relationships with the M5 partners and panel physicians, governance over fraud and integrity issues, improved process

efficiencies, cost savings for clients paying Independent Medical Examiners' fees, quality pre-migration healthcare and improved health economics.

Effective Regulation of Aviation and Maritime Security

In 2019–2020, the Department undertook targeted engagement with the air cargo industry to ensure new requirements for domestic air cargo examination were implemented on schedule, despite the impacts of the COVID-19 pandemic. The new domestic air cargo requirements strengthen Australia's aviation security framework through the enhanced examination of domestic air cargo. Consultation with industry during the pandemic period took place through bilateral engagement and the Air Cargo Security Industry Advisory Forum.

The Department has also undertaken comprehensive engagement with the maritime transport and offshore oil and gas industries to ensure proposed changes to the maritime security regulatory framework were effective and reflected the operational environment of maritime industry participants. For example, the Department convened the biannual Maritime Industry Security Consultative Forum, Oil, and Gas Security Forums to engage with industry stakeholders on proposed reforms, and to ensure their implementation schedule and scope were appropriately adapted to the impacts of the COVID-19 pandemic on industry.

Facilitation of Travel, Trade and Customs

In 2019–20, the Department delivered a whole-of-government review into border permits and associated licenses (the Review). The Review sought to:

- better understand the operational environment, pressures and circumstances that affect regulated entities,
- identify potential simplification and streamlining opportunities for the regulated community, and
- contribute to the Department's agenda to modernise international trade flows that cross Australia's borders.

The Review included prohibited goods imported or exported under the *Customs (Prohibited Imports) Regulations 1956* (Cth) and *Customs (Prohibited Exports) Regulations 1958* (Cth), goods subject to the Convention on *International Trade in Endangered Species of Wild Fauna and Flora* (CITES), pharmaceuticals and wine.

The Review conducted a stakeholder consultation process, where stakeholders were invited to make submissions through an online form available on the Home Affairs website. A total of 39 submissions were received. The Department also facilitated teleconferences and roundtables in Brisbane, Sydney, Melbourne and Canberra. These involved 53 industry stakeholders and 26 permit issuing agencies.

The Review's report is currently under Australian Government consideration and priority recommendations will be progressed in the context of the Single Window Taskforce. The Single Window Taskforce has been established by the Department to support work towards a Trade Single Window, which is a simplified and integrated trade approvals program designed to cut red tape at the border, saving industry time and money as well as boosting productivity.

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

The Department self-assessed as having **Met** all performance expectations associated with KPI 2. The Department actively communicated with regulated entities to provide timely and transparent guidance on regulation that is accurate, clear and supports predictable outcomes for regulators. Throughout 2019–20, the Department provided extensive guidance through a range of media to the regulated community affected by changing regulations, and demonstrated a commitment to responding to stakeholder enquiries within agreed service standards.

The following examples best demonstrate the Department's performance as having **Met** the requirements against KPI 2 for the 2019–20 financial year for each of the Department's regulatory functions under the RPF.

Delivery of Migration, Settlement and Citizenship Programs

The Department's targeted communications ensured regulated entities were made aware of changes to regulations. The Department provided guidance material and advice through a range of media.

Prior to the COVID-19 pandemic, the Department introduced new regional visas on 16 November 2019. To assist understanding of this new regional visa, the Department developed tailored guidance material, and advice was disseminated to stakeholders via the *Skilled Visa Newsletter*, updates on the Department's public website, Enterprise Knowledge Support System scripts and internal visa-processing network to support client enquiries.

During 2019–20, in response to the COVID-19 pandemic, the Department provided regular updates to web content and information for users of the Global Service Centre regarding the COVID-19 pandemic and associated barriers for entry to and departure from Australia. This included advice on how to apply for an exemption to travel restrictions, and how temporary visa holders unable to depart may apply for further stay in Australia.

To ensure the Department's communication with regulated entities is clear, targeted and effective, the Department strives to respond to stakeholder enquires within the agreed services standards. For example, the Department manages the Migration Health Helpdesk (the Helpdesk). The Helpdesk provides ongoing technical, operational and policy 'user support' to a range of internal and external stakeholders, clients and their agents, in relation to Immigration Health and Health systems, including providing feedback on and solutions to issues identified by stakeholders. In 2019–20, the Department managed approximately:

- 17,822 enquiries through the Helpdesk,
- 343 stakeholder enquiries escalated for policy consideration, and
- 122 COVID-19 pandemic specific escalated matters on immigration health clearances.

Effective Regulation of Aviation and Maritime Security

The Department engages with aviation and maritime security as well as offshore oil and gas industry participants through a variety of media to ensure that guidance and advice is appropriately targeted and accessible to the relevant audience.

The AMS Guidance Centre is one of the primary mechanisms in engaging with regulated entities within the aviation and maritime security sphere.

In 2019–20, the AMS Guidance Centre received around 2791 enquiries. On average, enquires were responded to within 1.6 working days for simple enquiries, and 4.2 working days for complex enquiries. These were both within the two and five working days internal service delivery agreement. The Department also responded to referred enquiries, on average, within 7.5 working days. This is below the 12 working days internal service delivery agreement.

The AMS Guidance Centre also serves as a central point to facilitate regular industry consultation and engagement within the maritime space. For example, the AMS Guidance Centre were utilised to facilitate consultation regarding the:

- cruise ship security review,
- review of the regulation of detachable Floating Product, Storage and Offtake vessels,
- security awareness training, and
- changes and associated impacts on projects with regards to the COVID-19 pandemic and associated impacts on the maritime transport and offshore oil and gas industry, including the appetite and capability to implement possibly resource intensive regulatory reforms.

Facilitation of Travel, Trade and Customs

The Department continued to promote Australia as a preferred trade option by contributing to a positive, seamless trade experience for legitimate traders. This includes providing timely and transparent advice and guidance, which thereby supports predictable outcomes for the regulated community.

In 2019–20, the Department received 2244 requests for tariff classification advice. Of those, 81 per cent of tariff classification advices were completed within services standards. Additionally, the Department received 267 requests for valuation and rules of origin advice in the 2019–20 financial year. Of the 267 requests received, 92.5 per cent of valuation and rules of origin advices were completed within service standards (advice provided within 30 days of receiving all required information).

Service standards for valuation and rules of origin advices vary for each individual Free Trade Agreement. The Department measures success against a baseline of advice being provided within 30 days of receiving all required information as this is the minimum service standard set within an active Free Trade Agreement. This includes in instances where the individual service standard may be greater than 30 days.

KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed

The Department self-assessed as having **Partially Met** performance expectations associated with KPI 3. In the 2019–20 financial year, the Department conducted reviews of its approaches to risk to ensure compliance and enforcement activities were proportionate to risk, and actively considered the risk rating of regulated entities when seeking to improve regulatory processes in response to new and emerging threats such as the COVID-19 pandemic.

The following examples best demonstrate the Department's performance as having **Partially Met** the requirements against KPI 3 for the 2019–20 financial year for each of the Department's regulatory functions under the RPF.

Delivery of Migration, Settlement and Citizenship Programs

In June 2020, the Department facilitated the introduction of online lodgement of 'No Further Stay' waiver requests, via the Department's website, as an additional option for clients. This increased the efficiency and speed of processing to enable timelier resolution of status for clients unable to depart Australia during the COVID-19 pandemic related travel restrictions.

During the 2019–20 financial year, the Department managed and reviewed the Health Matrix. The Health Matrix is a risk-based approach to determine the type of medical examinations and processes an applicant will need to undergo for the purpose of meeting the health requirement. The Health Matrix also ensures the relevancy of requirements for visa applicants. 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 and length of stay in Australia.

The Department has a risk framework in place for the AMEP, both at a program and contract level. This framework includes consideration of risk treatment/mitigation that can be used to consider the possible risk impact of efficiencies in regulatory processes.

Effective Regulation of Aviation and Maritime Security

The Department continually assesses regulations and legislation to ensure the suitability of responses to new and emerging threats. The development of the 2019–20 AMS National Compliance Plan prioritised compliance activities across all modes and sub-segments to the areas of highest security risk by determining the *Security Risk Priority Rating and Compliance Prioritisation*.

The AMS National Compliance Plan also provides for campaigns or surveys to be conducted during the financial year. These campaigns are considered as either a response to an emerging policy implementation or threat, or as an existing information gap. The outcomes of a campaign help to inform the Department's understanding of risk and subsequent approach to compliance and enforcement activities.

The Department considers risk of regulated entities and finds appropriate efficiencies in regulatory processes. The Department continues to work closely with Australian Government and industry to ensure that reforms are delivered within agreed timeframes. The Department is also committed to ensuring that its regulation of the aviation and maritime security sector remains fit-for-purpose and does not impose unnecessary burden on stakeholders through its extensive consultation on relevant regulatory reforms.

For example, in the aviation space, the Department conducted robust risk assessments on regional and remote airports to adjust minimum thresholds for very low risk airports. The adjustments aim to reduce regulatory burden, commensurate with risk, and improve aviation transport security. The risk assessments made use of threat and intelligence products as well as data held within the relevant division of the Department, and the Department of Infrastructure, Transport, Regional Development and Communications.

In the maritime space, the Department has progressed reforms to simplify or reduce regulatory burden for low risk categories of maritime industry participants including floating product storage and offtake units and ships on infrequent overseas voyages.

Facilitation of Travel, Trade and Customs

The Australian Trusted Trader (ATT) Program offers our Trusted Traders a range of trade facilitation benefits, which help Australian businesses to become more competitive and will alleviate regulatory burden. The program also supports the Department to efficiently manage the flow of legitimate goods across the border, disrupt and intercept illegal goods, and quickly respond to the evolving international trade environment.

Of the 426 quality assurance processes undertaken on accredited Trusted Traders in the 2019–20 financial year, none failed or was identified for further compliance activity. As a result, no accredited Trusted Traders had further compliance activities completed during 2019–20.

Prior to accreditation as Trusted Traders, entities are subject to detailed quality assurance processes and periodic risk-based compliance activity is scheduled for all Trusted Traders post-accreditation. Applicants that 'fail' pre-accreditation or accreditation checks are not admitted into the ATT Program until they comprehensively address any identified issues and reapply. To ensure ongoing compliance within the Trusted Trader cohort, the Department undertakes secondary follow-ups where necessary. Re-validation activities of accredited entities will become a key focus area in the 2020–21 financial year.

The Department adopts a risk-based approach that is proportionate to its compliance obligations, and reviews existing practices to find proportionate efficiencies in regulatory processes. In line with its commitment, the Department regularly assess the ATT Program. In November 2019, the ATT Program expanded the Origin Waiver benefit to least developed and developing countries. The Origin Waiver benefit exempts Trusted Traders from providing documentary evidence of origin, reducing the administrative burden of obtaining this evidence, and reduces the costs associated with certification. These changes reduce non-tariff barriers to trade for importations from over 90 per cent of economies globally, encourage greater trade volumes and reduce the cost of doing business for Trusted Traders.

KPI 4 – Compliance and monitoring approaches are streamlined and coordinated

The Department self-assessed as having **Partially Met** performance expectations associated with KPI 4. Throughout the 2019–20 financial year, the Department continued to use a tiered risk-based approach, with a focus on encouraging regulatory compliance, while reducing the burden on the regulated community. The Department sought to balance compliance activities with improving voluntary compliance through educational and community awareness programs.

The following examples demonstrate the Department's performance as having **Partially Met** the requirements against KPI 4 for the 2019–20 financial year for each of the Department's regulatory functions under the RPF.

Delivery of Migration, Settlement and Citizenship Programs

The Department reviews its information gathering approaches to find efficiencies in compliance and monitoring activities. In February 2020, a new online form was introduced for the Distinguished Talent Visa (subclass 858 and 124).

Over the 2019–20 program year, the Department gathered data on around 1,869,494 health cases in the Department's health systems to support the delivery of visa programs. The Department's Migration Health Systems and Reporting gathers and collates information that can be used for matters such as assessing compliance with health undertakings, undertaking policy reviews, reporting on health screening effectiveness and identifying certain health conditions.

Effective Regulation of Aviation and Maritime Security

The Department develops a number of resources to support voluntary compliance through an increased awareness and understanding of regulation. For example, in 2019–20, the Department developed guidance materials, supplied online aviation and maritime security awareness training, and provided education during validation. The Department also issues reminder emails for revalidation and upcoming regulatory changes to encourage voluntary compliance.

The Department has also progressed reforms to simplify or reduce regulatory burden for low risk categories of maritime industry participants, including floating product storage, offtake units and ships on infrequent overseas voyages. These reforms will streamline and reduce information that needs to be supplied by these categories of industry participants as part of a security plan approval process, and therefore increases efficiencies in compliance and monitoring.

Facilitation of Travel, Trade and Customs

The Department continued to promote legitimate two-way trade through the ongoing implementation of the ATT Program. In 2019–20, 340 new entities were accredited as Trusted Traders, an increase of 107 entities compared to the 233 accredited in 2018–19. At 30 June 2020, there were 765 accredited Trusted Traders. The Department regularly reviews information-gathering approaches relating to benefits, taking a flexible approach where possible for the ATT Program. The ABF also continues to target a mix of high volume and high value entities, small and medium entities, and service providers to the program. As noted above, the ABF's ATT program Origin Waiver benefit was expanded in November 2019 to least developed and developing countries.

KPI 5 – Regulators are open and transparent in their dealings with regulated communities

The Department self-assessed as having **Met** performance expectations for KPI 5. The Department demonstrated transparency in its dealings with regulated communities and published regulatory information and risk-based frameworks in a timely manner. The Department ensured appropriate processes and publications were in place to support regulated entities in accessing regulatory information and seeking advice.

The Department continues to publish Regulation Impact Statements (RISs) on proposals that the Department has either announced or implemented. The Department publishes RISs as a method to demonstrate its rigorous research, consultation with industry, and consideration of the regulatory impact of the Department's proposals on the regulated community. RISs are publically available on the Department of the Prime Minister and Cabinet's Regulation Impact Statement Updates official website.

The following examples best demonstrate the Department's performance as having **Met** the requirements against KPI 5 for the 2019–20 financial year for each of the Department's regulatory functions under the RPF.

Delivery of Migration, Settlement and Citizenship Programs

In response to the COVID-19 pandemic, the Department ensured appropriate processes and publications are in place to support the regulated community in accessing regulatory information and information on where to seek advice. The Department's COVID-19 webpage provides updates on Australia's immigration and border arrangements.

In 2019–20, the Department used a number of fora to provide tailored guidance and advice to AMEP service providers and other relevant stakeholders, including meetings, administrative advice and Service Provider Instructions. Contract variations were enacted as required, and all general guidance material was also uploaded onto the AMEP GovTEAMS site for providers.

Effective Regulation of Aviation and Maritime Security

The Department works closely with industry to support regulated entities in accessing regulatory information and seeking advice. The Department maintains transport security information published on the Department's website, facilitates GovTEAMS communities for industry, and manages public facing inboxes including the AMS Guidance Centre, AMS National Coordinator and a range of policy specific inboxes.

The Department develops and refines industry guidance material using information received by the AMS Guidance Centre and compliance campaign recommendations as inputs. In 2019–20, the AMS Guidance Centre placed 112 enquiries into a knowledge management recorder. This allows ease of access for response to similar enquiries from regulated entities in the future. The Department disseminated three transport security risk products in 2019–20 to strengthen industry understanding of current and emerging threats, and to help industry ensure their procedures meet regulatory requirements.

Facilitation of Travel, Trade and Customs

The ATT Program has delivered two Industry Advisory Group meetings for Trusted Traders in February and June 2020, in addition to peak industry body meetings. These meetings provide opportunities for Trusted Traders to access information about ATT and customs processes, and inform future direction of the program through proposing new benefits for inclusion in the ATT Program. In addition, ATT can see direct advice and access tailored regulatory information through their account manager. Further support is also available to Trusted Traders for the ATT Origin Advance Ruling and Certificate of Origin Waiver processes through a dedicated mailbox and publically listed 1300 number.

The Department provides training directly to regulated entities through a number of forums including the International Forwarders and Customs Brokers of Australia on customs broker licencing requirements and obligations. This also forms a component of continuing professional development activity.

In 2019–20, the Department also published a range of materials to support regulated entities in accessing and understanding regulatory requirements. This included:

- Australian Customs Notice No. 2019/41, which outlined revised evidentiary requirements for duty drawback claims. This provides detailed guidance on applying for duty drawbacks using legislated calculation methods.
- Australian Customs Notice No. 2020/18, which outlined the extension of the Origin Waiver benefit for Trusted Traders, to which Free Trade Agreements this benefit applied, standards of evidence required under the new scheme, processes for applying for refunds, and points of contact for the Department.
- The Goods Compliance Update, which assists importers, exporters and cargo carriers in understanding obligations, and common issues identified by the Department in regulatory compliance.

KPI 6 – Regulators actively contribute to the continuous improvement of Regulatory Frameworks

The Department self-assessed as having **Met** performance expectations for KPI 6. The Department has a number of feedback mechanisms in place to foster an effective framework for collaboration with an aim to continuously improve the Department's regulatory functions.

The following examples best demonstrate the Department's performance as having **met** the requirements against KPI 6 for the 2019–20 financial year for each of the Department's regulatory functions under the RPF.

Delivery of Migration, Settlement and Citizenship Programs

The Department consults widely with industry, relevant stakeholders and regulatory bodies to ensure continuous improvement of regulatory frameworks. For example:

- consultation with the tourism sector through Tourism Visa Advisory Group (TVAG) in relation to the COVID-19 pandemic recovery to inform potential changes to the regulatory framework for visitor visas,
- regular engagement through the Education Visa Consultative Committee (EVCC), and
- a discussion paper on the Department's website seeking industry feedback and highlighting key considerations for legislative reform.

Throughout the COVID-19 pandemic, the Department adapted its approach to service delivery under the Citizenship and Migration Programs to ensure COVID-safe service delivery for the Australian community.

All face-to-face citizenship test appointments were placed on hold, as the Department moved to confer Australia citizenship through online ceremonies. The ceremonies focused on the legal requirements necessary for clients to acquire citizenship, ensuring strong integrity measures were maintained. This included verifying the client's identity against departmental systems and the presiding officer sighting current photo identification for conferees at the commencement of the ceremony.

The first online citizenship ceremony was piloted on 31 March 2020. Following its success, the Department progressively rolled out online ceremonies across all Australian jurisdictions. Over 300 departmental officers were trained and some redeployed to arrange and preside over online ceremonies. From 31 March to 30 June 2020, over 45,000 individuals acquired citizenship through online ceremonies, with more than 750 people per day becoming citizens through online ceremonies from 30 April onwards. Overall, online delivery of citizenship ceremonies contributed to a 43 per cent increase in finalised citizenship by conferral applications in the 2019–20 financial year, with 228,323 finalised, and a record 204,817 people were conferred citizenship, a 60 per cent increase from the 2018–19 financial year.

The Department continued to implement service delivery enhancements in visa program delivery by progressing the digitisation of its services. This was supported by the ongoing implementation of the Channel Management Strategy through the deployment of online lodgement forms for the Distinguished Talent visa in February 2020, and an external communications plan to influence client behaviour and encourage the uptake of online visa lodgements.

Effective Regulation of Aviation and Maritime Security

The Department engages with regulated industry participants on an ongoing basis, and receives regular feedback on aviation and maritime transport, and offshore oil and gas facilities security regulatory frameworks. Engagement regarding regulatory frameworks is conducted through email enquiries and consultation, industry forums and working groups. The outcomes of these engagements are used to guide improvements and necessary adjustments of regulatory frameworks.

In 2019–20, engagement with the maritime industry focused on a range of regulatory frameworks including the review of the cruise ship security framework, security assessment training, and review of the regulation of detachable floating product, storage and offtake vessels. Industry feedback has been considered and incorporated where possible.

The Department chairs two fora to facilitate engagement and consultation between the Department and aviation industry participants, including airports, airlines, screening providers and aviation industry bodies. The most recent Aviation Security Advisory Forum (ASAF) was held on 6 November 2019, and the Regional Aviation Security Advisory Forum (RASAF) was held on 7 November 2019. Discussions included the current security threat environment, implementation of the strengthened aviation security requirements and overcoming challenges between passenger facilitation and security. Feedback from industry at these fora has informed policy.

Facilitation of Travel, Trade and Customs

The Department facilitates a number of avenues for industry to directly engage and provide their input into policy and program development. This includes the regular convening of the industry consultative fora, which comprise members from industry peak bodies, major industry stakeholders and departmental government partners. These include:

- National Committee on Trade Facilitation (NCTF),
- National Passenger Facilitation Committee (NPFC),
- National Sea Passenger Facilitation Committee (NSPFC),
- various ancillary working groups and sub-committees,
- meetings between the ABF Commissioner and the members of his Customs Advisory Board, and
- the annual Home Affairs Portfolio Industry Summit, held on 19 November 2019 and to be held on 23 and 24 November in 2020.

Part 2: External Validation

Overview

In November 2020, the Department's ministerially approved consultation bodies outlined in Table 2 within this report were invited to review, provide feedback and validate the Department's 2019–20 RPF Self-assessment Report.

Overall, the Department's ministerially approved consultation bodies **supported** the Department's self-assessment rating of being an effective regulator under the RPF for the 2019–20 financial year.

Three key themes were identified as part of the external validation process these will be considered and guide the Department's regulatory approach throughout 2020–21 where appropriate.

Communication

The feedback noted that the Department continues to improve its communication with regulated entities. For example, during the COVID-19 pandemic, Departmental guidance regarding visa programs were clear and concise. However, industry feedback indicated that there were aspects of the Department's communication identified that can be further improved.

This included feedback that the Department's could improve consistency of its advice on policy and programs across various mediums (i.e. websites compared to print publication), and that consideration could be given to better communicate changes across multiple mediums. Feedback also indicated that the Department could consider improving its protracted response times when responding to enquires and requests for assistance. This has the potential to affect the regulated community's ability to implement or communicate changes introduced by the Department in a timely manner.

External validators suggested that one method to address this issue may be to increase collaboration between the Department and the regulated community on regulatory development, amendment and post-implementation considerations.

Risk

The feedback suggested that there is sometimes insufficient visibility and transparency on how the Department manages risk. The feedback recommended that an increase in visibility and transparency on how the Department manages risk will help industry to understand the Department's approach to certain activities and what the risks that the Department is attempting to manage. For example, the feedback suggested that voluntary compliance may not always be a feasible option. Industry indicated that the Department should consider whether an enforcement model or a voluntary compliance model is more appropriate for each individual regulatory activity and actively communicate this to its stakeholders where appropriate. Increased visibility will help facilitate greater understanding between the Department and industry to manage risk collaboratively.

Collaboration

The feedback stressed that genuine collaboration between the Department and the regulated community is needed to ensure that the regulated community is able to contribute their thoughts and perspectives before a decision is made. This is especially so in a post COVID-19 pandemic environment. Genuine collaboration has the potential to enhance the clarity of the Department's communication to contribute to increasing voluntary compliance.

Table 4: The Department of Home Affairs 2019–20 Regulator Performance Framework Self-assessment External Validation: Consolidated Feedback on the level of agreement with the Department’s Self-assessment Rating

Key Performance Indicator (KPI)	Department’s Overall Self-assessment Rating	Strongly Support and Support	Partially Support	Do Not Support
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	<i>Met</i>	74.58%	16.95%	8.47%
KPI 2 – Communication with regulated entities is clear, targeted and effective	<i>Met</i>	72.73%	20.00%	7.27%
KPI 3 – Actions undertaken by Regulators are proportionate to the regulatory risk being managed	<i>Partially Met</i>	62.96%	25.93%	11.11%
KPI 4 – Compliance and monitoring approaches are streamlined and coordinated	<i>Partially Met</i>	64.81%	29.63%	5.56%
KPI 5 – Regulators are open and transparent in their dealings with regulated communities	<i>Met</i>	74.07%	16.67%	9.26%
KPI 6 – Regulators actively contribute to the continuous improvement of Regulatory Frameworks	<i>Met</i>	74.07%	18.52%	7.41%

Department’s External Validation Feedback Response

Overall, the External Validation feedback supported the Department’s self-assessment rating as an effective regulator under the RPF for the 2019–20 financial year.

As the Department’s regulatory performance continues to improve and mature, we continue to seek a deeper understanding of the needs of our stakeholders and the broader regulatory impact of our activities across the breadth of functions that we administer. The Department will actively consider the feedback from our external validators and will use this feedback to identify opportunities to improve our performance as a regulator where possible, by focusing on:

- Improving the Department’s communication methods, frequency and effectiveness. For example by:
 - ensuring ongoing engagement with our regulated community to understand their operating environment and to co-design solutions that seek to reduce unnecessary regulatory burden.
 - ensuring the provision of information to our regulated community is clear, concise and easily accessible. This supports a greater understanding of their obligations in complying with relevant Departmental regulation.
- Identifying opportunities to increase collaboration with our regulated community to improve the effectiveness of engagement.
- Examining the Department’s current risk and compliance frameworks to identify any opportunities for refinement.

Glossary

Table 5: Glossary

Term	Definition
A	
Adult Migrant English Program (AMEP)	The Adult Migrant English Program (AMEP) provides English language tuition to eligible migrants and humanitarian entrants to help them learn foundational English language and settlement skills to enable them to participate socially and economically in Australian society.
Australian Trusted Trader (ATT)	A voluntary trade facilitation initiative open to all eligible Australian businesses active in the international trade supply chain.
Aviation security identification card (ASIC)	A type of identification card that confirms a person has undergone a background check in order to work in a secure aviation zone.
C	
Channel Management Strategy	This strategy was developed after extensive consultation across the Department. It provides the enterprise-wide approach to the Department's channels. It sets a vision for how the Department will develop seamless interaction across its client-facing channels.
COVID-19	A disease caused by a new strain of coronavirus, formerly referred to as '2019 novel coronavirus'.
G	
Global Service Centre	The Global Service Centre is the Department's centralized telephone enquiries service.
GovTeams	GovTeams is an Australian Public Service digital collaboration and networking tool where teams can connect, share and work together on documents and projects.
I	
Industry Summit	Annual forum hosted by the Department where industry and the Department can discuss strategic travel, trade and migration issues.
M	
Migration Program	The annual planned permanent intake determined by the Australian Government in a budgetary context, which governs the number of visas, granted for permanent entry from offshore and for permanent resident status onshore. It does not include New Zealand citizens intending to settle permanently in Australia.
Maritime security identification card (MSIC)	A type of identification card that confirms a person has undergone a background check in order to work in a secure maritime zone.

O	
Office of Best Practice Regulation (OBPR)	The Office of Best Practice Regulation administers the Australian Government and Council of Australian Government's (COAG) Regulation Impact Analysis (RIA) and Regulation Impact Statement requirements (RIS) processes.
Online lodgment	A method that allows applications to be completed and submitted on the internet.
P	
Preferential Tariff Treatment (PTT)	The Preferential Tariff Treatment: Schedule 1 of the Customs Tariff Act 1995 provides three groups of preferential rates to certain countries. These include Forum Island Countries, Least Developed Countries and Developing Countries. Schedule 4 to 12 of the <i>Customs Tariff Act 1995</i> has Australia's Free Trade Agreements with certain countries. For the preferential rates to apply certain acts in the production of the goods needs to occur in the relevant country before export.
R	
Regulated Community	Under the Australian Government Deregulation Agenda, the regulated community can be considered individuals, businesses and community organisations.
Regulatory Impact Analysis (RIA) process	The Regulatory Impact Analysis process is a systematic approach to critically analysis the effects of the development or amendment of a regulation on the regulated community.
Regulatory Impact Statements (RIS)	Regulatory Impact Statements are a publically available document representing the depth of analysis and consultation in the development and amendment of policy and regulation.
Regulator Performance Framework (RPF)	The Regulator Performance Framework measures the performance of regulators, by requiring regulators to measure and publically report their performance.
T	
Tariff classification	Goods imported into Australia require classification under the <i>Customs Tariff Act 1995</i> .