



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications

2020–2021 Regulator Self- Assessment—Shipping Reform (Tax Incentives) Act 2012

December 2021



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Director—Creative Services
Communication Branch
Department of Infrastructure, Transport, Regional Development and Communications
GPO Box 594
Canberra ACT 2601
Australia

Email: publishing@infrastructure.gov.au
Website: www.infrastructure.gov.au

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Introduction

About this self-assessment

The Australian Government has committed to reducing the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations. The Regulator Performance Framework (the Framework) supports Australian Government regulators to measure and improve their performance, particularly in adopting consistent, risk-based approaches to administered regulation. 2021 will be the final year of the Regulator Performance Framework. Measuring regulatory performance will be included in regulators business plans going forward. The Framework consists of six outcomes-based key performance indicators (KPIs) aimed at reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement.

The Shipping Reform (Tax Incentives) Act 2012 (the SRTI) regulator developed a set of tailored KPIs as part of the Framework. Following consultation with key stakeholders, these KPIs were published on the Department's website at [Deregulation](#).

The Framework requires regulators to publish an annual self-assessment of their performance against the agreed KPIs and to have these self-assessments validated by external stakeholders. The 2021 Regulator Performance Framework self-assessment was prepared utilising feedback from stakeholders and internal management tools.

About the Regulator

The Department of Infrastructure, Transport, Regional Development and Communications (the Department) regulates the SRTI. The Department is responsible for assessing applications and issuing notices and certificates to Australian shipping organisations operating Australian registered eligible vessels. The notice or certificate provides access to shipping tax incentives for the shipping entity. The Tasmanian and Shipping Programs Section within the Department is the primary point of contact for any matters relating to the Shipping Tax Incentives Scheme.

The Department's role is limited to ensuring applicants comply with legislative requirements for the granting of a notice or certificate. The Department assesses the application and where the legislative requirements are met, issues the notice or certificate. The Department provides data concerning the entities and type of notice or certificate issued including the relevant days applicable to the Australian Taxation Office.

On 1 July 2021, the Department sent out a survey to 10 stakeholders identified as having made an application during the last two financial years. The Department received responses from four stakeholders. The responses to the survey assists the Department in identifying areas for future improvement.

In preparing this self-assessment, the Department has evaluated the survey responses and internal management tools. The Department also used information provided as a result of the Tasmanian and Shipping Programs Section's interactions with stakeholders during the reporting period. Overall, the Department is performing well against the KPIs with positive stakeholder feedback.

Two respondents provided suggestions for improving the application process. In response:

1. The Department will provide greater clarity on the documents required when submitting an application in consecutive years; and
2. The Department will consider the suggestion concerning rolling forward information for future years in its continuing efforts to improve the application process.

Key Performance Indicators

Key Performance Indicator 1 – Regulator does not unnecessarily impede the efficient operation of regulated entities.

Measure	Evidence	2020–2021 Results
<p>Applications for access to shipping tax incentives (notices and certificates) are considered in a timely manner.</p>	<p>Application processing times are recorded in the Shipping Tax Incentives Register. There is no legislative timeframe to process applications however the Department endeavours to:</p> <ul style="list-style-type: none"> • acknowledge receipt of an application within 5 business days, and • assess an application within 15 business days from receipt of a complete application. 	<p>Achieved</p> <p>Eight entities made 26 applications for a certificate and one entity made one application for a notice during the 2021 financial year. All applications were acknowledged within the five business days time frame as evidenced by the email trail. This is consistent with the 2020 reporting period.</p> <p>100% of applications were process within 15 business days. The average processing time for all applications was 12 business days.</p> <p>One applicant commented the application process took three weeks, the Department notes three weeks is 15 business days.</p> <p>The four respondents to the 2021 survey represent either medium (20 or more people, but less than 200), or large businesses (200 or more people).</p>

Measure	Evidence	2020–2021 Results
<p>Maintain an understanding of the operating environment of the industry or organisation, or the circumstances of individuals and the current and emerging issues that affect the sector.</p>	<p>Both formal and informal feedback from applicants is recorded and incorporated into the process reviews.</p>	<p>Achieved</p> <p>Through regular media monitoring and monitoring of industry websites and newsletters, and communication with stakeholders, the Department continues to keep up to date on issues affecting the industry.</p> <p>Regular communication between officers of the Department and stakeholders is undertaken to address any issues as they arise. In the 2021 annual stakeholder survey, all respondents indicated the Department responds quickly and provides the information needed by applicants.</p> <p>The Department provides a 1800 phone number and single email mailbox for submission of applications and for stakeholders to provide formal or informal feedback. During the reporting period there were no issues raised by stakeholders.</p>

Key Performance Indicator 2 – Communication with regulated entities is clear, targeted and effective.

Measure	Evidence	2020–2021 Results
<p>Guidance and information provided that is up to date, clear, accessible and concise through media appropriate to the target audience.</p>	<p>Information on the number and types of notices and certificates issued per calendar year is published on the Department’s website.</p>	<p>Achieved</p> <p>The Department’s website pages for the Shipping Tax Incentives Scheme were reviewed and updated in early 2021.</p> <p>The website provides up to date guidance and information to assist applicants including infill forms. The guidance material is clear, accessible and concise.</p> <p>Three respondents, representing 75 per cent of all respondents indicated they understood the steps they needed to follow when making an application under the Shipping Reform (Tax Incentives) Act 2010 (SRTI). One respondent indicated they neither agreed nor disagreed to understanding the steps to follow when making an application. Providing a comment that they find it confusing to understand the documents required when submitting an application in consecutive years.</p> <p>The Department continues to provide guidance to applicants that indicate they are unfamiliar with the steps required to submit a complete application under the SRTI. The Department will consider ways to provide greater clarity around the application process.</p> <p>Information on the website includes historical information on the number and types of notices and certificates issued by calendar year.</p>

Measure	Evidence	2020–2021 Results
	Feedback on the effectiveness of the Department's communication with stakeholders is sought and responded to promptly.	<p>Achieved</p> <p>All respondents to the 2021 survey either strongly agreed or agreed the information on the website is easily accessed. This is consistent with the 2019 2020 survey results. The Tasmanian and Shipping Programs Section continues to assist applicants that indicate they are unfamiliar with the process required to make an application under the SRTI.</p>
	Published information complies with the Government's accessibility standards.	<p>Achieved</p> <p>All material published on the Department's web site complies with the Department's 'Web Publishing Roles and Responsibilities' guidelines; 'Website Content Guidelines'; and the 'Word and PDF Accessibility' guidelines. Operational material on the website is regularly reviewed and updated.</p>
Advice is consistent and supports predictable outcomes.	Internal guidance material (guidelines and checklists) are made available to staff to ensure that decisions take into account precedents and are consistent.	<p>Achieved</p> <p>Internal guidance material is reviewed and updated annually. A review of operational material was completed in May 2021. The use of the internal guidance material by administrators in the Department ensures consistency in benchmarking during the assessment of applications and communication to applicants and stakeholders.</p>
	All responses to the survey indicated that the decision process is perceived to be predictable.	<p>Achieved</p> <p>All respondents indicated that when they submit an application, they usually get the outcome they are expecting or if not a suitable explanation is provided by the Department.</p>
	Instructions on applying for certificates/notices are updated within 15 business days of any major process change.	<p>The process of submitting and obtaining Shipping Tax Incentive certificates or notices during the reporting period has not changed from the previous reporting period. Therefore, the Department had no need to consult stakeholders outside of the Regulator Performance Framework exercise.</p>

Key Performance Indicator 3 – Actions undertaken by the regulator are proportionate to the regulatory risk being managed.

Measure	Evidence	2020–2021 Results
<p>Application of a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions.</p>	<p>Compliance policy reflects risk-based, proportionate and voluntary compliance principles.</p>	<p>Achieved</p> <p>All applications are assessed judiciously to ensure compliance with the legislation. Any non-compliance is brought to the applicant’s attention immediately, for example, insufficient trainees in training for the number of vessels being applied for. To achieve consistency in assessing applications internal guidance material is used to assess and determine an application’s compliance with the legislation. The assessment guideline document is reviewed regularly to ensure currency. The last completed review of the guidance material occurred in May 2020.</p> <p>Two respondents strongly agreed and the other two respondents agreed the amount of paperwork required when making an application under the SRTI is appropriate.</p> <p>Risks are assessed and managed by the Department on an ongoing basis. The Department has a Risk and Compliance Framework for managing risks under the SRTI, which is reviewed annually.</p>

Key Performance Indicator 4 – Compliance and monitoring approaches are streamlined and coordinated.

Measure	Evidence	2020–2021 Results
<p>Information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimises impact.</p>	<p>Stakeholders are consulted on ways that the burden of information requests could be reduced.</p>	<p>Achieved Requests for further information from an applicant are only made when necessary to complete the assessment and in a manner that imposes minimum burden on the applicant.</p>
<p>Monitoring and inspection approaches based on risk and, where possible, take into account the circumstances and operational needs of the regulated entity.</p>	<p>Compliance strategy reflects risk-based, proportionate and voluntary compliance principles.</p>	<p>Achieved Stakeholders are consulted on ways to reduce the burden of regulation by being requested to respond to initiatives such as this survey. The responses help the Department to improve the administration of the program. Assessment of an application under the Shipping Tax Incentives Scheme is undertaken using the assessment guideline document outlined in Key Performance Indicator 3. It is also monitored through engagement with other government agencies.</p>

Key Performance Indicator 5 – Regulator is open and transparent in its dealings with regulated entities.

Measure	Evidence	2020–2021 Results
<p>The processing team is open and responsive to requests from applicants/peak bodies regarding the operation of the regulatory framework and approaches implemented.</p>	<p>Information on the operation of the Shipping Reform (Tax Incentives) Act 2012 is available on the website (application forms, flowcharts, and text descriptions).</p>	<p>Achieved</p> <p>The existing webpages provide guidance material and flow charts to assist stakeholders prepare and submit their applications. Advice to an individual applicant is consistent with publicly available information on the Department’s website.</p> <p>The latest review of the web site was conducted in the first half of 2021.</p>
	<p>Email and phone advice provided is consistent with published information.</p>	<p>Achieved</p> <p>Emails and phone calls from stakeholders requesting further information have been responded to in a timely fashion and queries resolved to the satisfaction of stakeholders. All survey respondents agreed with the statement that ‘when I contact the Department with a question, they answer it quickly and provide the information I need’.</p>
	<p>Informal feedback received from applicants via phone, email and face to face meetings is recorded and incorporated into review processes.</p>	<p>Achieved</p> <p>The Department implemented internal controls and provided access to the generic email address box to all authorised staff to monitor email traffic daily. Allowing access to the mail box means that staff can cover for others who are on leave and ensures that stakeholder queries are responded to and applications are processed in a timely manner.</p> <p>One respondent strongly agreed and one respondent agreed the Department clearly explains the reasons for its decision about the application for a notice or certificate.</p>

Measure	Evidence	2020–2021 Results
	Complaints received in relation to assessment of the application are actioned as soon as possible or within 10 working days.	<p>Achieved</p> <p>The Department received no complaint during the reporting period. Avenues for feedback are advertised on the Department’s website and any feedback is to be made to the Department’s governance section of the Department. https://infrastructure.gov.au/utilities/contact.aspx.</p> <p>In the 2021 stakeholder survey, two respondents either strongly agreed, or agreed they felt they could give the Department feedback about the application process and the other respondents neither agreed nor disagreed. The Department values feedback from respondents and will make every effort to encourage more feedback in any review process and by making improvements to the website.</p>
Regulator’s performance measurement results are published in a timely manner to ensure accountability to the public.	Results of stakeholder surveys and self-assessment under the Regulator Performance Framework will be analysed by the Department and consolidated. Information will be published on the Department’s website.	<p>Achieved</p> <p>The Department will review respondent’s comments on the Regulator Performance Framework Self-Assessment and where appropriate, implement changes to current operational processes and/or published information to improve regulation.</p>

Key Performance Indicator 6 – The regulator actively contributes to the continuous improvement of regulatory frameworks.

Measure	Evidence	2020–2021 Results
<p>Cooperative and collaborative relationships with stakeholders established and maintained to promote trust and improve the efficiency of the regulatory framework. Regulators engage stakeholders in the development of options to reduce compliance costs.</p>	<p>Stakeholders were consulted on the Regulator Performance Framework and the Department’s Self-Assessment. Any key issues were identified and changes were reported back to stakeholders. This is in addition to informal feedback received from applicants via phone, email and face to face meetings being recorded and incorporated into review processes.</p>	<p>Achieved</p> <p>Following stakeholder feedback on the Regulator Performance Framework Self-Assessment, the Department’s Secretary will be requested to certify the final report. The certified report will be provided to the Minister for noting. The certified report will then be published on the Department’s web site.</p>
	<p>Compliment/complaint process is available to applicants. Information on how to contact the Department is kept up to date and published on the Department’s website</p>	<p>Achieved</p> <p>The Department advertises on its website a central contact for feedback and complaints and general contact with the Shipping Tax Incentives assessment team at https://infrastructure.gov.au/utilities/contact.aspx. Feedback to the Department can also be made through the Governance section, whose contact details are on the Department’s website at https://infrastructure.gov.au/utilities/contact.aspx. During 2021, no complaints on the administration of the Shipping Tax Incentive were received.</p>