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Summary

Under the Australian Government’s Regulator Performance Framework (RPF), Commonwealth entities with a regulatory function must undertake an annual self-assessment of their regulatory performance. RPF assessments help entities such as the Department of Agriculture and Water Resources identify areas for improvement. The department’s second RPF self-assessment focuses on regulator systems and processes and key developments during 2016–17.

This report provides an overview of each of the six regulatory schemes that we are responsible for and includes our self-assessment against key RPF performance indicators. This self-assessment draws on a range of sources and the results of a survey of stakeholders and regulated entities associated with biosecurity and export regulation. The survey focused on perceptions of our regulatory performance.

2016–17 was a significant year. It was the first year of operation of the Biosecurity Act 2015, we began a major review of our export legislation and we examined reforms to the illegal logging regulations. We also agreed with state and territory governments on the 2016–19 Water Efficiency Labelling and Standards Scheme Strategic Plan. In early 2017 we responded to the outbreak of white spot disease in Queensland prawns with a range of regulatory measures and a coordinated assistance package for affected prawn farmers.

Across our regulatory responsibilities, we continue to work with regulated entities and other stakeholders to make our regulatory functions and related services more efficient, accessible and suitable for user needs—particularly our new online services and service standards. We also continue to promote transparency in our processes, decision-making, conduct and performance.

Our self-assessment indicates that we have met most measures of our performance as a regulator. For example, we:

- continue to maintain clear processes for reviewing regulation
- have developed effective compliance and enforcement processes that are proportionate
- continue to adopt a risk-based approach
- consult widely and often on our regulatory activities.

However, key areas require improvement. We are implementing more effective channels of communication with stakeholders on our regulatory and compliance activities—accounting for our regulated entities’ operating environments and ensuring our communications are clear and easy to understand. We will also deliver a program of work aimed at further improving policy, processes and legislation. This will include consulting with stakeholders on options for more flexible and less complex processes. Future enhancements to our online service delivery systems should also result in better client service. When developing regulation and service delivery, we will continue to assess feedback from regulated entities and client surveys and take corrective action where appropriate.

New information provided in relation to some live animal voyages to the Middle East in 2017 has seen the Government initiate several reviews which are still underway at the time of publication. In responding to these reviews, we will look to actively improve our regulatory
policy, approach and posture in relation to live animal exports. While this is not further canvassed in this report, it will be reported in the 2017–18 self-assessment.
Introduction

The responsibilities of the Department of Agriculture and Water Resources are broad, and as a regulator we work with stakeholders in many of Australia’s primary industries. Our purpose, as articulated in our Corporate Plan, is to help drive a stronger Australian economy by building a more profitable, resilient and sustainable agriculture sector, and by supporting the sustainable and productive management and use of rivers and water resources. We work as a transparent and efficient regulator by building stakeholder understanding and trust in our advice and services.

Our 2016–17 Regulator Performance Framework considers regulatory performance in relation to our work in:

1) Delivering biosecurity functions
2) Controlling exports (including certification)
3) Combatting illegal logging by regulating timber product imports and raw log processing
4) Monitoring imported food
5) Collecting levies for research, development and marketing
6) Implementing the Water Efficiency Labelling and Standards (WELS) Scheme.

The following sections provide a brief overview of each of these regulatory functions.
Delivering biosecurity functions

Australia’s biosecurity system aims to anticipate, prevent, prepare, detect and respond to and recover from biosecurity risks. We use a risk-based approach across the biosecurity continuum offshore, at the border and onshore. This is supported by research, science and intelligence gathering—helping us target what matters most. Figure 1 summarises our biosecurity activities in 2016–17.

Figure 1 Department biosecurity activities, 2016–17

Our biosecurity system is underpinned by the Biosecurity Act 2015, which came into force on 16 June 2016. The legislation was designed to be flexible and responsive to changes in technology and future challenges. It promotes a shared responsibility between government and industry, provides a modern regulatory framework, reduces duplication and regulatory impacts, and allows for current and future trading environments.

Our biosecurity system protects Australia’s environment and economy from exotic pests and diseases and helps maintain Australia’s reputation as an exporter of clean and green agricultural, fisheries and forestry commodities. We undertake a process of continuous improvement to ensure the actions taken to manage risks meet our international obligations and our appropriate level of protection (ALOP). The ALOP requires a high level of sanitary and phytosanitary protection designed to reduce biosecurity risks to a very low level.

Our core activities include assessing and managing biosecurity risks. We continue to work with stakeholders to improve our regulatory function. We worked on improving our capacity to detect and respond to non-compliance through monitoring and surveillance, intelligence gathering and data analysis, targeted campaigns and routine and random inspections and audits.

Our Biosecurity Compliance Statement sets out our approach to biosecurity compliance management and specifies how compliance management tools work. Our Biosecurity Compliance Plan 2016–17 outlines how we will manage biosecurity risks at the border.
The compliance plan is based on our compliance model (Figure 2), which helps us adapt regulatory response by better understanding the range of attitudes and behaviour of regulated stakeholders. This enables us to tailor the way we manage risks to Australia’s biosecurity at the border and beyond.

**Figure 2 Approach to biosecurity compliance management**

![Approach to biosecurity compliance management](source)

We encourage our stakeholders to be compliant and we try to make it as simple as possible for everyone to comply. Our biosecurity compliance model recognises that most regulated entities will comply, or try to comply, with their obligations. For these entities, we respond by providing clear guidance and advice to facilitate voluntary compliance.

We use a range of approaches to identify and detect non-compliance in incoming goods, travellers, conveyances and mail at the border. We combine our experience at the border with gathered intelligence and shared information to constantly improve the focus and effectiveness of our interventions.

To facilitate a smooth transition to the new biosecurity legislation the department adopted a compliance posture to guide implementation and early operation of the new legislation. The approach provided some concessions during the transition period, allowing stakeholders time to adjust to the new operating environment.
Controlling exports

We provide export inspection and certification services to ensure exporters meet the requirements of trading partners and maintain their access to international markets. Our responsibilities and powers are defined in the Export Control Act 1982 (Export Act) and associated legislation. One of the objectives of the legislation is to enable trade by ensuring that export commodities meet importing country requirements. Our approach was successful in 2016–17—no consignments were rejected because of a failure to meet export certification requirements. Figure 3 summarises our export activities in 2016–17.

Figure 3 Department export regulatory activities, 2016–17

Export commodities that we control are listed or ‘prescribed’ in the legislation. They include dairy products, eggs and egg products, fish and fish products, fresh fruit and vegetables, grains and seeds, hay and straw, live animals, meat and meat products, organic produce, plants and plant products. We manage quota arrangements for commodities (including dairy, meat and livestock) exported to the European Union, Japan and the United States. These arrangements enable exporters to reduce import taxes on a certain volume of goods into a particular country. This can result in savings for Australian businesses.

We are reviewing the Export Act as part of a wider initiative to strengthen agricultural exports and market access. Proposed improvements to the export legislative framework will make it easier to understand, administer and use, and will safeguard Australia’s reputation as a reliable, high-quality source of exports for our trading partners. The reforms will involve consolidating existing export-related provisions into an agricultural export legislative framework consisting of export control legislation (Export Control Bill before parliament at time of publication) and Export Control Rules. The new framework will replace the existing Export Act and legislative instruments (such as Orders and Regulations). We will consult with stakeholders on the new legislation in 2017–18. It is expected to come into effect before 1 April 2020, when much of the existing framework expires.
Regulating timber product imports and raw log processing

The *Illegal Logging Prohibition Act 2012* and the *Illegal Logging Prohibition Regulation 2012* seek to reduce the harmful environmental, social and economic impacts of illegal logging by restricting the importation and sale of illegally logged timber products in Australia. Under the legislation, importers and processors must undertake a structured risk assessment and mitigation process (due diligence) before importing a regulated timber product into Australia or processing domestically grown raw logs. The due diligence requirements are aimed at improving the transparency and accountability of Australia’s timber supply chains.

**Figure 4 Department activities to control illegal logging, 2016–17**

In February 2016 we published the final report of the [Independent review of the impact of the illegal logging regulations on small business](https://www.agrifu.gov.au/feedback/review-impact-legal-logging-regulations-small-business) and the government’s response. This was followed by the release of a consultation paper in late 2016, which sought public feedback on six options for reforming illegal logging regulations. This process sought to remove any unnecessary costs to the regulated community arising from the due diligence requirements. As a result of this process, in October 2017 we published the *Regulation impact statement: Reforming Australia’s illegal logging regulations*.

Throughout 2016–17 we also continued to undertake targeted compliance assessments to raise awareness and educate regulated entities on how to comply with Australia’s illegal logging laws. This included assessments of some of our largest regulated importers and our domestic processing community. In January 2017 we published our 2017 [compliance plan](https://www.agrifu.gov.au/feedback/compliance-plan-2017) and [statement](https://www.agrifu.gov.au/feedback/compliance-plan-2017). These documents, which outlined our approach to ensuring illegal logging requirements are met, were based on our existing biosecurity compliance model (Figure 2). An updated plan will be published online in early 2018.

The *Regulatory Powers (Standardisation Reform) Act 2017* made monitoring, investigation and enforcement powers of the *Illegal Logging Prohibition Act 2012* consistent with those of the *Regulatory Powers (Standard Provisions) Act 2014*. We worked with the Attorney-General’s Department to develop the legislation so that controls and measures specific to illegal logging were maintained within our primary legislation.
Monitoring imported food

We are responsible for administering the regulation of food imported into Australia. These requirements are designed to:

- protect Australia against biosecurity risks (Biosecurity Act 2015)
- address food safety (Imported Food Control Act 1992).

All imported food must meet Australia's biosecurity requirements. Once it enters the country, imported food is monitored for compliance with the Australia New Zealand Food Standards Code. The Imported Food Control Act 1992 provides for inspection and control of imported food using the Imported Food Inspection Scheme (IFIS), a risk-based border inspection program. Eligible businesses can participate in our Food Import Compliance Agreement scheme. The scheme reduces regulatory burden by providing an alternative to the routine inspection and testing of food products. Figure 5 summarises our food import regulatory activities in 2016–17.

**Figure 5 Department food import regulatory activities, 2016–17**

Food Standards Australia New Zealand (FSANZ) provides advice on food that poses a medium or high risk to human health and safety, and we then classify this as ‘risk food’ under the IFIS. State and territory regulators are responsible for monitoring all food (including imported food) at point of sale.

We are strengthening Australia's imported food safety system to better protect consumer health. The changes will reduce the regulatory burden for compliant food importers and uphold Australia's international obligations. The Imported Food Control Amendment Bill 2017, introduced in parliament on 1 June 2017, is designed to:

- increase importer accountability for food safety
- strengthen importer sourcing of safe food
- improve monitoring and management of new and emerging food safety risks
- improve incident response.

These changes have been developed in consultation with food importers, industry representatives and trading partners. The changes will help us respond through the IFIS to risks posed by the growing complexity of globalised food supply chains and increasing consumer demand for imported food.

We have been working extensively with industry and other jurisdictions to ensure the changes achieve the right balance and business is not burdened with unnecessary regulation. In developing the changes, we have conducted research into food importer compliance, awareness
and behaviour, as well as best practice regulation, international trends and cost-benefit analysis. We consulted domestically and internationally on the regulation impact statement and the proposed legislative changes.
Collecting levies for research, development and marketing

We collect, administer and disburse agricultural levies and charges on behalf of Australia’s primary industries. Levies and charges are used to fund activities such as research and development, marketing and promotion, residue testing and plant and animal health programs. Figure 6 summarises money disbursed to entities and returns lodged in 2016–17.

Figure 6 Department collection of levies for research, development and marketing

The levy system is a partnership between government and industry. The effective use of primary industry levies and charges can greatly assist producers. By pooling their physical, financial and research resources, industries can work together to find better farming methods and increase demand for their products. Industries that invest in the levies system are often better equipped to respond to emerging trends and the challenges of operating in highly competitive world markets.

The agricultural levy system has enabled participating industries to hold their own in highly competitive world markets. Industry cooperation and resource sharing is helping smaller and emerging industries establish their own markets.

The integrity of the levies system is supported through a national risk-based compliance program that covers 30 per cent of levy revenue. We publish our reports to stakeholders twice a year.

The Levies Online management system continues to streamline levy processing, recording a 4 per cent increase in levies submitted online in 2016–17. In 2018 the system will be enhanced with the introduction of levy payer registers.
Implementing the Water Efficiency Labelling and Standards scheme

The Water Efficiency Labelling and Standards Act 2005 (WELS Act) aims to:

- conserve water supplies by reducing water consumption
- provide information for purchasers of water-use and water-saving products
- promote adoption of efficient and effective water-use and water-saving technologies.

The WELS Act and corresponding state and territory legislation provide for the operation of the Water Efficiency Labelling and Standards scheme (WELS scheme). The Australian Government administers the scheme on behalf of state and territory governments. Dishwashers, washing machines, taps, showers, lavatories, urinals and flow controllers are all covered by the WELS scheme. To be legally supplied, these products must meet the performance and testing requirements of the WELS standard and must be registered and labelled correctly.

As a result of the WELS scheme, annual domestic water savings of up to 100 gigalitres are now being realised nationally. These savings are projected to increase to 204 gigalitres annually by 2030 as consumers switch to more efficient products.

Figure 7 Department implementation of Water Efficiency Labelling and Standards scheme

We published our WELS Compliance and Enforcement Policy in 2016. It encourages suppliers of regulated products to meet their legislated obligations through cooperation and collaboration, targeted communication and education activities, and timely provision of information and advice. The policy details the compliance model we use to address individual supplier compliance.

In 2016–17 compliance activities focused on the supply chain and internet-based sales. Our communications with the building, construction and development industry helped increase industry awareness of responsibilities under the WELS Act. We are consulting with regulated entities and the broader industry to identify where compliance and enforcement efforts should be focused over the three years to 2020.
Regulator Performance Framework

Commonwealth regulators that administer, monitor or enforce regulation must implement the Australian Government Regulator Performance Framework (RPF). Regulators must undertake an annual self-assessment of their regulatory performance using six key performance indicators (KPIs):

1) Regulators do not unnecessarily impede the efficient operation of regulated entities.
2) Communication with regulated entities is clear, targeted and effective.
3) Actions undertaken by regulators are proportionate to the regulatory risk being managed.
4) Compliance and monitoring approaches are streamlined and coordinated.
5) Regulators are open and transparent in dealing with regulated entities.
6) Regulators actively contribute to the continuous improvement of regulatory frameworks.

Methodology

This self-assessment covers the period of 1 July 2016 to 30 June 2017. We have assessed our performance in line with guidance from the Department of Finance and the Department of the Prime Minister and Cabinet. We used a series of performance measures from the Department of Agriculture and Water Resources Regulator Performance Framework 2016–17 that were approved by the Agricultural Industry Advisory Council. Measures include quantitative and qualitative performance data and descriptions of factors that contributed to the results. We drew our results from:

- Department of Agriculture and Water Resources annual report 2016–17
- Department of the Prime Minister and Cabinet annual reports on regulatory reform
- Australian National Audit Office report on Implementation of the Biosecurity Legislative Framework and our response
- our performance against Client service standards 2016–17
- content from our internal and external websites.

The report provides an overall assessment of our six regulatory functions and does not seek to address all aspects of regulatory performance. It focusses on the KPIs as defined by the RPF, which provide a basis for regulators to consider their impact on regulated entities.

We have assessed our performance for each of the RPF performance measures and applied a rating of ‘met’, ‘partially met’ or ‘not met’. Table 1 describes the thresholds for each of these ratings. Our self-ratings for each KPI are accompanied by an overview of relevant activities.

Table 1 Definitions of self-assessment ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met</td>
<td>Comprehensive regulatory systems and processes in place. Demonstrated achievement.</td>
</tr>
<tr>
<td>Partially met</td>
<td>Significant regulatory systems and processes in place. Some areas may require review.</td>
</tr>
<tr>
<td>Not met</td>
<td>Significant limitation in regulatory systems and processes.</td>
</tr>
</tbody>
</table>
External validation

In 2015–16 the Agricultural Industry Advisory Council (AIAC) provided external validation of the Department’s self-assessment to the Portfolio Minister. Due to a change in AIAC membership at the time this 2016–17 self-assessment report was being finalised, external validation was not possible this year. However, the department notes that this report uses performance metrics previously approved by the AIAC, and evidence sources previously reviewed by the council for the 2015-16 report. Much of the evidence used in the report is publicly available and reflects ongoing consultation with stakeholders on our regulatory activities. In addition, this report has been informed by a survey of our regulated stakeholders that provided direct feedback on the department’s regulatory performance.

Stakeholder perceptions survey

In 2017 we commissioned an independent stakeholder survey for feedback on our regulatory performance. The survey collected feedback from 219 stakeholders engaged with two of our main regulatory functions: biosecurity regulation and export certification. This report presents relevant survey results against each KPI. See Appendix A for more information on the survey.

Stakeholder feedback on our performance across the KPIs provides a useful benchmark for future self-assessments. The survey assessed satisfaction and agreement ratings based on a 1 to 5 scale. The survey report presents results for the proportion (per cent) of respondents who gave a particular rating for a specific service or performance indicator. These results are presented in collapsed category tables, where proportions have been assigned to one of the following:

- dissatisfied/disagree (rating score of 1 & 2)
- neither agree/disagree (rating score of 3)
- satisfied/agree (rating score 4 & 5).

In several instances the high percentage of ‘neither agree/disagree’ makes interpretation difficult. In interpreting the results, readers should consider the impact of recent developments:

- The Biosecurity Act 2015 came into effect in June 2016. The survey coincided with the period when the department was familiarising regulated entities with the requirements under the new Act.
- Our program of delivering services on an online platform is a recent innovation and can be expected to develop and improve.
Survey results for overall performance

The survey found that 58 per cent of operators surveyed were satisfied with our overall performance, compared with 16 per cent who were dissatisfied (Figure 8).

Figure 8 Stakeholder perceptions—satisfaction with department’s overall performance, 2016–17

Survey respondents made extensive use of our online services, including the Manual of Importing Country Requirements (MICoR), the Export Documentation System (EXDOC) and Biosecurity Import Conditions system (BICON) (Table 2 on the following page). The level of satisfaction with departmental systems is reasonable given that BICON is in its infancy. We continue to focus on standardising and improving our phone and email services. The Department of Agriculture and Water Resources website was the most popular source of information about regulatory activities. Most survey respondents were reasonably confident that they could access regulatory information and advice to meet their obligations. Confidence was highest in relation to audits and inspections (80 per cent), biosecurity measures (72 per cent), and import processes (75 per cent) for importers meeting their obligations.
### Table 2 Stakeholder perceptions—satisfaction with department services, 2016–17

<table>
<thead>
<tr>
<th>Category</th>
<th>Dissatisfied (%)</th>
<th>Neither (%)</th>
<th>Satisfied (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used MICO</td>
<td>16.8</td>
<td>25.2</td>
<td>57.9</td>
</tr>
<tr>
<td>Lodged export documents online using EXDOC</td>
<td>5.5</td>
<td>28.6</td>
<td>65.9</td>
</tr>
<tr>
<td>Applied for or operating approved arrangements</td>
<td>9.6</td>
<td>23.4</td>
<td>67.0</td>
</tr>
<tr>
<td>Lodged import documentation online via COLS</td>
<td>4.8</td>
<td>28.6</td>
<td>66.7</td>
</tr>
<tr>
<td>Lodged import declaration using automatic entry processing</td>
<td>4.5</td>
<td>27.3</td>
<td>68.2</td>
</tr>
<tr>
<td>Applied for import permit online via BICON</td>
<td>26.7</td>
<td>33.3</td>
<td>40.0</td>
</tr>
<tr>
<td>Had goods inspected at approved premises</td>
<td>10.3</td>
<td>17.9</td>
<td>71.7</td>
</tr>
<tr>
<td>Used post-entry quarantine facility</td>
<td>15.2</td>
<td>15.2</td>
<td>69.6</td>
</tr>
<tr>
<td>Contacted the department by telephone</td>
<td>31.5</td>
<td>26.2</td>
<td>42.3</td>
</tr>
<tr>
<td>Sent an email inquiry to the department</td>
<td>23.6</td>
<td>26.4</td>
<td>50.0</td>
</tr>
</tbody>
</table>

KPI 1: We do not unnecessarily impede the efficient operation of regulated entities

Our objectives against KPI 1 are:

1) We understand the operating environment of our stakeholders and current and emerging issues that affect the sectors.

2) We take actions to minimise the potential for unintended negative impacts of regulatory activities on our stakeholders or affected supplier industries and supply chains.

3) We implement continuous improvement strategies to reduce the cost of compliance.

Table 3 provides our self-assessment against KPI 1 performance measures. Box 1 illustrates our contribution to the development of international standards that facilitate trade and protect Australia’s favourable pest and disease status.

**Table 3 Self-assessment against KPI 1 performance measures, 2016–17**

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder impact analyses are conducted before introducing all new or amended regulations.</td>
<td>Met</td>
<td>• We assess the impact of our decisions on stakeholders and others through the regulatory impact assessment process. In 2016–17 we submitted 33 preliminary assessments to the Office of Best Practice Regulation (OBPR) to determine whether regulatory impact assessments were required.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We finalised regulatory impact statements (RISs) on imported food reforms, export tariff quota regulatory streamlining, the tea-tree oil levy and the Horticulture Code of Conduct. The RISs were developed in consultation with affected stakeholders and certified as ‘best practice’ by OBPR.</td>
</tr>
<tr>
<td>Eligible regulated entities receive tailored approaches based on an understanding of their operating environment and size of operations.</td>
<td>Partially met</td>
<td>• Risk-based arrangements at the border support partnerships with importers whose commercial systems meet biosecurity requirements. As of 30 June 2017, 3,653 approved arrangements were in place at a range of businesses, including customs brokerages, cold stores, freight companies and importers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We adopt a regulatory approach that takes into account compliance history and overall risk of the activities. These approaches are covered in our compliance statements and compliance plans.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We continue to work with the Centre of Excellence for Biosecurity Risk Analysis to encourage importers to implement processes that reduce the likelihood of biosecurity risk material being present in consignments such as plant material. We will use this work to inform tailored approaches for compliance-based inspection protocols.</td>
</tr>
<tr>
<td>Performance measures</td>
<td>Rating</td>
<td>Contributing activities</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Strategies being implemented under the business improvement program successfully deliver more effective and consistent services for stakeholders. | Partially met | • Our Service Delivery Modernisation program continued to enhance biosecurity and export services in 2016–17 including the post-entry biosecurity system for importers of plant material, a new facility for approved arrangements and provision of a single access point for departmental services. The Biosecurity Import Conditions (BICON) system went live in July 2016. BICON is expected to result in annual savings of over $26 million in compliance costs and regulatory burden.  
• We implemented the Maritime Arrivals Reporting System which allows us to see a single electronic record of each international sea journey. This makes it easier to carry out vessel inspections and assess biosecurity risks.  
• We increased the number of inspections by external plant authorised officers as part of a more effective and timely system delivering high-quality product to export markets. As of June 2017 we had 1,174 industry-based authorising officers performing export inspections and were processing another 1,085 applications.  
• The Compliance-based Inspection Scheme (CBIS) lists plant commodities that pose a low residual risk to Australia’s biosecurity. CBIS rewards compliant importers of these products with a risk-based inspection rate, resulting in smoother clearance of goods at the border and reduced costs. Seven commodities were added in 2016–17 Many other commodities have also been assessed for their potential to be added onto the scheme. The scheme has saved the department more than 2,325 inspection hours, enabling us to allocate staff to other higher-risk areas. |
| Engagement with relevant domestic and international organisations influences standards to support operation of industry. | Met        | • We work with industry, state and territory governments and other Australian Government agencies (including through our overseas network) to address trade disruptions and maintain or restore market access.  
• We play a key role in technical market access, negotiating with trading partners on arrangements to open, maintain and improve access for commodities, and providing expert advice in negotiations to restore markets when trade is disrupted.  
• We participate in multilateral forums, seeking to influence the work and strategic priorities of international standard-setting bodies. In keeping with our strategic objectives, we participate in key international and regional forums on trade, standards and rule setting. We seek a leadership role wherever Australia and portfolio stakeholders are likely to benefit (see Box 1).  
• We are working with Standards Australia and interested countries on an ISO international standard for water-efficient product testing, rating and labelling.  
• We work with foreign governments to develop country-specific guidelines to help importers understand what sort of evidence they can gather to satisfy their due diligence obligations for timber imports. |

Note: Based on performance measures published in the Department of Agriculture and Water Resources Regulator Performance Framework 2016–17.
Box 1 Case study: International engagement on export activities

Australia has a leadership role in developing international agricultural and food standards. The Australian Chief Veterinary Officer is an elected member and Vice President of the World Organisation for Animal Health (OIE). Senior officials from the Department of Agriculture and Water Resources chair the governing body of the International Plant Protection Convention (IPPC), the IPPC Standards Committee and the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS), which the department also hosts.

In May 2017 the 23rd session of CCFICS proposed a draft guideline on monitoring the performance of national food control systems. Members also started developing guidance on systems equivalence, paperless (electronic) certificates and regulatory approaches to third-party assurance schemes in food safety and trade. Australia’s Codex Contact Point (CCP) is located within the department. It considers government and industry comments and develops an Australian position on Codex subject and commodity committees and task forces.

By contributing to the development of international standards and rules, the department helps reduce unnecessarily restrictive or costly requirements for market access. Our involvement also gives Australia an opportunity to implement biosecurity policies that adequately protect our favourable pest and disease status. We ensure international standards are based on science through our work on the World Trade Organization’s Committee on Sanitary and Phytosanitary Measures and on international standard-setting bodies such as the Codex Alimentarius Commission, the IPPC and the OIE.

Stakeholder survey results for KPI 1

Around 49 per cent of survey respondents agreed that we understand their businesses, compared with 26 per cent who neither agreed nor disagreed (Figure 9). Exporters were more positive than importers. Meat and beverage entities reported the highest level of satisfaction with the department’s understanding of their business (56 per cent and 71 per cent respectively). Overall, the results may reflect a need for us to work more closely with specific sectors to understand their operating environments and any concerns they have with the department’s regulatory activities.
Figure 9 Stakeholder perceptions—department understands business and industry, 2016–17

Figure 10 shows that 45 per cent of stakeholders agreed that we help their businesses deal with regulations, compared with 31 per cent who neither agreed nor disagreed.

Figure 10 Stakeholder perceptions—department helps businesses deal with regulations, 2016–17
KPI 2: Communication with regulated entities is clear, targeted and effective

Our objectives against KPI 2 are:

1) We provide guidance and information that is up to date, accurate, accessible and concise.
2) We consider the impact of regulation and engage with stakeholders before changing policies, practices or service standards.
3) We make decisions, providing the underlying reasons for them, and give advice in a manner that is timely, consistent and supports predictable outcomes.

Table 4 provides our self-assessment against KPI 2 performance measures.

Table 4 Self-assessment against KPI 2 performance measures, 2016–17

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
</table>
| 100 per cent of relevant legislation and guidance on regulatory requirements is readily available and regularly reviewed. | Partially met | • All relevant legislation is publicly available on the Federal Register of Legislation. Stakeholders can access legislation, guidance, industry advice notices and compliance advice notices on the department website. We also provide subscribers with regular e-updates. We periodically review and update department instructions and guidelines.  
• We are reviewing key legislation to ensure relevance and simplify regulatory requirements. This includes current reviews of export regulations and the recent review of illegal logging regulations. |
| Stakeholder engagement toolkit is available for staff use when interacting with stakeholders. | Met | • Staff are encouraged to include stakeholder engagement strategies in their project plans and we provide staff with our stakeholder engagement framework, guidelines and templates. |
| Engagement and discussion with industry stakeholders on potential changes to regulatory policies, practices or service standards is undertaken. | Met | • When developing regulation and service delivery, we incorporate feedback from regulated entities and client surveys and take corrective action where appropriate. We have developed service standards across our regulatory service functions.  
• We conducted more than 16 public consultations in 2016–17. We regularly participate in industry forums and maintain industry consultative forums across our regulatory responsibilities. We also conduct targeted consultations and engaged with experts and industry representatives as appropriate.  
• In early 2017 the Australian National Audit Office released its report Implementation of the Biosecurity Legislative Framework. The audit found that we effectively engaged with stakeholders, including relevant government entities and key industry bodies on the introduction of the new framework legislation. |
| Our decisions are upheld after external review. | Met | • None of the department’s regulatory decisions have been referred for external review. |

Note: Based on performance measures published in the Department of Agriculture and Water Resources Regulator Performances Framework 2016–17.
**Box 2 Public consultation**

Sharing information and seeking feedback from regulated entities and stakeholders helps us to develop and manage our policies, program regulations and service delivery. Genuine consultation ensures that we consider practical and viable policy alternatives in our decision-making. It helps us quantify the burden of proposed regulatory measures as part of the government's regulatory reform agenda. In 2016–17 we consulted on:

- Inorganic Fertiliser Policy
- Levy process reform
- Biosecurity import requirements for Tahitian limes from the Cook Islands, Niue, Samoa, Tonga and Vanuatu
- High pressure processing of chicken meat
- Changes to the inspection and analysis of imported foods
- Agricultural and Veterinary Chemicals Legislation Amendment (Operational Efficiency) Bill 2017
- Regulation impact statement: Export tariff rate quota regulatory streamlining
- In-water hull and biofouling survey of vessels entering Australian ports
- Biosecurity (Ballast Water and Sediment) Determination 2017 exposure draft
- Commonwealth Fisheries Harvest Strategy Policy
- Import conditions for used machinery
- Amendments to the Imported Food Control Act including international consultation
- Changes to imported food regulations
- Australia's illegal logging regulations – Consultation regulation impact statement
- Importation of strawberries from Korea
- Horse disease response levy review
- Draft report for importation of dragon fruit from Vietnam

Australia has a leadership role in developing international agricultural and food standards. The Australian Chief Veterinary Officer is an elected member and Vice President of the World Organisation for Animal Health (OIE). Senior officials from the Department of Agriculture and Water Resources chair the governing body of the International Plant Protection Convention (IPPC), the IPPC Standards Committee and the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS), which the department also hosts.

In May 2017 the 23rd session of CCFICS proposed a draft guideline on monitoring the performance of national food control systems. Members also started developing guidance on systems equivalence, paperless (electronic) certificates and regulatory approaches to third-party assurance schemes in food safety and trade. Australia's Codex Contact Point (CCP) is located within the department. It considers government and industry comments and develops an Australian position on Codex subject and commodity committees and task forces.

By contributing to the development of international standards and rules, the department helps reduce unnecessarily restrictive or costly requirements for market access. Our involvement also gives Australia an opportunity to implement biosecurity policies that adequately protect our favourable pest and disease status. We ensure international standards are based on science through our work on the World Trade Organization's Committee on Sanitary and Phytosanitary Measures and on international standard-setting bodies such as the Codex Alimentarius Commission, the IPPC and the OIE.
Stakeholder survey results for KPI 2

Our website was the most popular source of information for 39 per cent of respondents, followed by ‘contacting the department by phone’ (20 per cent) and ‘being notified by the department via its email service’ (15 per cent).

Survey respondents indicated significant confidence in the department’s regulatory information and advice: 80 per cent of importer entities answered that they were highly confident they had all the knowledge they required to meet compliance obligations for import processes. Most exporters (80 per cent) echoed this response in relation to the export certification process.

The majority of operators (61.9 per cent) agreed that our information and advice about regulatory activities was up to date. However, only 44.4 per cent found the content easy to understand and 38.3 per cent easy to find (Figure 11). Looking forward, will work to improve our written content and other communication sources. We continue to improve our website to enhance accessibility and access to our online content.

Figure 11 Stakeholder perceptions—quality and availability of information provided by department, 2016–17
KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed

Our objectives against KPI 3 are:

1) We apply a risk-based, proportionate approach to compliance, engagement and enforcement activities.

2) We regularly assess the regulatory environment to identify new and changing regulatory risks. We alter strategies, systems and processes appropriately without reducing regulatory certainty.

3) We recognise the compliance record of regulated entities, providing for earned autonomy where appropriate and permitted by legislation.

4) We consider all available and relevant data on compliance.

Table 5 provides our self-assessment against KPI 3 performance measures.

**Table 5 Self-assessment against KPI 3 performance measures, 2016–17**

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
</table>
| Risk assessments for imported goods use contemporary risk analysis, best available science and advice. | Met | • We conduct import risk assessments in accordance with Biosecurity Act Regulations. We use data from a range of sources and draw on the expertise of department staff and internal and external peer reviewers to ensure we have used the best available science and advice. The Inspector-General of Biosecurity provides assurance for Australia’s biosecurity risk management systems through independent evaluation and verification.  
• In early 2017 we responded to the outbreak of white spot disease in Queensland prawns with a range of regulatory measures and a coordinated assistance package for affected prawn farmers. This incident prompted several internal and external reviews, including reviews by the Inspector-General of Biosecurity and a Senate Standing Committee. We have responded to the findings of these reviews and are continuing to implement a range of measures. These include enhanced import conditions and strict inspection and testing measures to support the safe resumption of trade in uncooked prawns and prawn meat. There are also new requirements for importers to obtain certification from exporting countries to certify that all high risk relevant prawn products are inspected and free of white spot syndrome virus and yellow head virus prior to export. A review of the biosecurity risks of, and import conditions for, prawns and prawn products for human consumption is currently underway. This review will involve a comprehensive scientific analysis and broad consultation and is expected to take several years to complete.  
• Under the Compliance-based Inspection Scheme, plant importers of eligible commodities who demonstrate consistent compliance with Australia’s biosecurity requirements are rewarded with a risk-based inspection rate. |
### Performance measures

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
</table>
| We added eight eligible commodities to the scheme in 2016–17, bringing the total to 25. | Met        | • We continued to work on the Agricultural Competitiveness White Paper biosecurity surveillance and analysis initiative. This includes improving import risk assessment processes and reviewing import conditions for currency and effectiveness in managing biosecurity risk. Assessments provide risk and science-based technical and scientific advice and set biosecurity conditions for the safe importation of animals and animal products (including aquatic animals and their products) and plant and plant-based products (including timber).  
  • We continued to develop the data that underpins our illegal logging risk assessments. These assessments are informed by intelligence and data generated through a range of mediums, including illegal logging reports, shared intelligence, expert advice and engagement in relevant international forums.  
  • Where necessary we implemented interim risk management measures for temporary import suspensions. For example, we are reviewing biosecurity risks of, and import conditions for, prawns and prawn products imported for human consumption. We will consult with aquatic health and production experts in Australian and state/territory government agencies, universities and industry to ensure the review reflects the best available science and advice. |
| The department’s compliance strategy is risk based, regularly reviewed and updated.      | Met        | • We use our compliance plans to inform biosecurity, export and illegal logging compliance programs. These plans help us adapt regulatory responses to match different stakeholder operating environments. We implement different plans and approaches to managing risks to Australia’s biosecurity, illegal logging and the WELS scheme.                                                                                                                                                                                                                           |
| A range of graduated compliance and enforcement tools are used where applicable.        | Met        | • We use compliance and enforcement tools and approaches tailored to the identified risks and behaviour of our regulated entities. These include inspections, audits, fit and proper person tests, warrants and investigations. Our enforcement tools include enforceable undertakings and injunctions.                                                                                                                                                                                                                     |
| The department undertakes coordinated environmental scanning at least annually to identify new and emerging risks. | Partially met | • We conduct environmental scanning and review and update our assessment of risk through our corporate planning process and internal business planning and performance review processes.  
  • We also use foresighting tools, such as the International Biosecurity Intelligence System, to identify new and emerging risks.  
  • During this period we issued 43 warrants, 175 letter of warning/advice, and 3,431 infringement notices under the Biosecurity legislation.  
  • Staff are aware of regulatory risk assessment strategies and management and associated policies, processes and procedures.  
  • We offer a range of online training courses to staff, including introduction to risk management, biosecurity risk, export food requirements and specific training on various legislation and regulations. Detailed work instructions and guidelines are available to all staff and these are reviewed periodically to ensure relevance.  
  • We conduct annual internal surveys to ensure staff understand their duties under the Biosecurity Act. We use survey results to identify gaps in training or the need for changes to tools and work instructions. |

Note: Based on performance measures published in the Department of Agriculture and Water Resources Regulator Performances Framework 2016–17.
Stakeholder survey results for KPI 3

According to 54 per cent of survey respondents, the department acknowledges companies that meet their compliance obligations (Figure 12). Over 60 per cent of these respondents were entities from the meat, seafood, food (general) and beverages sectors. Only 12 per cent of those surveyed disagreed with the statement, compared with 34 per cent who neither agreed nor disagreed.

Figure 12 Stakeholder perceptions—department acknowledges companies that meet regulations, 2016–17
KPI 4: Compliance and monitoring approaches are streamlined and coordinated

Our objectives against KPI 4 are:

1) Our information requests are tailored, made only when necessary to ensure achievement of regulatory objectives and have minimal impact.

2) We coordinate our own compliance activities and work with other regulators to minimise duplication.

3) We use existing information to limit the requests of stakeholders and we share the information with other regulators where possible.

4) We base our monitoring and inspection approaches on risk and where possible account for the circumstances of the client’s operating context.

Table 6 provides our self-assessment against KPI 4 performance measures.

Table 6 Self-assessment against KPI 4 performance measures, 2016–17

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress on the Service Delivery Modernisation program aimed at improving ineffective or inefficient business process.</td>
<td>Met</td>
<td>• Our Service Delivery Modernisation program delivered a range of benefits to stakeholders, including enhancements to the Post Entry Biosecurity System (PEBS). The upgraded PEBS enables importers of plants and plant material to move from paper-based post-entry quarantine processes to a single online interface for managing bookings, releases and payment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We implemented an online interface for stakeholders applying to establish an approved arrangement, enabling around 80 industry participants to move from paper forms to online applications. Benefits include improved data quality and performance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We improved the levy system by designing a levy payer register and streamlining transactions through Levies Online.</td>
</tr>
<tr>
<td>Demonstrated collaboration with other relevant regulators aimed at reducing unnecessary or disproportionate compliance costs.</td>
<td>Met</td>
<td>• Around 50 per cent of meat export certificates are issued electronically directly to authorities in importing countries. We are conducting trials to expand the scheme.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• In collaboration with Standards Australia and several interested countries, WELS staff began work on an ISO International Standard for water-efficient product testing, rating and labelling.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• We regularly consult with state food authorities on regulation of export establishments and export businesses through the Food Export Regulators Steering Committee. We also sit on regulatory committees (Australian Meat Regulators Group and the Implementation Subcommittee for Food Regulation) to develop consistent policy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The Australia—US Food Safety Recognition Arrangement (FSRA) was signed in April 2017. It covers food that the US Food and Drug Administration (US FDA) regulates for food safety, including most canned foods, seafood, dairy products, fresh fruit and vegetables, fruit juices, confectionery and baked</td>
</tr>
</tbody>
</table>
### Performance measures

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspection and monitoring is conducted based on a risk-based approach where permitted by regulation.</td>
<td>Met</td>
<td>- We regularly participate in discussions on illegal logging. These include the APEC Expert Group on Illegal Logging and Associated Trade, the Timber Regulation Enforcement Exchange groups and regular bilateral meetings. Domestically, we communicate regularly with state government regulators. The information gathered through these processes helps us shape our own regulatory practices and informs us of emerging requirements for Australian timber exports.</td>
</tr>
<tr>
<td>Client Service Charter time frames are met.</td>
<td>Partially met</td>
<td>- We target our inspection of imported goods, including mail, cargo (commercial and non-commercial) and international travellers and their personal effects. Targeting is based on intelligence gathered from a range of sources, including reports, shared intelligence and discussions with experts. We also inspect around 6,000 randomly selected consignments of commercial sea cargo each year.</td>
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<tr>
<td></td>
<td></td>
<td>- Risk-based arrangements at the border support partnerships with importers whose commercial systems meet import requirements. These approved arrangements provide an opportunity for businesses to reduce costs and enable us to continue to manage biosecurity risks.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100 per cent of import risk assessments were conducted in accordance with Biosecurity Act Regulations and/or relevant department policies and procedures.</td>
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<tr>
<td></td>
<td></td>
<td>- We successfully implemented approved arrangements for livestock exporters, with 100 per cent of consignments now exported under the risk-based framework. Approved arrangements have reduced administrative duplication, improved time frames for consignment approval and allowed compliant exporters to operate with less intervention. We monitor the performance and obligations of approved arrangement holders through scheduled and targeted inspections and audits. We supported exporters during implementation and provided regular feedback on performance. As a result, 98 per cent of consignments in 2016–17 were assessed as compliant.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Under the illegal logging legislation, compliance auditing and assessment focus on pathways and products that pose the greatest risk of containing illegally logged material.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- We are delivering our regulatory service functions within agreed time frames and have demonstrated our commitment to improving service delivery by meeting or exceeding our performance targets across 17 of the 18 client service standards (Box 3). For example, in 2016–17 we received 220,747 calls through our national client service number. Of the 94.7 per cent of calls answered, 87.8 per cent were answered within the service level standard of 120 seconds, against our service target of 80 per cent.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- We did not meet our target of inspecting goods at an approved premises within three business days of booking (target: 95 per cent within three days). This was a result of significant short-term increases in inspection activity at two locations.</td>
</tr>
</tbody>
</table>

Note: Based on performance measures published in the [Department of Agriculture and Water Resources Regulator Performances Framework 2016–17](https://www.agricultrue.gov.au/).
Box 3 Client Service Charter

Our charter outlines our service commitments and establishes benchmarks for delivering biosecurity and export-related services.

The quality of service we provide to our clients is measured against 18 client service standards. In 2016–17 we expanded the range of client service standards beyond our client contact services to include our import and export services.

Table 7 Self-assessment against service standards, 2016–17

<table>
<thead>
<tr>
<th>Category</th>
<th>Rating</th>
<th>Service standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client contact services</td>
<td>Met</td>
<td>Correspondence by phone</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Correspondence via online forms</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Bookings by phone/email</td>
</tr>
<tr>
<td>Import services</td>
<td>Not met</td>
<td>Inspection of goods at an approved premises</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Treatments</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Inspection of non-standard vessels</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Assess/issue documentation lodged via COLS</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Assess/issue documentation lodged via email</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Attend in-office for clearing of import and export of goods</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Import applications—using BICON</td>
</tr>
<tr>
<td>Export services</td>
<td>Met</td>
<td>Inspection of goods at an export registered establishment</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Inspection of export goods for airfreight</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Inspection of export goods for sea freight</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Inspection of bulk vessels for export</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Assess/issue export documentation</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Plant export authorised officer applications—application assessment</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Plant export authorised officer applications—deed of obligation</td>
</tr>
<tr>
<td></td>
<td>Met</td>
<td>Plant export authorised officer applications—instrument of appointment</td>
</tr>
</tbody>
</table>
Stakeholder survey results for KPI 4

Figure 13 shows that 59 per cent of survey respondents agreed that our monitoring and inspection activities are based on the level of risk of their operations. Around 30 per cent neither agreed nor disagreed, compared with around 11 per cent who disagreed. The results were similar for importers and exporters.

**Figure 13 Stakeholder perceptions—department monitoring and inspection of activities based on level of risk of entity operations, 2016–17**
KPI 5: Regulators are open and transparent in their dealings with regulated entities

Our objectives against KPI 5 are:

1) Our risk-based compliance monitoring and enforcement frameworks or strategies are publicly available in a clear, understandable and accessible format.

2) We are open and responsive to requests from regulated entities about the operation of these risk-based frameworks and the approaches we implement.

3) We publish our performance results in a timely manner to ensure public accountability.

Table 8 provides our self-assessment against KPI 5 performance measures.

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
</table>
| Risk-based frameworks or strategies are available on the department’s website and include systems for regular review and update. | Partially met | • Our compliance plans and strategies for biosecurity and illegal logging are available on our website and reviewed annually. The WELS scheme compliance strategy is available on the water rating website.  
• Our Enterprise Risk Management Policy and Framework are administered in accordance with the requirements of the Commonwealth Risk Management Policy. In 2016–17 we reviewed our risk governance arrangements, including our strategic risks and the department’s risk appetite statement. |
| Engagement with relevant representatives is undertaken before changes to regulatory policies, practices or service standards. | Met | • We maintain close contact with industry representatives through our industry consultative committees (ICCs), ensuring efficient and effective service delivery. ICCs are instrumental in developing effective operational responses to government policy for our import and export programs. We also meet with key stakeholders on changes to regulation and delivery arrangements and on significant regulatory changes (see KPI 2).  
• Communication with the building, construction and development industry is increasing industry awareness of responsibilities under the WELS Act.  
• We continue to work with key industry associations to improve understanding and awareness of the illegal logging laws. This includes the development of new industry-generated due diligence guidance materials and targeted outreach activities. |
| Reports to stakeholders and other regulator performance reports are published in the required time frames. | Partially met | • Our 2016–17 annual report, published in October 2017, covers regulatory performance and reform and service delivery, with a focus on our performance in biosecurity regulation, export certification, levy management and the WELS scheme. We published our first Regulator performance framework report in February 2017. Our biannual Levy reports to stakeholders cover our performance in levy administration and imported food regulation. |

Note: Based on performance measures published in the Department of Agriculture and Water Resources Regulator Performances Framework 2016–17.
Stakeholder survey results for KPI 5

The survey found that 63 per cent of survey respondents agreed that the department is open and transparent (Figure 14). Meat and beverage operators represented 80 per cent of this response. In contrast, 20 per cent of respondents neither agreed nor disagreed and 17 per cent disagreed.

Figure 14 Stakeholder perceptions—department is open and transparent, 2016–17

Figure 15 shows that 63 per cent of survey respondents agreed with the statement that businesses that fail to comply with regulations will receive applicable penalties. A relatively low number of respondents (25 per cent) neither agreed nor disagreed and only 12 per cent disagreed.

Figure 15 Stakeholder perceptions—businesses that fail to comply with regulations will receive applicable penalties, 2016–17
### KPI 6: We contribute to the continuous improvement of regulatory frameworks

Our objectives against KPI 6 are:

1) We establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of our regulatory framework.

2) We engage stakeholders in the development of options to reduce compliance costs.

3) We regularly share feedback from our stakeholders and performance information with policy areas to improve operations of the regulatory framework and administrative processes.

Table 9 provides our self-assessment against KPI 6 performance measures.

**Table 9 Self-assessment against KPI 6 performance measures, 2016–17**

<table>
<thead>
<tr>
<th>Performance measures</th>
<th>Rating</th>
<th>Contributing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio industries and other stakeholders are regularly consulted on opportunities to reduce unnecessary compliance costs.</td>
<td>Met</td>
<td>We conducted 16 public consultations (as outlined against KPI 2). We consulted with industry and other stakeholders on a range of regulatory reviews aimed at streamlining regulations and reducing regulatory compliance costs.</td>
</tr>
<tr>
<td>Regular updates are provided to policy areas and other agencies regarding stakeholder and regulated entity feedback on regulatory frameworks.</td>
<td>Met</td>
<td>We publish regular reports on our performance as a regulator (including this report). We also report on aspects of our regulatory performance in our annual report. Our compliance teams work closely with departmental policy areas and provide regular feedback on emerging issues. A memorandum of understanding (MOU), signed by the secretaries of the Department of Agriculture and Water Resources and the Department of Health, establishes the framework for how the two agencies work together on biosecurity, imported food and development of food standards, disease management, regulation of genetically modified organisms, management of antimicrobial resistance, pesticides and veterinary medicines. We take part in the Quarantine Regulators Meeting (established in 2008), an annual forum that aims to connect government agencies responsible for, or involved in, biosecurity and border management. The last meeting was held in May 2017. Our six-monthly meetings with the Timber Regulation Enforcement Exchange enable us to share best-practice illegal logging law enforcement arrangements with foreign governments and other relevant parties.</td>
</tr>
<tr>
<td>Regular updates are provided to policy areas regarding the effectiveness of the department’s regulatory performance.</td>
<td>Met</td>
<td>Our policy areas work together to review and assess our regulatory performance. In 2016–17 we developed a stakeholder survey to collate feedback from regulated entities and individuals. We report on the stakeholder survey as part of this self-assessment report. Our Regulatory Reform Advisory Group, consisting of senior executives from across the portfolio, enables the department to...</td>
</tr>
</tbody>
</table>
Performance measures | Rating | Contributing activities
--- | --- | ---
| | | share information and provide updates. The group promotes best-practice regulatory behaviour. We engage with whole-of-government on the regulatory reform agenda.
- Our project boards meet regularly throughout the year, providing opportunities to monitor project progress and share ideas and feedback, including regulator performance and compliance activities.

Note: Based on performance measures published in the Department of Agriculture and Water Resources Regulator Performances Framework 2016–17.

Stakeholder survey results for KPI 6

Figure 16 shows that 43 per cent of survey respondents agreed that the department works closely with industry stakeholders to streamline regulations. Meat and beverage operators were the most positive: 86 per cent of beverage operators and 56 per cent of meat operators agreed with the statement. Fewer than one in three operators disagreed with the statement, compared with 26 per cent who neither agreed nor disagreed.

**Figure 16 Stakeholder perceptions—department works closely with industry stakeholders to streamline regulations, 2016–17**

- **43%** Agree
- **31%** Neither
- **26%** Disagree
Appendix A: Stakeholder survey

In 2017 we contracted a professional survey provider to conduct a survey of key stakeholders, including regulated entities. Survey respondents included agriculture exporters and food importers that are regulated entities under our regulatory schemes. The survey sought feedback on how well we are meeting our corporate objectives, including effective and efficient management of regulation and compliance processes.

The survey collected stakeholder perspectives on:

- Satisfaction with our biosecurity, goods inspections and export and import certification.
- Channels used by stakeholders to obtain information on regulations and compliance.
- Adequacy of available regulatory information and advice for stakeholders to meet their compliance obligations.
- Our understanding of client operating environments.
- Satisfaction with our level of engagement with stakeholders on changes to regulation requirements that will affect them.
- Our fairness in managing risk for stakeholders.
- Our efforts to streamline regulation and compliance activities and coordinate with other regulatory agencies.
- Our responsiveness in dealing with regulation inquiries.

The survey assessed satisfaction and agreement ratings based on a 1 to 5 scale. The survey report presents results for the proportion (per cent) of respondents who gave a particular rating for a specific service or performance indicator. These results are presented in collapsed category tables, where proportions have been assigned to one of the following dissatisfied/disagree (rating score of 1 & 2), neither (rating score of 3) and satisfied/agree (rating score 4 & 5).

A number of factors should be taken into consideration when reviewing the survey results:

- We used external databases to source a random sample of entities for the survey. Due to privacy legislation, we were unable to provide a list of our regulated entities for the sample frame. However, each entity surveyed was screened by the external survey provider to ensure they had a relevant interaction with the department. We invited 593 stakeholders to participate in the survey and received 219 responses (a 37 per cent response rate).
- Feedback provided by entities on our activities may have been influenced by several factors, including their direct experience with the department and general perceptions of government agencies that have a regulatory and compliance function.
- The *Biosecurity Act 2015* came into effect in June 2016. The survey coincided with the period when the department was familiarising entities with the requirements under the new Act.
- Our program of delivering services on an online platform is a recent innovation and can therefore be expected to develop and improve in the short to medium term.
- The survey did not examine specific regulatory activities (for example, audits) and therefore results are not suitable for assessing specific regulatory activities. We recognise that entities interact with the department on a number of levels.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>biosecurity</td>
<td>protection of the economy, environment, and human, animal and plant health from pests and diseases</td>
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<tr>
<td>biosecurity continuum</td>
<td>management of biosecurity risks offshore, at the border and onshore, with an emphasis on intelligence and analysis, planning, verifying and auditing third-party service providers</td>
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<tr>
<td>certification of exports</td>
<td>provision of official documentation confirming that goods exported from Australia conform to conditions imposed by importing countries</td>
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<tr>
<td>levies</td>
<td>money collected and administered by the department on behalf of industry for use in research and development, marketing and promotion, plant and animal health programs and residue testing activities that benefit industry</td>
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<tr>
<td>market access</td>
<td>openness of a country’s trading market to foreign goods and services</td>
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<tr>
<td>quota</td>
<td>limit imposed on the amount of a particular commodity that can be exported or imported</td>
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<tr>
<td>sanitary and phytosanitary</td>
<td>relating to issues of human, animal and plant health, most often in regard to biosecurity measures</td>
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