



Regulator Performance Framework

Self-Assessment Report 2020-21

2020-21 Regulator Performance Framework Report

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Summary

The Department of Agriculture, Water and the Environment plays a critical role in managing and enhancing Australia's agriculture, unique environment, heritage and water resources. We deliver policies and programs for a strong economy and a healthy environment.

We are a department comprised of different regulators that interact with many sectors in the Australian economy. As the Australian economy recovers from the devastating natural disasters and impacts of the global COVID-19 pandemic, we continue to review our regulatory settings to ensure they are delivering desired outcomes at the lowest necessary cost to businesses. We continue to strongly support the Australian Government's efforts to reduce unnecessary red tape and improve regulatory efficiencies and outcomes including through streamlining and digitally transforming processes.

In 2020-21 the department has continued to address the contextual challenges we noted in the 2019-20 departmental narrative. We have built on our department's earlier work in its Future Department Review, developing a Future Department Blueprint action plan that will transform the way we work and grow us into an agile and future-ready organisation. Our Future Department Review and Blueprint have made a clear imperative for maturing the department's regulatory functions and outline the organisational capabilities we need to further develop.

In 2021, we published a Regulatory Practice Statement that outlines our commitment to regulate in accordance with generally recognised principles of better practice. We have developed a Professional Regulator Capability Framework to support all staff with developing the capabilities needed to deliver effective regulation. These initiatives have been driven through our Regulatory Practice Committee, which provides whole-of-department leadership across our regulatory functions. The committee has connected directly to each of our regulatory functions to drive practical implementation. It maintains a focus on delivering further initiatives through 2021-22 to continue to mature the department as a regulator.

We are proud of the approaches we took during 2020-21 to adapt our regulatory approach to remain effective during the practical constraints arising from the COVID-19 pandemic. These lessons have been highlighted throughout this report to showcase changes we have made and will continue to improve.

This report sets out the performance of six regulatory functions against the six outcomes-based key performance indicators (KPIs) and a self-assessed maturity rating. To further advance our regulatory maturity, the department developed its own performance measures that align to the principles of best practice outlined by the Government's Regulator Performance Guide.

The department's overall self-assessment rating for 2020-21 is **'Emerging'**, recognising that we are regulating at varying degrees of maturity across our diverse regulatory functions.

Through 2021-22. We are committed to improving how we deliver regulatory outcomes, recognising contributions made by independent reviewers (including Inspector-Generals), strengthening the capability of our workforce and striving towards better practice regulation.

Background

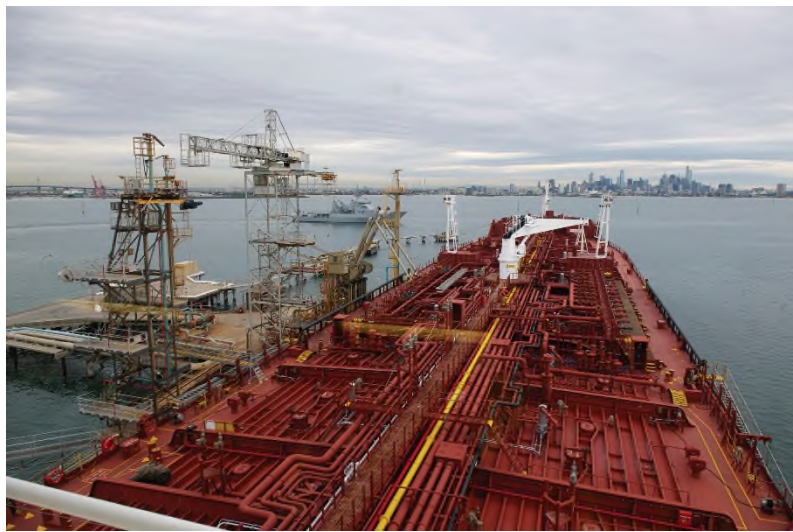
Since the 2014 release of the Regulator Performance Framework, the Government has committed to reducing the burden of regulation on individuals, business and community organisations.

This framework was replaced on 1 July 2021 by the Regulator Performance Guide, which provides greater flexibility for regulators in reporting their regulatory performance. The department intends to align to the new Regulator Performance Guide in 2021-22 and future reporting periods.

This report has been developed consistent with the 2014 Regulator Performance Framework, with the department's self-assessed performance against each of the six outcomes based KPIs that articulate the Government's overarching expectations of regulator performance.



Monteaegle Stock in Rangelands – Grant Hobson



View from the bridge of a ship – Arthur Mostead



Mainland – Kerry Trapnell

Introduction to our regulatory reporting functions

Agricultural Levies:

The Australian levy system is a partnership between government and industry. By pooling their physical, financial and research resources, industries can work together to find better farming methods and increase demand for their products. As a result, 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 levies function in the department collects, administers, and disburses agricultural levies and charges on behalf of Australia's primary industries. These are used to fund activities such as research and development, marketing and promotion, residue testing and plant and animal health programs.

The Levies Compliance Team is responsible for the delivery of an annual risk-based compliance program that encourages levy payers to voluntarily comply with legislation and provides assurance to government and industry stakeholders that levy collections are materially complete.

Biosecurity:

Australia's biosecurity system aims to minimise, to an appropriate level of protection, the risk of exotic pests and diseases entering Australia so as to protect our agriculture industries as well as our unique environment, native flora and fauna, tourism industries and lifestyle.

Biosecurity uses a risk-based approach in preventing or responding to the incursion of pests or diseases— offshore, at the border and onshore within Australia. This is supported by research, science and intelligence gathering, helping us target what matters most. Surveillance and monitoring of risk areas is also critical, along with industry partnerships, and border control activities focused on assessing and managing potential biosecurity threats at Australia's airports, seaports, and international mail centres.

The biosecurity system functions through the administration of the *Biosecurity Act 2015*. The legislation is 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.

Environment:

A range of environmental regulatory functions are combined in this report, accounting for the following functions:

- Australian Antarctic
- Environment Approvals
- Environment Protection
- Heritage, Reef and Wildlife Trade
- Illegal Logging

The maturity of our environmental functions varies across their broad remit of responsibilities.

Australian Antarctic function:

Australia's activities in Antarctica, from scientific research through to logistics and transport, are coordinated through the Australian Antarctic Program. The Program is highly collaborative, with

partnerships across government and more than 150 national and international research institutions. Australia also works with other countries' Antarctic programs to run joint international scientific and logistical operations. Australia's national interests and vision for future engagement in Antarctica are set out in the Australian Antarctic Strategy and 20 Year Action Plan. The Plan recognises Australia's strong strategic and scientific interests in Antarctica and the Southern Ocean and aims to build Australia's role as a leader in the region.

Australia has obligations under the Antarctic Treaty system, other international agreements and national legislation to protect the Antarctic environment. International obligations are implemented through Australian laws. The Australian Antarctic Division (AAD) is responsible for the comprehensive protection of the Antarctic environment, as well as protecting and managing the Territory of Heard Island and McDonald Islands and managing the environmental aspects of Australia's other activities in the subantarctic.

The AAD is responsible for the administration of Australian environmental laws concerning the Antarctic and sub-Antarctic and all activities carried out in the Antarctic Treaty Area by Australian citizens, Australian organisations and Australian expeditions are required to be assessed for their environmental impact and approval.

In December 2020 the AAD's environmental approvals process was subject to an internal audit by contractors supporting the department's assurance area. The objective of the Audit was to assess whether the department's administration of the EIA approvals process through the AAD, is effective in achieving stated legislative and regulatory objectives and whether the service delivery is efficient. All five key recommendations were implemented by July 2021.

Environment Approvals function:

Environment Approvals Division is responsible for delivering efficient and effective administration of referrals, assessments and approvals under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). These support sustainable development to enhance Australia's environment and unique heritage by delivering efficient and effective regulation of projects potentially impacting matters of national environment significance.

The division continued to improve the delivery of environmental approvals under the EPBC Act. During the year, 98 per cent of key decisions were made within statutory time frames and the backlog of overdue key decisions from the previous year was substantially cleared.

On 25 June 2020, the Australian National Audit Office tabled in Parliament a performance audit report of administration of referrals, assessments and approvals of controlled actions under the EPBC Act.

There has been significant work undertaken by the department since this time, including:

- a new conflict of interest register and mandatory declarations for all environmental approvals staff
- mandatory training for new delegates and assessment officers
- mandatory refresher training for experienced staff
- a compliance risk review to focus our regulatory approach on the areas of greatest risk
- a new quality assurance framework to provide ongoing confidence in the quality and integrity of decisions
- a new online portal and workflow system to streamline assessment processes.

The division is also developing a new performance framework, which will provide transparency on our progress in improving the efficiency and effectiveness of our administration of the EPBC Act.

Environment Protection function:

The Environment Protection Division is responsible for the management of waste and recycling, responsible chemical use, clean air, ozone protection and emissions management.

The *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* enacts Australia's obligations under the Montreal Protocol and the UN Framework Convention on Climate Change and regulates the import, manufacture, export and use of ozone depleting substances and synthetic greenhouse gases and equipment containing these substances.

The Product Emissions Standards apply to all spark-ignition non-road and marine engines imported, manufactured and supplied in Australia, to reduce air pollution throughout Australia. An example was when the Federal Court ordered a company to pay a \$500,000 civil penalty plus disposal costs in October 2020.

The National Television and Computer Recycling Scheme (NTCRS) provides Australian households and small businesses free access to industry-funded collection and recycling services.

The *Hazardous Waste (Regulation of Exports and Imports) Act 1989* enacts Australia's obligation under the Basel Convention and regulates the international movement of hazardous waste.

The *Recycling and Waste Reduction Act 2020* and subordinate rules provide the legislative framework for the regulation of certain waste exports from Australia.

Heritage, Reef and Wildlife Trade functions:

The Heritage, Reef and Wildlife Trade functions make the environment and our heritage assets better for current and future generations. The functions contribute to improving the extent, condition and connectivity of Australia's and the region's unique environment, consistent with national and international obligations.

Heritage works to identify, protect and promote Australia's unique heritage, including World, National and Commonwealth heritage places. The function supports the Australian Heritage Council established under the *Australian Heritage Council Act 2003*. They also manage the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* to protect places, areas and objects of significance to Indigenous Australians and administer the *Underwater Cultural Heritage Act 2018*.

The protection of the Great Barrier Reef through implementation of the Reef 2050 Plan, in partnership with the Great Barrier Reef Marine Park Authority and the Queensland Government is an important environmental regulatory responsibility governed by the Reef function.

The Wildlife Trade Office has the primary focus of the regulation of the international trade in wildlife and wildlife products through administration of Part 13 and 13A of the *Environment Protection and Biodiversity Conservation Act 1999*. This includes the assessment of permit applications for import and export, and the assessment of commercial wildlife harvesting programs, both fisheries and terrestrial, to ensure the take is not detrimental to biodiversity and is sustainable.

Illegal Logging function:

Illegal Logging is responsible for ensuring importers, domestic processors, customs brokers and overseas suppliers are compliant with Australia's illegal logging laws set out in the *Illegal Logging Prohibition Act 2012* and *Illegal Logging Prohibition Regulation 2012*.

Exports:

Australia exports livestock, non-livestock species (such as cats, dogs, horses, chicks and aquatic creatures), reproductive material and a wide variety of primary and secondary agricultural goods. The major species of livestock exported include sheep, cattle, buffalo and goats with the major agricultural commodities exported.

The export function responsibilities and powers are defined in the *Export Control Act 2020* and associated legislation.

The export certification system involves a range of regulatory activities that includes, among other requirements, the licensing of live animal exporters, registration of facilities, identification of exporters, accreditation of veterinarians involved in the trade and approval of in-country supply chains.

Modernising meat and livestock export regulation

The department is modernising and transforming regulation of agricultural exports, in support of delivering the \$328.4 million Busting Congestion for Agricultural Exporters package.

To accelerate the proposed modernisation agenda for meat exports, 14 modernisation projects were jointly developed through the Meat Modernisation Working Group (MMWG); a joint working group comprising DAWE executive and meat export industry leaders. Key focuses of the reform agenda include creating efficiencies for meat inspection processes and improving food safety outcomes due to reduced handling, and the modernisation of the department's digital capabilities to improve the effectiveness of the broader sector and adopt a more targeted, risk-based approach to regulation.

To address pressure points experienced in livestock exports, five key projects were jointly agreed through the Live Animal Exports Roundtable Working Group (RWG); a joint working group comprising DAWE executive, the key industry body, and the industry research and development corporation. These projects are modernising and streamlining the regulatory framework for DAWE and livestock export industry. Regulatory processes will become more efficient, and a smarter assurance and audit framework will be established, including using new technologies.

Both reform agendas are being supported by significant digital transformation initiatives in the department, including NEXDOC – the Next Export Documentation System – which will provide the Australian export industry with a modern technical platform that can integrate with supporting systems and new technologies. This system has already been delivered for dairy exports with other commodities to follow. These reform agendas aim to strengthen Australia's reputation resulting in new or improved international market access with streamlined regulatory arrangements, while reducing costs, strengthening risk management, and increasing confidence and transparency.

They are being complemented by cultural reform activities designed to enhance the productive relationship between the department and industry. The department, with the Department of Prime Minister and Cabinet and the Australian Public Service Commission, is leading a Regulator Training Pilot to improve the culture, capability and performance of agricultural export regulators. These initiatives support continuous improvement in regulation of the industries, and for livestock exports have helped repair working relationships between the department and industry following deterioration under the pressure of significant regulatory change and specific high-profile incidents.

Continuous engagement with key stakeholders will be paramount to build greater trust between government, international trading partners, and registered export establishments. Terry Nolan, Chair of the Australian Meat Industry Council (AMIC) National Processor Council and co-chair of the MMWG says “the meat modernisation work gives the government and industry a wonderful opportunity to work together; more collaboratively than I can ever remember ... We must - to remain relevant and capitalise on opportunities this technology era offers. It is imperative for the sustainability of our sector. I am pleased to report we are making progress.”

Imported Foods:

The Imported Foods function is responsible for administering the regulation of food imported into Australia. All imported food must first meet Australia’s biosecurity requirements under the *Biosecurity Act 2015*. Following biosecurity clearance (where applicable), food is monitored for safety and compliance with Australian food standards, including 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, a risk-based border inspection program.

Trial and implementation of virtual inspections

Following the World Health Organisations announcement of a worldwide pandemic in March 2020, Australia introduced lockdown measures to minimise transmission of the virus, which subsequently caused mass panic buying of grocery items. A ‘Supermarket taskforce’ was set up by the Australian government to investigate ways of expediting the border clearance of imported groceries. This taskforce comprised representatives from all the major supermarkets and relevant industry groups, including selected members of the Food and Beverage Importer’s Association.

One of the recommendations of this taskforce was for the department to trial conducting imported food inspections virtually.

The trial commenced on 4 May 2020 and supported the department’s authorised officers conducting label and visual inspections of surveillance food in real time using smart portable devices, rather than attending an importers premises for a physical inspection of the food. This enabled inspections to continue during the pandemic, as there was no contact between authorised officers and importers/brokers.

Upon completion of the trial on 31 December 2020, it was considered a success, demonstrating that virtual inspections of low risk imported food are a viable option and offer many benefits to food importers and the department. The main benefits of the trial, noted by importers, included reduced delays in booking an inspection and reduced risk of infection during the pandemic as there was no need for a departmental officer to visit the premises. The latter benefit also applied to the Department along with more flexibility to utilise officers working away from the office or located in other regions.

Due to the success of the trial, virtual inspections are now a permanent option for food importers. From July 2021, importers have been able to express interest in participating in these inspections. This option has been strongly supported by industry, with 80 expressions of interest received in 2020-21, resulting in 33 successful virtual inspections conducted across the country.

Water Efficiency Labelling and Standards Scheme:

The *Water Efficiency Labelling and Standards Act 2005* and corresponding state and territory legislation provide for the operation of the WELS scheme. The WELS Act aims to:

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

Management of the scheme is the responsibility of the Department of Agriculture, Water and the Environment, working in partnership with industry and state and territory governments.

The scheme applies to dishwashers, washing machines, taps, showers, lavatories, urinals and flow controllers. To be legally supplied, these products must meet the performance and testing requirements of the WELS scheme and must be registered and labelled correctly.

The WELS scheme has dependencies with two other national regulatory schemes. Namely, the WaterMark Certification Scheme for plumbing products, and the Equipment Energy Efficiency Program (E3), under the *Greenhouse and Energy Minimum Standards Act 2012* for washing machines and dishwashers.

Reasonable compliance action in the context of industry maturity

In 2020, a flow controller used in thousands of WELS registered taps and showers had its WaterMark certificate withdrawn for reasons that didn't affect the product's water efficiency. The withdrawal of a WaterMark certificate makes it an offence to offer to supply products under the WELS Act and renders the product unsuitable for installation. To rectify the issue with as little impact on industry as possible, the WELS Regulator worked closely with several industry partners, co-regulators and all affected businesses to determine a reasonable compliance approach.

The regulator provided businesses with the following options to manage this issue:

1. allowed businesses that already had products registered time to replace the flow controller,
2. allowed businesses to choose to allow their affected registrations of these products to lapse and no longer be supplied.

Our compliance response enabled:

- suppliers to continue to supply WELS registered products that use that particular flow controller currently in the market until the registration lapsed, rather than immediately discontinuing the supply of the product
- industry to rectify compliance issues while managing the risk in a reasonable and proportionate way.

This approach underpinned several of the regulatory practice principles and resulted in a good outcome for all stakeholders involved, with minimal disruption to business and maintaining consumer confidence and trust in the scheme.

High level summary and conclusion for 2020-21

This section provides a high-level summary and rating of the Departments against the six Key Performance Indicators, as well as an overall rating, for the 2020-21 reporting period. The following maturity scale has been used:

Maturity level	Characteristics
Opposed	There are barriers or opposition to practice; people are fearful or hostile; people believe that it could never come about
Absent	No sign of practice, but this is for 'benign' reasons e.g. it is not thought of as required
Limited	Practice is occurring but it may be flawed and/or frustrating
Emerging	Practice is happening, but only in some of the areas or instances where it should. Practice may contain errors, inefficiencies and inconsistencies
Mature (benchmark)	Practice is operating regularly, consistently and well as measured against relevant Outcome Indicators
Leading	Practice is recognised as a benchmark by others; innovative; pushing the boundaries of best practice; helping establish new or stronger professional standards

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

The Department's overall self-assessment rating for 2020-21 is **Emerging**.

This maturity rating takes into consideration the nuances involved in the diverse regulatory functions and the self-assessed outcomes across all our regulatory functions. The overall **Emerging** rating demonstrates the department and all its regulatory functions are working together in an ongoing commitment to mature our regulatory approaches.

The next section of this report provides an analysis of the regulatory performance against each KPI.

2020-21 Self-assessments

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

Objective: We understand the operating environment of our regulated entities and stakeholders

KPI 1 maturity rating for individual regulatory functions	Rating
Agricultural Levies	Mature
Biosecurity	Emerging
Environment	Emerging
Exports	Emerging
Imported Foods	Mature
Water Efficiency Labelling and Standards Scheme	Mature

Agricultural Levies	<ul style="list-style-type: none"> • Conducting a review of the Regional Office Operational Procedures, Guidelines and Inspection Tip Sheets. These are updated annually and are a valuable resource for levies officers to use as a reference point for providing information and advice to agents, when planning and completing record inspections, and when inducting new staff. • Undertaking an annual Commodity Liaison program with key industry representative bodies for the purpose of sharing information on trends, developments, and compliance. This has provided levies officers with a greater level of awareness and understanding of industry specific issues and risks. • Delivering a risk-based National Compliance Program (NCP) that encourages and supports levy payers to comply voluntarily with legislation and provide assurance to the department and industry that levy collections are materially complete. • Undertaking a review of the NCP annually to inform future compliance activities and assess the programs overall effectiveness. • Currently undertaking a Business Improvement Program which involves projects designed to improve the capability and efficiency of levy administration and regulation.
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Biosecurity	<ul style="list-style-type: none"> • Conducting regular formal and informal interactions with industry, importers and foreign governments prior to the implementation of new regulatory changes. Also provides updates to industry sectors and collaborates to identify challenges in meeting current import requirements. • Conducting internal review processes to ensure regulatory activities align with biosecurity risks and are not unnecessarily burdensome to industry and facilitate safe trade. • Undertaking regular verification and assessment activities by a dedicated team to better understand emerging issues and ensure regulatory activities are being carried out efficiently and effectively. The subsequent findings are provided to all internal stakeholders for consideration. • Developing policy to maximise incentives for regulated entities to manage biosecurity risks associated with biofouling prior to arrival in Australia. At the moment vessels need clearer guidance on actions that should be taken to demonstrate they do not present an unacceptable biosecurity risk associated with biofouling. The new policy will provide options to demonstrate proactive biofouling management practices that effectively minimise biosecurity risk. As a result, reduced intervention will be available when a vessel can demonstrate proactive biofouling management.
Environment	<ul style="list-style-type: none"> • Engaging with internal stakeholders in a collaborative approach to identify areas of potential improvement, especially to outward facing messaging, to ensure external stakeholder compliance is achieved and external stakeholders are aware of their compliance obligations. • The ozone domestic licensing scheme is a co-regulatory arrangement with two industry-based bodies responsible for processing and issuing licences and working in partnership with the department to support education and awareness within the regulated population. • Maintaining close engagement with the waste, recycling and glass industries to inform the design of the Recycling and Waste Reduction Rules 2020. This included the establishment of a technical working group with Industry to account for the current operating environment and to minimise the potential for unintended negative impacts of the new regulation. • Developing an easy-to-use portal for exporters to apply for and manage waste export licences. • Engaging with the Hazardous Waste Regulated community to understand different commercial arrangements and disposal technologies and provides specific permit conditions that allows flexibility while maintaining environmental standards. Also undertook a review of the hazardous waste permitting functions against regulatory requirements of the Act in May 2020. This identified a number of improvements that have been implemented in 2020-21. • Continual dialogue with domestic and international intelligence agencies to ensure a targeted approach to compliance whilst avoiding unnecessary effort and unintended consequences in meeting regulatory obligations.

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	<ul style="list-style-type: none"> • Conducting regular engagement with the regulated Product Emissions Standard community and other stakeholders to understand the operating environment and impacts of the standards on regulated entities. • To provide flexibility in meeting regulatory obligations, the Product Emissions Standards grants exemptions from the Act in certain circumstances (set out in the Rules) where it is not feasible to meet standards and/or the risk of the activity is low. • To understand the operating environment, and current and emerging issues for regulated entities, the AAD: <ul style="list-style-type: none"> ○ holds an annual regulatory stakeholder forum and ensures regular ongoing communication with stakeholders, and industry bodies, outside this forum, and ○ participates in annual Antarctic Treaty Consultative Meetings. • Following a review of the NTCRS published in June 2020 the department is implementing a program of continuous improvement for the administration of the NTCRS.
Exports	<ul style="list-style-type: none"> • Implementation of the Plant Export Management (PEMS) System has provided a mechanism that has vastly improved the interactions of regulated entities with the department. For example, from a previous paper-based invoicing system, yearly invoices and payment options were provided through PEMS this year, which simplified and improved compliance for regulated entities. • Targeted audit and intervention are performed based on risk, performance of the regulated entity, and assurances required by the department’s trading partners. Legislation and systems are designed to ensure minimum effective regulation that allows trade and market access to continue and grow. • Well established regulatory systems, supported by modern legislation (the <i>Export Control Act 2020</i>) that allows flexibility, innovation and focus on outcomes. Services are maximised to reduce duplication and operate in a partnership approach with other regulators. • Undertaking a number of reform activities aimed at reducing regulatory burden and cost of compliance, streamlining services, as well as lifting capacity and understanding across regulators and regulated entities.
Imported Foods	<ul style="list-style-type: none"> • Offering food importers an alternative regulatory arrangement to inspection and testing of their products under the Imported Food Inspection Scheme by recognising an importer’s existing documented food safety management system. This is undertaken through the Food Import Compliance Agreements and provides these businesses with a streamlined process for importing food, which represents a substantial cost saving. • Providing voluntary government certification arrangements for high-risk food where the department can enter a government-to-government certification arrangement with the national competent authority of a country exporting risk food

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	<p>to Australia, providing confidence that the food has been produced safely. Consignments of imported food accompanied by a recognised foreign government certificate may be inspected and tested at a reduced rate. Such arrangements are in place for certain risk classified seafood from Thailand and Canada.</p> <ul style="list-style-type: none"> • Recognising another country’s food safety system if it is assessed as being equivalent to Australia’s. Where such an agreement is in place, food imported from this country (covered by a recognised certificate) can be inspected at a lower rate. Currently, the department has one such arrangement in place with the United States Food and Drug Administration, which was signed in 2017. This agreement is reciprocal with exports from Australia to the US subject to less border scrutiny. • Conducted a trial of virtual inspections for low-risk food which allowed enabled inspections to continue during the pandemic and tested the feasibility of using virtual inspections as a permanent option for industry. The trial was a success and from July 2021 virtual inspections are available to importers for eligible low-risk foods.
<p>Water Efficiency Labelling and Standards Scheme</p>	<ul style="list-style-type: none"> • Collaborating with two other national regulatory schemes, namely WaterMark and E3, to develop requirements through shared Australian and New Zealand standards. In developing the requirements, industry and non-government organisation are engaged to ensure that requirements can be met and that they do not cause unnecessary regulatory burden. • Harnessing information provided by regulated industries about their operating environments and current and emerging issues through a range of channels. • Enhancing the WELS registration database in 2020-21 to continuously improve aspects of the registration process for registrants. Following industry feedback and internal reviews of business processes, improvements to the registration database were commenced that are expected to significantly streamline the process of registering and assessing products in 2021-22. This will reduce the effort and cost of compliance for industry. • Reducing the costs for businesses in meeting requirements under multiple schemes. This is possible through the product testing standards which continue to recognise the test reporting required for related regulatory schemes.

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

Objective: Our communication with regulated entities and stakeholders is effective and substantive

KPI 2 maturity rating for individual regulatory functions	Rating
Agricultural Levies	Mature
Biosecurity	Emerging
Environment	Emerging
Exports	Emerging
Imported Foods	Mature
Water Efficiency Labelling and Standards Scheme	Mature

Agricultural Levies	<ul style="list-style-type: none"> • Providing information sheets on all levies/charges through the department’s website covering the background to each levy/charge, the collection mechanism, relevant exemptions, due dates, legislative references, penalty remissions and a range of other information designed to support and inform levy agents in fulfilling their obligations. • Upon completion of record inspections, provides an exit letter to the agent detailing inspection results and, where applicable, the remedial action required. • Undertaking an annual Commodity Liaison program with key industry representative bodies for the purpose of sharing information on trends, developments, and compliance. This has increased industry’s understanding of the levies compliance program.
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Biosecurity	<ul style="list-style-type: none"> • Providing detailed information for the importation of over 20,000 plants, animals, minerals, and biological products through the department’s import conditions database, BICON¹. This helps importers identify likely import conditions and if an import permit is required. • Conducting active bilateral engagement with National Plant Protection Organisations, actively monitors and provides timely non-compliance notifications to National Plant Protection Organisations for high and moderate risk pest detections to facilitate improvements to pre-export processes and management of biosecurity risk. • Utilising a combination of formal and informal processes for communicating with and providing information to stakeholders on biosecurity risk analyses. Typically, these include: <ul style="list-style-type: none"> ○ Issuing biosecurity advice via the department’s website to announce milestones in the risk analysis process ○ Publishing draft and final reports on the department’s website, along with other relevant information. The release of a draft report is accompanied by a formal stakeholder comment period, of 60 days, whereby regulated entities are invited to make written submissions, which are considered in the preparation of the final report. ○ Providing World Trade Organisation members, under the provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures, a notification of any proposed sanitary or phytosanitary regulations, or changes to existing regulations that are not substantially the same as the content of an international standard and that may have a significant effect on trade of other World Trade Organisation members. • Undertaking regular discussions with industry, importers and foreign governments about Australia’s biosecurity regulations including any new regulatory changes before they are implemented. This is communicated via face-to-face meetings, BICON alerts, e-mails, official correspondence and phone calls. • Maintaining regular engagement with peak industry bodies and individual importers, consulting with industry for planned import changes, and, where possible, co-designing implementation of import conditions where possible. • Currently conducting webpage restructuring which includes updates and infographics to improve the accessibility and understanding of Plant regulatory requirements.
Environment	<ul style="list-style-type: none"> • Ensuring information is provided on the department’s website to enable regulated entities to determine if they require a wildlife trade operation, wildlife trade management program or a permit to export and/or import wildlife products, and to assist them in understanding the information required when applying.

¹ BICON (Biosecurity Import Conditions) can assist importers identify the likely import conditions on the goods, but ultimately conditions are determined either by the Goods Determination or by a delegate.

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- Providing information to external stakeholders and regulated entities when they receive their wildlife trade operation, wildlife trade management program or wildlife trade permits to outline their obligations, such as acquitting within two weeks of shipment, complying with approval or permit conditions, permit validity and obligations in relation to reporting and supplying documentation.
- Publishing the Compliance Framework, Compliance Policy, Compliance Plan 2019-2023, and Annual Compliance Plan 2018-2019 on the department's web site.
- Collaborating jointly with Ozone co-regulators, to support production of regular newsletters and communications products to ensure regulated entities are aware of obligations and any emerging issues of interest.
- Ensuring regulated entities in most ozone industries undertake field officer site visits (from the co-regulating industry body) to check that conditions are being fulfilled and provide an opportunity for regulated entities to seek information.
- The Product Emissions Standards has produced a range of clear guides, targeted to different regulated entities and translated into eight different languages, to help entities understand their obligations.
- The Product Emissions Standards is actively educating importers about their obligations through their import monitoring activities. It provides education opportunities for customs brokers so they can assist their clients to understand and comply with the standards and provides an email and phone line to promptly address queries about compliance.
- The Waste Export Ban has published a range of webpages to assist the regulated community to understand and meet the new requirements.
- Actively engaging with waste exporters to ensure they understand the new requirements. This has included targeted awareness raising on social media and through industry publications, webinars and regular engagement with industry groups. All key documents are being updated with the intent to publish an Annual Compliance Plan. A more vigorous stakeholder engagement program is being developed focussed on both internal and external engagement channels.
- Developing and publishing advice on priority hazardous wastes and environmentally sound disposal methods. The department has commenced a review of published content, with a view to providing current guidance on permitting requirements and determining whether a waste is hazardous.
- The NTCRS has developed a compliance framework to communicate compliance requirements to co-regulatory arrangements. Additional communication and educational material are being developed to support compliance by co-regulatory arrangements and facilitate scheme understanding by liable parties.
- Engaging in sufficient communication with NTCRS co-regulatory arrangements and regulated entities to ensure understanding of broader regulatory objectives and how to comply with scheme requirements.

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	<ul style="list-style-type: none"> • The AAD maintain an informative and readily accessible website that explains its regulatory function to regulated entities, provides essential forms and provides a query contact point. The AAD also holds an annual regulatory stakeholder forum to facilitate better regulated entity understanding of its regulatory objectives and understand regulated entities’ perspectives and concerns. • Establishing the Environment Consultants Working Group as a mechanism to review and evaluate policies and further understand the operating environment of stakeholders. The members regularly co-identify and co-design new department products and policy initiatives. • Engaging with industry, co-regulators and stakeholders and encourages compliance best practice, establishing trust with the regulated community, and assist businesses and individuals to understand and comply with environmental law. • In the process of updating guidance materials for environmental offsets and reviewing internal and external websites to ensure the most current information is available and readily accessible.
Exports	<ul style="list-style-type: none"> • Publishing a range of materials, including updated websites such as MICOR, but also items sent directly to regulated entities, such as Industry, Export or Market Advisory Notices. The department also takes feedback into account and where similar questions are received from a number of Authorised Officers in Plant Export, the department develop and distribute fact sheets. • Engagement is significant across the regulatory system through formal, informal and targeted mechanisms including the department’s ‘Have Your Say’ platform, formal consultative committees, working groups, focus groups and individual meetings. Focus is given to staging engagement and providing a forward plan to enable industry to plan for engagement and response. • Continuing to work with industry and exporters, including regulated entities, on a daily basis to assist in their export operations - including about ECA2020 and importing country requirements, new registrations, registration renewals and variations, and distressed consignments. • Critical webpages and forms are in the process of being updated to communicate new regulatory requirements under the ECA2020.
Imported Foods	<ul style="list-style-type: none"> • Publishing industry notices specific to activities under the <i>Imported Food Control Act 1992</i> as Imported Food Notices. These notices provide clear advice to stakeholders on any upcoming changes to regulatory requirements. The department’s email notification process is used to advise registered stakeholders when these notices are published.

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	<ul style="list-style-type: none"> • Communicating key information including a brochure outlining requirements on importing food and postcards on allergen labelling and Food Import Compliance Agreements. • Conducting two meetings of the Imported Food Consultative Committee each year. This committee is the primary industry consultative committee on issues associated with the administration of the <i>Imported Food Control Act 1992</i>. During 2020-21 these meetings were held virtually. To engage directly with businesses importing food, the department has previously held at least one industry roundtable each year. This event is promoted to businesses importing food, brokers and industry associations. Due to the pandemic, no industry roundtable was held in 2020-21. • Publishing information on the risk based Imported Food Inspection Scheme on the department’s website to assist regulated entities with meeting regulatory requirements. • Currently conducting a comprehensive review of our imported food webpages on the department’s website to ensure content is more easily accessed and understood by stakeholders.
<p>Water Efficiency Labelling and Standards Scheme</p>	<ul style="list-style-type: none"> • Providing information on product registration requirements, how to label and display products, and the standards on the water rating website. • Providing a product registration database which is accessible to the public as well as to registrants and includes user guidance documentation. • Responding to thousands of requests for information received by email or phone. • Providing over 150 free electronic copies of the WELS Standard (AS/NZS 6400:2016) through Standards Australia to assist industry in complying with WELS requirements. • Publishing two issues of the InkWELS newsletter, which reports on WELS developments, technical matters and achievements. • Collaborating with the Australian Industry Skills Committee and with the endorsement of peak industry bodies, to reach an agreement to include WELS information in the companion volume implementation guide for the plumbers and builders national licencing curriculums. The revised guide will be released in 2021. Registered training organisations will use this when developing licensing courses. This will help new plumbers and builders learn about the WELS scheme and their obligations when supplying WELS products. • Conducting a meeting with the WELS Advisory Group in November 2020. This industry advisory group represents the plumbing and appliances industry sectors, standards and certification specialists, water services and small business. This meeting was part of a broad and frequent engagement with industry on matters of interest and opportunities to collaborate on communications or research activities. We sought the group’s views on potential improvements to the WELS standard,

	how we can improve our registration database for users, and potential non-compliance to inform our risk-based compliance targeting.
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KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed

Objective: We apply a risk-based, proportionate approach to compliance, engagement and enforcement activities

KPI 3 maturity rating for individual regulatory functions	Rating
Agricultural Levies	Mature
Biosecurity	Emerging
Environment	Emerging
Exports	Emerging
Imported Foods	Mature
Water Efficiency Labelling and Standards Scheme	Mature

Agricultural Levies	<ul style="list-style-type: none"> Assigning a risk rating to levy agents through the Phoenix system (levies finance and agent case management system), which is formula based and derived from a range of agent specific and industry factors including the agent levy group, business type, reliability rating, levy return interval, compliance ratio and annual payment range. The levy payers selected for the inspection program are based on compliance risk assessed on likelihood and consequence parameters. The program reviews agents who
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	<p>collectively contribute approximately 20-30 per cent of revenue at the commodity level annually and approximately 500 inspections are completed each year.</p> <ul style="list-style-type: none"> • Undertaking a range of industry and commodity specific compliance activities including reconciliation of contract wine making data, assessment of third-party data and media review. • The Operational Compliance Program is a risk-based record inspection program, where levy officers undertake field visits and inspect transaction records of levy agents in each state and territory on an annual basis. • The Targeted Compliance Assessment Program compliments the Operational Compliance Program to allow for compliance assessment of agents that are not selected for record inspection under the inspection program. The Targeted Compliance Assessment Program is focused on high-risk agents with an annual payment of less than \$3,000 and medium and low risk agents that due to various factors have not been selected for inspection over the past 5 years. • Providing a formal induction package for all levy officers and all levies have been split into 3 categories that represent the level of complexity of that levy. A new starter will commence training of the lowest level and work associated with that level. Once the Regional Manager is satisfied that the new starter has a good understanding of the levies in that level, they will be able to progress to the next level.
Biosecurity	<ul style="list-style-type: none"> • Setting risk-based import conditions that are commensurate to the level of biosecurity risk. The import conditions are also supported by current science and best practice import controls. • Undertaking animal biosecurity risk analyses based on available information. These are consistent with Australia’s international trade and biosecurity obligations and ensure that the biosecurity risks posed by imported goods are managed to Australia’s Appropriate Level of Protection. • Supporting a light touch for compliant importers, including through the Compliance Based Intervention System which rewards consistently compliant importers with reduced department intervention. • Decisions on import permit applications are made in line with an assessment of biosecurity risk posed by the goods and, where relevant, includes consideration on whether the applicant is a fit and proper person to manage the biosecurity risk associated with the goods to be covered by the import permit. • Utilising a formal methodology to assess biosecurity risk. This methodology is consistent with international guidelines and includes assessment tools such as a risk estimation matrix. • Implementing new or expanded emergency measures for high priority pests as a result of new scientific information and evidence. Additional treatments are added to pathways where needed to reduce consistent non-compliance of import conditions, such as Fiji fresh produce.

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	<ul style="list-style-type: none"> • Undertaking reviews of all or parts of an existing analysis based on changes in risk, trade and/or scientific evidence. • Allowing for stakeholders to provide new scientific information at any time, even after a risk analysis is completed. • Maintaining and developing training and instructional material to support staff in their regulatory role.
Environment	<ul style="list-style-type: none"> • Compliance monitoring is informed by assessments of areas of risk and compliance responses are proportionate, considering risk and behaviour, with decisions and their reasons documented. • The Waste Export Ban’s assessment processes have been developed consistent with the legislative requirements and regulatory objectives. • The Product Emissions Standard decisions about exemptions are evidence-based and notified to applicants on the day they are made, with reasons documented. • The Hazardous Waste decisions are evidence based, referencing Technical Guidelines developed under the Basel Convention for the definitions of hazardous wastes, determining hazardous thresholds, and environmentally sound recovery and disposal operations. • Hazardous Waste compliance efforts align with international data on movements of hazardous waste, and therefore are proportionate with risks. • Strategies and proactive activities that have been developed, and are monitored and updated, to fit the risk profile and nature of the NTCRS. • Compliance effort and resources are focused on high-risk behaviours and attitudes and applied in a proportionate manner according to risk. For example, the recent cancelation of the approval of a co-regulatory arrangement for serious and ongoing non-compliance. • A range of tools are currently used to ensure a proportionate response through an intelligence-led and risk based and outcomes focussed approach across the environmental legislation domain. • A significant body of work is currently underway to address ANAO and Internal reports which have highlighted the need to determine environmental risk and priorities and thus a better approach to in determining a proportionate response based on a more robust evidence-based model. • The AAD’s compliance effort and resources are managed in accordance with its Environmental Compliance and Enforcement Strategy, which ensures the compliance effort and resources are focused on high-risk behaviours and attitudes and applied in a proportionate manner according to risk. • In 2020-21 Environment Approvals function implemented a Regulator Capability Framework. The framework articulates a high-level set of staff capabilities at all levels. This enables the function to identify the capabilities required of assessment officers,

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	<p>supervisors and delegates under the EPBC Act to be able to regulate effectively. The EAD framework provides guideposts that enables EAD to monitor for upcoming changes to policy or practice and adjust its course, as necessary, through adjustments to learning and development requirements and through workforce planning. The framework provides a structured overview of the division-specific training and guidance available or required by staff. This is set out in the context of the whole of department “Professional Regulator Capability Framework”. EAD’s framework is deliberately structured to adopt the whole of department approach. It is also set at a level of detail that enables EAD to adapt its approach – where appropriate – to the direction of the Australian Public Service.</p> <ul style="list-style-type: none"> • In 2020-21 Environment Approvals function implemented a Mobility Strategy. The strategy provides a pathway to increase the division’s capabilities and when necessary refocus our staffing on priority areas. The strategy aligns with workforce planning processes and can assist in identifying opportunities for staff development. • All environmental approvals issued by the AAD are done so consistent with the AAD Guide to Administering Environmental Approvals. Furthermore, briefs with recommendations to the Delegate undergo a process of quality assurance. • Environment Approvals function's EPBC Act Environment Assessments training program was developed to build capacity to undertake environment assessments and approvals in an effective, legally robust manner and to drive consistency in regulatory practice. The program delivers a full suite of training modules addressing environment assessments and approvals under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act). In 2021 the training program became mandatory for all EPBC Act Environment Assessment Officers. The training is supported by a dedicated Environment Assessments Resources toolkit providing a central intranet resource for everything related to environment assessments training. • The Waste Export Ban has developed and implemented tools such as a dedicated customer relationship management system and guidance materials to support regulatory activities and staff. • Additional training, guidance material and tools are being developed by the NTCRS to support regulatory capabilities.
<p>Exports</p>	<ul style="list-style-type: none"> • The 2020-21 budget provides \$328.4 million to modernise Australia’s export systems, by removing red tape, streamlining regulation and improving service delivery for exporters. Measures include: <ul style="list-style-type: none"> ○ \$222.2 million over 4 years for digital services to take farmers to market. This investment will modernise Australia’s agricultural export systems. ○ \$10.9 million over 4 years for building a more competitive export meat industry and working with industry to streamline export and production costs to remain competitive.

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	<ul style="list-style-type: none"> ○ \$71.1 million over 3 years for Australian export services critical to ensuring our products make it to export markets. This is an immediate freeze in fees and charges to assist exporters with the impacts of COVID-19, with stepped increases to full cost recovery. ● Current reform activities are focusing on data led regulatory intervention, which looks at risks to food safety, market access and reputation. This approach involves a shared obligation and commitment from industry and regulators to better understand our risks and target our intervention accordingly. ● Reform work is also looking at the design of the department’s regulatory system, training provided to regulators, how the department manages compliance, monitors and measures performance, targets intervention and effectively communicates with relevant exporting industries. ● Renewed focus on training and developing our regulatory staff: <ul style="list-style-type: none"> ○ Staff and Authorised Officers are required to complete mandatory training on a rolling basis as well as role specific training where required. ○ Veterinarians (based in export meat establishments) are required to undertake a substantive 3-month induction on commencement. This training must be completed by new On-Plant Veterinarians before their instruments of appointment to operate on plant can be issued. ● We are developing and trialling the Excellence in Regulatory Practice program, which is creating practical, needs-based training for all regulators, with ECA3030 regulators as the initial participants. This will improve staff understanding of their roles and functions and the regulatory framework that underpins their roles and regulatory powers. ● Relevant divisions are seeking to manage risk more effectively. In 2021, the Exports and Veterinary Services Division commissioned a risk practitioner consultancy to baseline current and emerging risks and to ensure divisional risk owners are identified. Risk owners will seek to accept, manage or mitigate for management of risk over time. ●
Imported Foods	<ul style="list-style-type: none"> ● The Imported Food Inspection Scheme (IFIS) is a risk-based inspection scheme informed by the science-based food safety risk assessments conducted by Food Standards Australia New Zealand. Foods assessed as posing a medium to high risk to public health are classified as ‘risk food’ in the Imported Food Control Order 2019. Risk food is initially referred for border inspection and testing at a rate of 100 per cent against a published list of potential hazards but is decreased if a history of compliance is established. Foods not classified as ‘risk’ are classified as ‘surveillance food’. Each consignment of surveillance food has a 5 per cent chance of being referred for inspection. If the food fails the inspection, future consignments are referred at a rate of 100 per cent until compliance is established.

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	<ul style="list-style-type: none"> • Regularly engaging with FSANZ to discuss new and emerging risks with imported food. Following discussions, the department seeks advice when new/emerging risks are identified. When food is identified as posing a medium to high risk to public health and safety for one or more hazards, the Imported Food Control Order is amended to risk classify the food. The Order was amended in November 2020 in response to risk advice received from FSANZ. • Regularly reviewing tests applied to surveillance food to assess whether existing tests are still relevant and whether new tests should be applied. • Staff must complete training to be authorised officers under the IFC Act. This training includes face-to-face training (normally) and demonstration of competencies. Once appointed, an authorised officer receives on the job training including a three-month buddy system with an experienced officer. • Ensuring detailed work instructions are available to all authorised officers so they can carry out their duties under the IFIS.
<p>Water Efficiency Labelling and Standards Scheme</p>	<ul style="list-style-type: none"> • Publishing on the water rating website, which sets out the WELS Regulator’s proportionate approach to compliance. The WELS Compliance and Enforcement Strategy for 2018 - 20, which was developed in consultation with regulated industries, established the high-level compliance work program based on risk, research, intelligence and analysis, and was underpinned by legislation. • Investing in greater regulatory intelligence capability to inform tactical and operational targeting. • Utilising compliance and enforcement tools tailored to the identified risks and behaviour of our regulated entities. These included document assessments, education, inspections, warrants and investigations. • Employing enforcement tools such as warning letters, infringement notices or court action were only when a cooperative approach had been unsuccessful. • Reprioritising our national inspection program, due to the pandemic, which required travel to affected areas, to refocus on eCommerce and responding to allegations. We opened 84 new cases of non-compliance and were able to obtain voluntary compliance in most cases through education and warning letters. • Collaborating with eBay administrators, and 2,100 products that did not meet WELS registration or labelling requirements were removed from being offered to Australian consumers. • In 2020-21, a WaterMark licence withdrawal for a flow controller that had no bearing on the water efficiency, rendered over 2600 WELS product models unable to be offered for supply. The WELS Regulator took a proportionate approach after working closely with industry, co-regulators and all affected businesses to determine a reasonable compliance approach. Businesses were given options as to how to comply, were engaged with to ensure they would be able to adjust within a reasonable timeframe, and to minimise the business impact.

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	<ul style="list-style-type: none">• Regularly providing training to staff on the delivery of their functions and in fair, transparent, consistent and lawful regulatory decision-making. All compliance officers are required to obtain a minimum of a certificate IV in the Australian Government Investigations Standard.• In 2020-2021, guidance material and tools were assessed for areas of improvement and a range of instructional materials were updated. A new instrument of delegation was signed by WELS Regulator to more appropriately delegate authorised decisions.
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KPI 4: Compliance and monitoring approaches are streamlined and coordinated

Objective: We base our monitoring and inspection approaches on assessed risk, share information and coordinate our compliance activities within the department and with other regulators as appropriate, to minimise duplication and increase efficiency

KPI 4 maturity rating for individual regulatory functions	Rating
Agricultural Levies	Mature
Biosecurity	Emerging
Environment	Emerging
Exports	Emerging
Imported Foods	Mature
Water Efficiency Labelling and Standards Scheme	Emerging

Agricultural Levies	<ul style="list-style-type: none"> • Conducting an annual review of the National Compliance Program to assess the program’s effectiveness and inform future compliance activities. The review ensures the program continues to: <ul style="list-style-type: none"> ○ improve compliance outcomes by tailoring compliance measures to deal with the most significant non-compliance risks ○ identify efficiency gains by targeting compliance measures and resources to the most significant risks to ensure they best improve compliance outcomes ○ reduce business compliance costs by allocating resources to compliance activities efficiently and effectively. • Assigning a risk rating to levy agents through Phoenix, which is formula based and derived from a range of agent specific and industry factors including the agent levy group, business type, reliability rating, levy return interval, compliance ratio and annual payment range. The levy payers selected for the inspection program are based on compliance risk assessed on likelihood and consequence parameters. • Setting up levy agents with an account in Phoenix (levies finance and agent case management system) which captures a record of all return lodgements and payments. Interactions with the department are documented on actions, and the results of all compliance activities undertaken are recorded at the commodity level. The system allows for automated targeting of high risk
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	<p>returns on lodgement (VRT program). A compliance module allows for all outcomes to be recorded against individual agents down to the commodity level, and against specific outcome types and causes. This information is then used to produce reports and analysed to identify trends and emerging risks.</p> <ul style="list-style-type: none"> • Undertaking a national quality assurance program that underpins the National Compliance Program and has been developed and implemented to provide assurance to stakeholders that Levies Officers are acting in accordance with the Regional Office Operational Procedures and Guidelines and to create a feedback mechanism between the National and Regional Levies Offices of the capacity and capability of staff to deliver the planned NCP.
Biosecurity	<ul style="list-style-type: none"> • Currently developing ability to utilise import data to drive risk management decisions, however, further work is required to align this approach with biosecurity wide activities. • A biofouling questionnaire is requested from the vessel master to provide additional information as to the biofouling management practices of the vessel. Actions to manage non-compliance generally result from notification by a third party with an in-water inspection report. • Undertaking commodity pathway monitoring of import data and Compliance Based Intervention System results to ensure conditions are commensurate to risk and emerging risks are identified quickly.
Environment	<ul style="list-style-type: none"> • The Product Emissions Standards use a customer relationship management system to support its regulatory and compliance activities and is currently upgrading this system to ensure it remains fit-for-purpose. • The Product Emissions Standards evaluate the effectiveness of its regulatory activities, including through an annual compliance evaluation and reporting against key performance indicators. • The NTCRS uses existing mechanisms and processes when undertaking regulatory activities. A new fit for purpose and future proofed IT system is also being developed to capture data and administer the NTCRS. • Hazardous Waste conducted its first export focused compliance operation targeting movements of hazardous waste. This operation was conducted with the support of Australian Border Force and targeted exports of used lead acid batteries. Intelligence data was used to profile and target high risk exporters. • The Environment Compliance function regularly reviews the state of performance and allegations received. Combined with intelligence information and input from key internal and external stakeholders the complete range of activities are monitored with corrective action taken if required.

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	<ul style="list-style-type: none"> • All environmental approvals issued by the AAD undergo a process of quality assurance such as verification by the Senior Environmental Policy Adviser in the Territories, Environment and Treaties section of the AAD. Initial work has been undertaken to locate an ICT system that will streamline the AAD’s management of its environmental regulatory workload. • A Compliance Intelligence and Information Management System is being implemented so that all key data is captured with all issues managed from receipt to completion, and an updated National Environmental Significant and Threat Risk Assessment (NESTRA) also being implemented.
Exports	<ul style="list-style-type: none"> • Systems and service delivery models are in place that promote a single regulatory approach. This approach is supported through MOUs and or other arrangements that underpin regulatory oversight, reporting, investigations, and sanctions and removes duplication for our regulated entities, and at the same time provides an acceptable assurance approach for our trading partners. • Coordinating an annual verification program of our external service arrangements with government agencies and third-party audit/certification bodies. • Undertaking reform activities that focus on risk-based intervention, data led decisions and reduction in regulatory burden through the use of technology. • Utilising Regional Assurance Managers to obtain ongoing feedback about regulatory issues, to assure quality and provide education to AOs and provide input to monitoring and inspection approaches. • Implementing the use of the LIVEXCollect reporting tool in November 2020 to standardise data provision and improve data quality. The department is also developing consistency in reporting guidelines to further standardise collected data.
Imported Foods	<ul style="list-style-type: none"> • Setting up of the Imported Food Inspection Scheme which is a risk-based border inspection system that effectively recognises compliant importers. Risk foods are initially referred for border inspection at a rate of 100% but this rate is reduced following demonstration of compliance. After five consecutive passes, the rate is reduced to 25% and following a further twenty consecutive passes, reduced to 5%. Surveillance, or low-risk food, is initially inspected at the rate of 5% but is increased to 100% for food that fails inspection until compliance is demonstrated (after five consecutive passes). • Conducting internal verification activities to provide assurance that we are appropriately managing food safety risks and ensuring compliance with Australian food standards. The outcomes of these verifications are used to inform the review and streamlining of our regulatory processes. • Conducting monthly random verifications on entries, including imported food entries through the Import Documentation and Verification working group. These verification activities identify gaps in instructional material, which we use to update the documents to ensure they are fit for purpose.

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	<ul style="list-style-type: none"> • Verifying whether staff follow relevant instructional material to assess IFIS importer declarations. This targeted activity was undertaken through Import Documentation and Verification working group in 2020-21 and demonstrated changes were required to the instructional material, which are now complete. • Verification of authorised inspection officers is managed through the department’s Import Documentation and Verification working group. Each officer must be verified on a quarterly basis. Officers are observed following inspection activities to verify whether relevant instructional material is being followed. The results of these verification activities are recorded. Where needed, officers undergo re-training. • Managing imported food entries through the department’s electronic import management system, AIMS and eResults. We are continuously looking at ways to improve these existing systems, from minor amendments through to major enhancements.
Water Efficiency Labelling and Standards Scheme	<ul style="list-style-type: none"> • Aligning testing standards and reports, where possible, which minimises the impact of requesting information. • Regularly engaging with co-regulators and industry in Standards Australia committees that set the standards for WELS products to continue to improve or maintain greater alignment. • Commencing an ICT procurement plan to identify requirements and solutions that will improve all aspects of the ICT systems. In developing the requirements, we engaged with industry users of the registration system to change interfaces to be user-centric and to align with industry operating environments and different user scenarios.

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

Objective: We make decisions in a manner that is timely, consistent and supports predictable outcomes and ensure reports on regular performance are published in required timeframes

KPI 5 maturity rating for individual regulatory functions	Rating
Agricultural Levies	Mature
Biosecurity	Emerging
Environment	Emerging
Exports	Emerging
Imported Foods	Mature
Water Efficiency Labelling and Standards Scheme	Mature

Agricultural Levies	<ul style="list-style-type: none"> • A summary of the levies compliance program and key outcomes is detailed in the annual report to stakeholders which is available on the department’s website. • Providing information sheets on all levies/charges through the department’s website covering the background to each levy/charge, the collection mechanism, relevant exemptions, due dates, legislative references, penalty remissions and a range of other information designed to support and inform levy agents in fulfilling their obligations. • Upon completion of record inspections, provides an exit letter to the agent detailing inspection results and, where applicable, the remedial action required. • Levy payers are notified in advance of any new levies or changes to current levies. These notices are also made available on the department’s website. • Key industry representatives (industry representative bodies and levy recipient bodies) are invited to participate each year in the commodity liaison program. To inform the discussion levies compliance produces individual commodity snapshots that summarise key industry demographics, detail results against the variance compliance activities undertaken over a 3-year period and contain information on key results, risks, and trends.
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Biosecurity	<ul style="list-style-type: none"> • Clear and transparent dealings with regulated entities and the biosecurity risks the department manages, using electronic systems such as BICON to convey permit risk assessment outcomes and published draft technical risk analysis to engage feedback to significant changes or new commodity import conditions. • Communication of changes to import conditions and the reasons for change are conducted in a transparent manner to stakeholders using a range of channels. • Before the decision is made to refuse, vary, suspend or revoke an import permit, or to impose or vary a condition on a permit is made, procedural fairness is provided. Once a decision is made, the applicant/permit holder is informed in writing of the reason the decision, the applicable legislation the decision was made under and whether there is a right/process to seek an internal review of the decision. Following an internal review, the decision of the Director of Biosecurity or the internal reviewer is also subject to further external merits review by the Administrative Appeals Tribunal. • All consignments that undergo an import inspection receive direction via AIMS that includes detail on what measures are required to manage the risk presented by that consignment prior to release, export or destruction. • Importers are provided individual compliance data for a number of key import pathways to assist in the identification of further improvements to pre-export processes.
Environment	<ul style="list-style-type: none"> • Stakeholders are advised of their obligation to meet the requirements of the EPBC Act for trade in wildlife specimens and provided with information to assist them in appealing adverse decisions. • The World Trade Organisation engages with stakeholders to advise them of changes to regulatory conditions for their industry. This also gives the opportunity for stakeholders to give feedback in terms of the effect the regulation has on their industry. • There is a publicly available compliance approach specific to the Product Emissions Standards. • The department is surveying stakeholders to ascertain their understanding of our approach to regulation and satisfaction with how the department acts. • The Waste Export Ban has published clear guidance to assist the regulated community understand scheme requirements. This guidance includes information on how the department conducts its activity including the assessment of export licence applications. • The NTCRS has developed a compliance framework to support stakeholders' clear understanding of our risk-based approach to regulation. • The Australian Antarctic Division maintains a consistent and fair approach to the way it assesses and conditions proposed activities. This approach is regularly communicated to the proponents of proposed activities via conversations and emails.

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	<ul style="list-style-type: none"> Regulated entities are treated fairly and are given the opportunity to provide missing information should it be required. If a permit application is to be refused, the regulated entity is given an opportunity to the right of reply by a letter of procedural fairness. NTCRS regulated entities are treated fairly and respected. All instances of potential non-compliance are managed in accordance with the principles of procedural fairness. Hazardous Waste performance measurement results are published in the annual report. Permit applications and decisions are published on the department's website. Timeframes for decisions are set out in legislation and regulations.
Exports	<ul style="list-style-type: none"> Transparent dealings with stakeholders and consultative committees through the provision of information on websites and the publication of reports. Systems such as PEMS and MICOR are used to provide regulated entities with the most up-to-date information. Conducting regular engagement with industry and exporters, including regulated entities, to ensure a practical understanding of regulatory policy - including in relation to ECA2020 and importing country requirements, new registrations, registration renewals and variations, distressed consignments and cost recovery arrangements.
Imported Foods	<ul style="list-style-type: none"> Providing the regulatory approach on the website. There are links to the relevant legislation, the Imported Food Inspection Scheme, tests applied to risk and surveillance food, food testing requirements, Food Import Compliance Agreements and government certification arrangements. Providing a subscription mailing service to regulated entities to receive updates on changes to the imported food requirements. Informing regulated entities in writing of outcomes of food inspections. Where an inspection identifies non-compliant or unsafe food, the entity is provided with the reasons for the department's decision. Publishing information on how industry participants may seek a review of an initial decision where they are directly affected by the regulatory decision. This information is available on the department's website. Publish an annual report on compliance with the Imported Food Inspection Scheme.
Water Efficiency Labelling and Standards Scheme	<ul style="list-style-type: none"> Receiving regular feedback from co-regulators, regulated entities, peak industry groups and the WELS Advisory Group members which state that they support all compliance activities undertaken by WELS, particularly the civil proceeding underway and on-site inspections of retail outlets and the building industry (noting that inspections have been limited in 2020-2021 to Adelaide and Perth). Ensuring decisions to not approve an application for product registration or to cancel or suspend a registration are reviewable. All decisions to undertake escalated compliance and enforcement actions beyond education are reviewed by a supervising officer, and in accordance with standard procedures.

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| | <ul style="list-style-type: none">• Ensuring regulated entities can raise complaints and provide compliments through a range of channels. Both have occurred in very low numbers in 2020-2021. In each case of complaint, team members have corresponded or engaged with the complainant by phone or virtually face-to-face to ensure the matter is heard and resolved appropriately. Three pieces of correspondence to Minister Pitt related to the WELS scheme were received in 2020-2021. One of these raised concerns relating to the cost structure of the WELS scheme.• Ensuring performance metrics are reported through the WELS Annual Report in accordance with <i>Public Governance, Performance and Accountability Act 2013</i> and Section 74 of the <i>Water Efficiency Labelling and Standards Act 2005</i>. |
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KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks

Objective: We establish cooperative and collaborative relationships with regulated entities and stakeholders to promote trust and improve the efficiency and effectiveness of our regulatory frameworks

KPI 6 maturity rating for individual regulatory functions	Rating
Agricultural Levies	Mature
Biosecurity	Emerging
Environment	Emerging
Exports	Emerging
Imported Foods	Emerging
Water Efficiency Labelling and Standards Scheme	Mature

Agricultural Levies	<ul style="list-style-type: none"> • Reviewing of all inspections reports is undertaken by Regional Managers for all staff nationally. The role of reviewing reports for approval is managed on a rotating basis each month. • Business Improvement Program involves projects designed to improve the capability and efficiency of levy administration and regulation. • Undertaking a national quality assurance program that underpins the National Compliance Program and has been developed and implemented to provide assurance to stakeholders that Levies Officers are acting in accordance with the Regional Office Operational Procedures and Guidelines and to create a feedback mechanism between the National and Regional Levies Offices of the capacity and capability of staff to deliver the planned NCP. • Undertaking an annual Commodity Liaison program with key industry representative bodies for the purpose of sharing information on trends, developments, and compliance. • Conducting an annual review of the National Compliance Program to assess the program’s effectiveness and inform future compliance activities. The review ensures the program continues to: <ul style="list-style-type: none"> ○ improve compliance outcomes by tailoring compliance measures to deal with the most significant non-compliance risks
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	<ul style="list-style-type: none"> ○ identify efficiency gains by targeting compliance measures and resources to the most significant risks to ensure they best improve compliance outcomes ○ reduce business compliance costs by allocating resources to compliance activities efficiently and effectively.
Biosecurity	<ul style="list-style-type: none"> ● Ongoing commodity-based assurance program which examines whether the regulatory settings across the biosecurity continuum are efficient and deliver desired biosecurity outcomes. In 2020-21, as part of its commitment to improving regulatory practices, seven commodity reviews were undertaken, and the findings provided to all internal stakeholders for consideration. ● Developing a third-party auditor policy for plant based stockfeed to support the assurance of pre-export processes. ● Ensuring the department responds in a timely manner to recommendations arising from reviews conducted by internal and external bodies such as IGB and ANAO. Recommendations are tracked and progress monitored until satisfactory completion. ● Seeking input from stakeholders through the use of complimentary consultation/information processes, including webinars, meetings and newsletters. Also allow for stakeholders to provide new scientific information at any time, even after a risk analysis is completed. ● Exploring alternative solutions to the way the department currently assess and manage biosecurity risks through the imbedded Plant Innovation Centre @ Post Entry Quarantine (PIC@PEQ) team. The PIC@PEQ team provides innovative projects to address improvement opportunities in the way the department diagnose and manage risk on imports of plant goods. Projects include high throughput sequencing to rapidly diagnose disease and multiple trials into alternative treatments. ● Contributing to industry and National Plant Protection Organisation initiatives to develop a systems approach to underpin global movement of seeds and facilitate the safe movement of seeds for propagation. ● Completing a regulation impact statement to improve the regulation of biosecurity risks associated with biofouling. Stakeholder engagement was a critical component to inform the policy options and costs within the regulation impact statement. The implementation of the new Australian biofouling management requirements will improve regulatory consistency, requirements will be clearly conveyed and provide a platform for continual improvement for both industry and government.
Environment	<ul style="list-style-type: none"> ● Implementing a Quality Assurance Framework for referrals, assessments and approvals to provide ongoing confidence in the quality and integrity of decisions made under the EPBC Act and drive continuous improvement. ● A review of the Ozone Protection and Synthetic Greenhouse Gas Program was completed in 2016 and implemented recommended improvements. The department continues to monitor the 'fit for purpose' state of the framework, seeks advice from stakeholders and implements changes where improvement can be made.

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	<ul style="list-style-type: none"> • Following the commencement of the ban for glass, the Waste Export Ban commissioned an internal audit of the implementation of the Waste Export Ban to date. This audit will help continuous improvement of the regulatory framework as the ban for other waste materials is progressively implemented. • New Act amendments that use regulatory powers act to provide a consistent and modern approach to Hazardous Waste regulation. Amendments also improved a number of provisions in the Act to provide clarity and streamline processes. • Participating in a number of international fora on hazardous waste management practices and implementation of the Basel Convention. Also maintains regular contact with other international authorities such as New Zealand. • Environment Approvals Division are redesigning the department’s EPBC Act external webpages. We have engaged with our stakeholders to seek their feedback and codesign the Department’s new EPBC Act webpages. • The department surveyed stakeholders of the Product Emissions Standards about their understanding of our approach to regulation and satisfaction with how the department acts. The department also commenced a review of its cost recovery settings for the Product Emissions Standards in the 2020-21 financial year, to ensure the scheme is administered efficiently and costs to industry are minimised. • The NTCRS was reviewed, and the findings were published in June 2020. Approximately half the recommendations of this review have been implemented with significant progress made on ongoing recommendations. • NTCRS data is shared with state and territory regulators, where appropriate. • The AAD’s environmental regulatory function underwent a departmental internal audit in 2020. It assessed whether the department’s administration of environmental regulatory functions through the AAD is effective and efficient against stated legislative and regulatory objectives. It produced constructive feedback that will help drive continuous improvement in these environmental regulatory functions particularly in the fields of probity and statutory compliance. All recommendations from the audit have been addressed, approved and closed. Developed new desktop compliance tools to improve the effectiveness and efficiency of NTCRS compliance work without adding regulatory burden to regulated entities. • Learnings from instances of non-compliance, investigations, audits and relevant internal and external stakeholders are shared with relevant internal and external government stakeholders.
Exports	<ul style="list-style-type: none"> • Ensuring strong commitment to continuous improvement of regulatory practice and approaches. Examples include working with industry to develop processes that allow for in transit fumigation of grains, though the use of preparation plans that ensure Phyto-sanitary standards are met, which allows fumigation to occur in transit, rather than costing fees by having to be done while on the dock.

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	<ul style="list-style-type: none"> • Internal reporting and evaluation processes occur when required for operational matters. Approved Arrangement Guidelines are updated and refreshed to incorporate risk mitigation strategies for issues identified, as well as based on feedback from industry. • Actively monitoring, in consultation with industry and regulated entities, the recently commenced export legislation for any necessary amendments. • Current reform activities involve working with industry in a co-design approach to regulation of agricultural exports. As the export’s programs are cost recovered, our regulatory programs are mindful of the cost impacts of changes to our regulatory approach. Through the reform program we are seeking to provide improved regulatory services that are least costly to industry and maximise their market access benefits.
Imported Foods	<ul style="list-style-type: none"> • Consulting with internal and external stakeholders to identify areas where we can improve our regulatory approaches and processes. Previously held at least one industry roundtable annually to engage with businesses importing food, however, due to the pandemic, no industry roundtables were held in 2020/21. As a result of feedback from previous roundtable sessions, we have: <ul style="list-style-type: none"> ○ undertaken a comprehensive review of our webpages to ensure the content is easily accessible to stakeholders ○ submitted a business case to incorporate imported food requirements into BICON. This will enable importers of food to source both biosecurity and food safety requirements from the one location, creating efficiencies for industry and improved understanding of border clearance requirements. • Setting up a Supermarket Taskforce to investigate options to expedite the clearance of grocery imports at the border. An outcome from the Supermarket Taskforce was a commitment from the department to implement a virtual inspection trial under the IFIS. In collaboration with industry representatives from the ‘supermarket taskforce’, the trial took place from May to Dec 2020. Following the success of the trial, virtual inspections are now a permanent option for food importers. • Engaging with relevant government authorities in other countries to exchange information on managing food safety risks with imported food through bilateral and multi-lateral meetings and other international fora. During 2020-21, we delivered five presentations to international stakeholders. These presentations were mainly on our Imported Food Inspection Scheme, at the request of an exporting country, to increase understanding of our border clearance requirements. • The legislation is dated and flagged for review in the future. • Conducting bi-monthly meetings internally with operational staff on the administration of the IFIS. Operational staff are encouraged to report on issues with enforcement and instructional material, which are discussed and addressed collaboratively.

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	<ul style="list-style-type: none"> • Holding two meetings of the Imported Food Consultative Committee each year. This committee is the primary industry consultative committee on issues associated with the administration of the <i>Imported Food Control Act 1992</i>. During 2020-21 these meetings were held virtually. • Providing opportunity for feedback on changes to our legislation and the Imported Food Inspection Scheme by releasing reports for public consultation via the department's 'Have Your Say' online platform. We take feedback received into account when deciding appropriate regulatory changes.
<p>Water Efficiency Labelling and Standards Scheme</p>	<ul style="list-style-type: none"> • Since 2018, the WELS team has been leading work in the International Organization for Standardization to establish an international standard for water efficiency labelling programs. The project committee comprises 37 member countries, 19 participating and 18 observing. In 2020-21 the committee met 4 times to progress the ISO standard, which should be published in 2021. The ISO standard will provide a framework for nations seeking to develop a water efficiency product labelling program which will support global efforts to reduce demand for water. • There was progress on amendments that will extend the shower star rating to 5 stars. Many showerheads already on the market can be promoted to 5 stars when the amendments are published. This amendment will drive the industry towards designing more efficient products. • Following stakeholder feedback, the WELS Regulator is considering expanding the WELS scheme to provide star ratings for waterless urinals and for the drying cycles for combined washer/dryer machines. We are working to help industry meet testing requirements for dishwashers that wash fewer than one setting, and standards for plumbing products in recreational vehicles and other mobile end-use settings that are not in a permanent installation. • Currently developing an in-service check-testing standard for showers and tapware which will allow testing of products against the water efficiency requirements of the Plumbing Code of Australia, and their claimed water use after installation. This will provide consumers value for money. • Collaborating with WaterMark and E3 regulators including state and territory government counterparts, and the administrator of the National Construction Code and the Plumbing Code of Australia. • Co-presenting a webinar for plumbers and builders in Western Australia with colleagues responsible for WaterMark and the National Construction Code, to assist plumbers and builders to understand their obligations under the WELS scheme. • ICT improvements that have commenced will provide significant cost and time savings for regulated entities and for WELS registration officers. The improvements were identified through engagement with industry and through continuous review of registration administrative processes.