

2017-2018 Regulator Self-Assessment– Shipping Tax Incentives

Introduction

About this self-assessment

The Australian Government has committed to reducing the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations. The Regulator Performance Framework (the Framework) has been developed to support Australian Government regulators to measure and improve their performance, particularly in adopting consistent, risk-based approaches to administered regulation. The Framework consists of six outcomes-based key performance indicators (KPIs) covering reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement.

The Shipping Tax Incentives regulator developed a set of tailored KPIs as part of the Framework. Following consultation with key stakeholders these KPIs were published on the Department's website at <https://infrastructure.gov.au/department/deregulation>.

The Framework requires regulators to publish an annual self-assessment of their performance against the agreed KPIs and to have these self-assessments validated by external stakeholders. This document has been produced to meet these requirements for the 2017-18 reporting period.

About the Regulator

The Department of Infrastructure, Regional Development and Cities (the Department) regulates the Shipping Reform (Tax Incentives) Act 2012 including the granting of Notices and Certificates for shipping tax concessions to Australian organisations operating Australian registered eligible vessels. The Tasmanian Shipping Section within the Department is the primary point of contact for any matters relating to the Shipping Tax Incentives Scheme.

The Shipping Tax Incentives Scheme is relatively small with only eight organisations submitting applications during the 2017-2018 financial year.

In July 2018, the Department sent out a survey to eight stakeholders identified as having made an application during the 2017-2018 reporting period. The Department received survey responses from six stakeholders. This survey has assisted the Department in identifying areas for future improvement.

In performing this self-assessment, evidence used includes information made available on the Department's website. The Department also used information provided as a result of the Tasmanian Shipping Section's interactions with stakeholders.

Overall, the Department is performing well against the KPIs. Stakeholder feedback is generally positive, and sets a strong benchmark for future years. The key area identified for improvement within the 2017/18 financial year is providing clarity about the application process for tax incentives applications, including documentary requirements and the meaning of appropriate 'training'.

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

Measure	Evidence	2017-2018 Results
<p>Applications for shipping tax incentives (notices and certificates) are considered in a timely manner.</p>	<p>Application processing times are recorded in the Tax Incentives Register. There is no legislative timeframe to process applications however the Department endeavours to:</p> <ul style="list-style-type: none"> • acknowledge receipt of an application within 5 business days. • assess Income Tax Exemption (ITE) notices/certificates within 15 business days from receipt of complete application. • assess non-ITE notices/certificates within 15 business days from receipt of complete application. 	<p>Eight organisations made 20 applications for either a Notice or Certificate during the 2017-2018 financial year. All were acknowledged within the five business days time frame as evidenced by the email trail.</p> <p>One application for Accelerated Depreciation was received during the reporting period.</p> <p>Where the application met the requirements of the legislation the Notice or Certificate was granted for each eligible ship within the 15 business days as recorded in the Tax Incentives Register. Due to requests for further information two applications were not processed within the 15 business day target; this is because the applications did not include all of the required information for them to be considered complete.</p>
<p>Maintain an understanding of the operating environment of the industry or organisation, or the circumstances of individuals and the current and emerging issues that affect the sector.</p>	<p>Both formal and informal feedback from applicants is recorded and incorporated into the process reviews.</p>	<p>The Department maintains its knowledge of current and emerging issues by monitoring media and industry websites.</p> <p>In total, 100% of respondents to the 2017-2018 stakeholder survey indicated the Department responds quickly and provides the information needed by applicants.</p>

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

Measure	Evidence	2017-2018 Results
<p>Guidance and information provided that is up to date, clear, accessible and concise through media appropriate to the target audience.</p>	<p>Information on the number and types of notices and certificates issued per calendar year is published on the Department's website.</p>	<p>The Department's website pages for the Shipping Tax Incentives Scheme were reviewed and updated in early 2018. The website provides information on the number and types of notices and certificates issued each year.</p>
	<p>Information on our website is a key means for demonstrating consistency in approach and educating applicants on the application process under the Act.</p> <p>The Tasmanian Shipping Section within the Department offers assistance to all applicants, by telephone and email.</p>	<p>Stakeholders have advised the information on the website is easily accessed and the application process is understood.</p> <p>67% (4 out of 6) of respondents to the survey agreed they are able to locate the information required on the Department's website.</p> <p>The survey results indicate that 50% (3 out of 6) of applicants contact the Department three times a year.</p> <p>Stakeholders have advised the Department responds to questions quickly with the information required, and communicates effectively to ensure all information required from applicants is provided. One stakeholder commented "I received exceptional service this year."</p> <p>83% (5 out of 6) of respondents to the survey agreed the steps they need to follow when applying for a Notice or Certificate are understood.</p> <p>The Department's internal assessment of applications during the reporting period has revealed on several occasions that requests for further information are required to assess an application.</p> <p>The Department will take steps to improve the clarity of the application process and documentary requirements during the 2018-2019 period.</p>

Measure	Evidence	2017-2018 Results
	<p>Feedback on the effectiveness of the Department's communication with stakeholders is sought and responded to promptly.</p>	<p>The Department's website is reviewed and updated regularly.</p> <p>Information on the review processes and making a compliment/complaint is available to applicants on the Department's website. https://infrastructure.gov.au/maritime/business/tax_incentives/eligibility.aspx</p>
	<p>Information complies with the Government's accessibility standards.</p>	<p>All material published on the Department's web site complies with the Department's 'Web Publishing Roles and Responsibilities' guidelines; 'Website Content Guidelines'; and the 'Word and PDF Accessibility' guidelines. Operational material on the website is regularly reviewed and updated.</p>
<p>Advice is consistent and supports predictable outcomes.</p>	<p>Internal guidance material (guidelines and checklists) are made available to staff to ensure that decisions take into account precedents and are consistent.</p>	<p>The administration team has an internal operational manual which is reviewed and updated regularly. The latest review of operational material is currently being undertaken. The use of the operational manual by administrators in the Department ensures consistency in approach to assessment of applications and communication to applicants and stakeholders. The Department processed all applications within the timeframe stated on the website. The guidance material was last reviewed during the first half of 2018.</p>
	<p>All responses to the survey indicated that the decision process is perceived to be predictable.</p> <p>Instructions on applying for certificates/notices are updated within 15 business days of any major process change.</p>	<p>100% of the survey respondents indicated that when they submit an application for a notice or certificate, they usually get the outcome they are expecting or if not an explanation is provided by the Department.</p> <p>The process of submitting and obtaining shipping tax incentive certificates or notices during the reporting period has not changed from the previous reporting period.</p>

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

Measure	Evidence	2017-2018 Results
<p>Application of a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions.</p>	<p>Published compliance policy reflects risk-based, proportionate and voluntary compliance principles.</p> <p>Each application is assessed and the recommendation is made by the Assessor for the Delegate as required under Section 27 of the Shipping Reform (Tax Incentives) Act 2012.</p> <p>Each assessment is peer assessed to ensure compliance is maintained.</p>	<p>100% of respondents to the survey agreed the amount of paperwork required when applying for a Notice or Certificate is appropriate.</p> <p>Risks are assessed and managed by the Department.</p>

Key Performance Indicator 4 – Compliance and monitoring approaches are streamlined and co-ordinated.

Measure	Evidence	2016-17 Results
<p>Information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimises impact.</p>	<p>Stakeholders are consulted on ways that the burden of information requests could be reduced.</p> <p>New information and updated guidance material is shared regularly. Questions from stakeholders are answered through the designated Tax Incentives e-mailbox.</p>	<p>Information requests to an applicant are made only when the application is incomplete and in a manner that minimises the burden on the applicant.</p> <p>In the 2017-2018 reporting period the number of requests for further information was reduced.</p>
<p>Monitoring and inspection approaches based on risk and, where possible, take into account the circumstances and operations needs of the regulated entity.</p>	<p>Published compliance policy reflects risk-based, proportionate and voluntary compliance principles.</p>	<p>Assessment of an application under the Shipping Tax Incentives Scheme is undertaken appropriately and takes into account the circumstances and operational needs of the organisation. It is also monitored through engagement with other government agencies.</p>

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

Measure	Evidence	2017-2018 Results
<p>The processing team is open and responsive to requests from applicants/peak bodies regarding the operation of the regulatory framework and approaches implemented.</p>	<p>Information on the operation of the <i>Shipping Reform (Tax Incentives) Act 2012</i> is available on the Department’s website (application forms, flowcharts, and text descriptions).</p> <p>Email and phone advice provided is consistent with published information.</p> <p>Informal feedback received from applicants via phone, email and face to face meetings is recorded and actioned.</p>	<p>Information on the operation of the Shipping Tax Incentives Scheme is reviewed annually and updated as required. The last review was undertaken in the first half of 2018.</p> <p>Advice to individual applicants is consistent with publicly available information on the Department’s web site.</p> <p>Appropriate action is taken and a detailed response is prepared to the applicant requesting information.</p> <p>67% (4 out of 6) of respondents agreed the information on the Department’s website is easily located.</p>
<p>Regulator’s performance measurement results are published in a timely manner to ensure accountability to the public.</p>	<p>Results of self-assessment validation process against the Regulator Performance Framework will be assessed by the Department and consolidated information will be published on the Department’s website.</p>	<p>The Section will review stakeholder comments on the Regulator Performance Framework Self-Assessment and, where appropriate, implement changes to current operational processes and/or published information.</p>

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

Measure	Evidence	2017-2018 Results
<p>Cooperative and collaborative relationships with stakeholders established and maintained to promote trust and improve the efficiency of the regulatory framework. Regulators engage stakeholders in the development of options to reduce compliance costs.</p>	<p>Any key issues identified by industry stakeholders during the validation process of the Regulator Performance Framework Self-Assessment will be followed up with stakeholders.</p>	<p>Following stakeholder feedback on the Regulator Performance Framework Self-Assessment the final document will be published on the Department’s web site.</p>
	<p>Compliment/complaint process is available to applicants. Information on how to contact the Department is kept up to date and published on the Department’s website</p>	<p>The Department advertises on its website a central contact for feedback and complaints https://infrastructure.gov.au/utilities/contact.aspx.</p> <p>During 2017-2018, no complaints on the operation of the Shipping Tax Incentive Scheme were received.</p> <p>100% of respondents to the survey indicated that the Department works with the applicant to ensure all required information is provided.</p>