

# Self-Assessment - Coastal Trading (Revitalising Australian Shipping) Act 2012

## 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 administrated 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.

In 2015 the Coastal Trading Regulator developed a set of tailored KPIs as part of the Framework. Following consultation with industry 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 this requirement.

### *About the Coastal Trading (Revitalising Australian Shipping) Act 2012 Regulator*

The Department of Infrastructure and Regional Development (the Department) regulates coastal shipping under the *Coastal Trading (Revitalising Australian Shipping) Act 2012* (CT Act) and the Coastal Trading (Revitalising Australian Shipping) Regulation 2012 (the CT regulations). The Shipping Business Unit within the Department is the primary point of contact for any matters relating to coastal shipping and the CT Act.

In August 2016, the Department sent out a survey to 101 stakeholders identified as holding licences under the CT Act as well as interested third parties. The Department received survey responses from 41 stakeholders<sup>1</sup>. This survey has assisted the Department in identifying areas for future improvement.

In performing this self-assessment, evidence used includes information publicly made available on the Department's website and the Coastal Shipping Compliance and Enforcement Framework. The Department also used information provided as a result of the Shipping Business Unit'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 2016/17 financial year is ensuring the Department's website is user friendly, easy to navigate and contains all necessary information for applicants and licence holders.

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<sup>1</sup> This response rate implies a  $\pm 12\%$  error margin, with 95 percent confidence.

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

Measure	Evidence	2015-16 Results
Applications for licences are considered in a timely manner.	Percentage of applications that are automatically approved under the Act because a decision has not been made within the set timeframe ( <i>new evidence</i> ).	In the 2015/16, the Department received 1446 applications under the CT Act. Of these, 100% of applications were processed within the legislated timeframes under the CT Act.  Additionally, 88% of stakeholders surveyed indicated that their application for a coastal trading licence is processed within the timeframe stated on the Department’s website (once they have given the Department all the information it needs). The large positive response in the stakeholder survey indicates that the CT Regulator is perceived to be a timely decision maker.
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.	Informal feedback from licence holders via phone, email and face to face meetings.  Annual industry consultation. Annual stakeholder survey undertaken and any key issues identified and changes reported back to stakeholders ( <i>new evidence</i> ).	Departmental staff have an understanding of the environment within which the shipping industry operates, including from informal feedback from licence holders. Departmental staff speak daily to shipping operators and applicants. The Department has co-located the business unit and policy unit so that there is better linkage between administrators and policy advisors.  Annual stakeholder survey has been completed. The key area identified for improvement within 2016/17 is ensuring the Department’s website is user friendly and easy to navigate.

### Additional commentary

The Department is not seen by stakeholders to unnecessarily impede the efficient operation of regulated entities. In addition to the measures above the recent stakeholder survey found that only 3 of 39 respondents (8%) disagreed with the statement ‘I don’t usually need to provide the Department with the same information multiple times’. Similarly, only 3 of 40 stakeholders (8%) surveyed indicated that they did not understand the steps to follow when applying for a coastal trading licence. This indicates the licence application is well understood and the Department provides adequate education to regulated entities.

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

Measure	Evidence	2015-16 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 licensing system is available on the Department’s website, along with information on applications received and granted and reports submitted under the Act. General announcements made by Industry Bulletin, which is emailed to all Coastal Trading Licensing System (CTLS) contacts, published on CTLS and on the Department’s website.</p> <p>Informal feedback received from licence holders via phone, email and face to face meetings is recorded and incorporated into review processes.</p> <p>Information complies with the Government’s accessibility standards.</p> <p>Information on review processes and making a compliment/complaint available for applicants/licence holders. Information is maintained and compliments/complaints are managed effectively (<i>new evidence</i>).</p>	<p>The Department regularly produces Shipping Business Unit Industry Bulletins to inform regulated entities about their obligations under the CT Act, as well as any changes to administrative processes. These are emailed to all licence holders, interested third parties, and are also published on the Department’s website under the Shipping Business Unit Industry Bulletins heading: <a href="https://infrastructure.gov.au/maritime/business/coastal_trading/licencing/index.aspx">https://infrastructure.gov.au/maritime/business/coastal_trading/licencing/index.aspx</a>.</p> <p>83% of stakeholders surveyed indicated that the Bulletins provide them with useful information.</p> <p>Monitoring of performance data was undertaken between April and June 2016 to provide an indication of satisfaction with guidance and information provided by the Regulator. In that period, 79% of all phone calls to the Shipping Business Unit by existing licence holders were resolved within the single phone call. Where queries could not be resolved on the phone, stakeholders were either advised to send their request in writing to the Shipping Business Unit email address for further consideration, or referred to another area within the Department or within Government. Further, as outlined in Key Performance Indicator 1, only 3 of 40 stakeholders (8%) surveyed indicated that they did not understand the steps to follow when applying for a coastal trading licence. This indicates communication with licence holders is clear, targeted and effective.</p> <p>The information published complies with the Government’s accessibility standards.</p> <p>The results of the stakeholder survey showed that 20.5% stakeholders did not know how to seek a review of a decision if they did not agree with the Department’s decision. The Department will review the current information on the website and look at ways to increase its prominence or clarify the message about the legislated review processes under the CT Act.</p>

Measure	Evidence	2015-16 Results
	Refusal emails contain information on review processes available under legislation or Departmental procedures.	Refusal emails sent by the Department's Shipping Business Unit contain information on review processes available under the CT Act.
Advice is consistent and supports predictable outcomes.	<p>Published licence flowcharts clearly outline how the application and decision processes work.</p> <p>Updated flowcharts clarify the minimum and maximum timeframes for a decision (<i>new evidence</i>).</p>	<p>Flow charts are published on the website which clearly outline how the application and decision processes work, and are available here:  <a href="https://infrastructure.gov.au/maritime/business/coastal_trading/index.aspx">https://infrastructure.gov.au/maritime/business/coastal_trading/index.aspx</a>.</p> <p>Whilst the flowcharts show timeframes for decision making, they do not currently specify the minimum and maximum timeframes for a decision. Before the next reporting period, the Department will update these to clarify the minimum and maximum timeframes.</p>

#### Additional commentary

The Shipping Business Unit within the Department offers assistance to all licence applicants, licence holders and interested third parties by telephone and email. This email address and phone number are clearly published on the Department's website on the 'Contact the Shipping Business Unit' page, available at [https://infrastructure.gov.au/maritime/business/coastal\\_trading/contact.aspx](https://infrastructure.gov.au/maritime/business/coastal_trading/contact.aspx).

In addition to the measures above the recent stakeholder survey found that of the stakeholders who indicated that they use the website, 76% indicated they can easily find the information they are looking for on the website. Stakeholder feedback indicated that the Coastal Trading Licensing System (CTLS) website which is used for licence applications could be more user friendly. Based on this feedback, the Department plans to audit the Department's webpage relating to coastal shipping and the CTLS website to determine how easy it is for someone with no experience with licence applications to navigate the website, and will make subsequent improvements to the website based on these findings, such as increasing the prominence of information relating to review processes.

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

Measure	Evidence	2015-16 Results
<p>Application of a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions.</p>	<p>Compliance policy reflects risk-based, proportionate and voluntary compliance principles (<i>new evidence</i>).</p>	<p>The Department regards the underlying outcome of KPI 3 as compliance and enforcement actions that are proportionate, reasonable and achieve a net benefit.</p> <p>Within the 2015-16 financial year, the Department has developed a Compliance and Enforcement Strategy that summarises its approach to compliance and enforcement. The goal of the compliance and enforcement framework is to improve the level of voluntary compliance, and tailor compliance improvement programs to areas of identified risk. The Strategy is underpinned by a risk-based proportionate approach to compliance obligations, engagement and regulatory enforcement actions.</p>

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

Measure	Evidence	2015-16 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>Information contained in voyage notifications and reports is checked and utilised if possible before a request for information is made to a licence holder.</p>	<p>The Shipping Business Unit processes for compliance and monitoring approaches are streamlined and conducted in a way that minimises impact to industry’s business operations. Information contained in licence applications, voyage notifications and reports is checked by multiple members of the team, and explored before any further request for information is made to licence holders.</p> <p>In the stakeholder survey, only 4 out of 39 stakeholders (10.3%) disagreed with the statement ‘the amount of paperwork I need to provide when applying for a coastal trading licence is appropriate’. Similarly, only 3 of 39 respondents (7.7%) disagreed with the statement ‘I don’t usually need to provide the Department with the same information multiple times’. Together, these results indicate that the Department is meeting its obligations in this area.</p>
<p>Monitoring and inspection approaches based on risk and, where possible, take into account the circumstance and operations needs of the regulated entity.</p>	<p>Monitoring and enforcement policy reflects risk-based, proportionate and voluntary compliance principles (<i>new evidence</i>).</p>	<p>The Compliance and Enforcement Strategy, outlined in Key Performance Indicator 3, reflects risk-based, proportionate and voluntary compliance principles.</p>

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

Measure	Evidence	2015-16 Results
<p>Shipping Business Unit is open and responsive to requests from applicants/licence holders regarding the operation of the regulatory framework and approaches implemented by the Shipping Business Unit.</p>	<p>Information on the operation of the Act, notification and reporting requirements, including non-performed voyages, is available on the website (licence flowcharts). Email and phone advice provided is consistent with the published information.</p> <p>Informal feedback received from licence holders via phone, email and face to face meetings is recorded and incorporated into review processes.</p>	<p>In order to ensure transparency, the Department makes available information on the operation of the Act, including flowcharts which outline licensing processes on this website: <a href="https://infrastructure.gov.au/maritime/business/coastal_trading/index.aspx">https://infrastructure.gov.au/maritime/business/coastal_trading/index.aspx</a>.</p> <p>In the stakeholder survey 7 of 40 stakeholders (17.5%) disagreed with the statement 'I can easily find the information I'm looking for on the Department's website'. This indicates that improvements could be made in this area.</p> <p>The Department will update the licence flowcharts, as outlined in Key Performance Indicator 2, to provide more clarity to licence users. As previously advised, the Department will also audit the website and make improvements where necessary.</p> <p>Apart from the website, the Shipping Business Unit also provides advice and assistance via telephone and email which are monitored at minimum between the hours of 9am and 5pm on business days.</p> <p>Informal feedback received from people who called the Shipping Business Unit between April and June 2016 indicated that 96% of callers seemed satisfied with the outcome of the phone call. This indicates that the Shipping Business Unit is open and responsive to requests regarding the operation of the regulatory framework and approaches implemented by the Department.</p>

Measure	Evidence	2015-16 Results
<p>Shipping Business Unit's performance measurement results are published in a timely manner to ensure accountability to the public.</p>	<p>Results of stakeholder surveys and self-assessment against Regulator Performance Framework published in a timely manner on Department's website (<i>new evidence</i>).</p>	<p>The Shipping Business Unit is open and transparent in its dealings with regulated entities. This inaugural self-assessment against the Regulator Performance Framework, which comprises results from the stakeholder survey and internal compliance mechanisms, is publicly available. Future years' self-assessment reports will also be made available on the Department's website to ensure accountability to the public.</p>

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

Measure	Evidence	2015-16 Results
<p>Cooperative and collaborative relationships with stakeholders established and maintained to promote trust and improve the efficiency and effectiveness of the regulatory framework.</p>	<p>Informal feedback received from licence holders via phone, email and face to face meetings is recorded and incorporated into review processes.</p> <p>Annual industry consultation. Annual stakeholder surveys undertaken and any changes communicated back to stakeholders (<i>new evidence</i>).</p> <p>Compliment/complaint process available for applicants/licence holders. Compliments/complaints are managed effectively and communicated to relevant parties (<i>new evidence</i>).</p>	<p>The Department values any feedback from licence holders, and strives to incorporate this feedback into review processes to ensure stakeholders understand their obligations and rights under the regulatory framework. As discussed in Key Performance Indicator 5, informal feedback via the Shipping Business Unit phone-line indicated that 96% of callers seemed satisfied with the outcome of the phone call. This demonstrates the cooperative and collaborative relationships the Shipping Business Unit has established and maintained with stakeholders.</p> <p>The Department undertakes annual industry consultation through an annual stakeholder survey. The results of this survey inform the Department of any improvements that can be made. For example, the results of this inaugural survey have supported the Department’s commitment to review the website to provide further clarity to stakeholders.</p> <p>The majority of respondents (21 out of 40 or 52.5%) in the survey agreed that the Department does a good job of handling complaints. A significant number of respondents provided a neutral response (16 out of 40 or 40%) which may indicate that many stakeholders have not actually lodged a complaint. Currently, compliments and complaints are primarily received informally via phone and email, and are responded to as soon as practicable.</p>