

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

The Framework requires regulators to publish an annual self-assessment of their performance against the agreed KPIs and to have these self-assessments validated by external stakeholders. This document has been produced to meet these requirements for the 2019-2020 reporting period.

About the Regulator

The Department of Infrastructure, Transport, Regional Development and Communications (the Department) regulates the SRTI including the granting of notices and certificates for shipping tax incentives to Australian shipping organisations operating Australian registered eligible vessels. The Tasmanian Shipping and Programs 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 nine organisations submitting applications during the 2019-2020 financial year.

On 7 October 2020, the Department sent out a survey to nine stakeholders identified as having made an application during the 2019-2020 reporting period. The Department received responses from four stakeholders. The responses to the survey will assist the Department in identifying areas for future improvement.

In preparing the self-assessment the Department evaluated the survey responses and internal recording tools. The Department also used information provided as a result of the Tasmanian and Shipping Programs 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 2019-2020 financial year is providing clarity about the application process for shipping tax incentives, specifically, the steps required to make a successful application.

2019-2020 Regulator Self-Assessment – Shipping Tax Incentives

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

Measure	Evidence	2019-2020 Results
<p>Applications for access to shipping tax incentives (notices and certificates) are considered in a timely manner.</p>	<p>Application processing times are recorded in the Shipping Tax Incentives Register. There is no legislative timeframe to process applications however the Department endeavours to:</p> <ul style="list-style-type: none"> • acknowledge receipt of an application within 5 business days. • assess an application within 15 business days from receipt of a complete application. 	<p>Achieved</p> <p>Nine organisations made 29 applications for a certificate and one organisation made six applications for a notice during the 2019-2020 financial year. All applications were acknowledged within the five business days time frame as evidenced by the email trail. This represents a 17% improvement from the 2018-2019 reporting period of 73% of applications acknowledged within five business days.</p> <p>97% of applications were processed within 15 business days. One application took 19 days to process due to the complex nature of assessing the period of eligibility. The average processing time for all applications was 13 business days.</p> <p>All four respondents to the 2019-2020 survey represent large businesses (>199 employees).</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>Achieved</p> <p>The Department maintains its knowledge of current and emerging issues through regular media monitoring and monitoring of industry websites.</p> <p>In the 2019-2020 annual stakeholder survey all respondents indicated the Department responds quickly and provides the information needed by applicants.</p> <p>The Department provides a 1800 phone number and single email mailbox for submission of applications and stakeholders to provide formal or informal feedback. During the reporting period there were no issues raised by stakeholders.</p> <p>The Department is committed to addressing any issues raised by stakeholders as they arise, including the responses to the survey.</p>

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

Measure	Evidence	2019-2020 Results
<p>Guidance and information provided that is up to date, clear, accessible and concise through media appropriate to the target audience.</p>	<p>Information on the number and types of notices and certificates issued per calendar year is published on the Department’s website.</p>	<p>Achieved</p> <p>The Department’s website pages for the Shipping Tax Incentives Scheme were reviewed and updated in early 2020.</p> <p>The website provides up to date guidance and information to assist applicants including infill forms. The guidance material is clear, accessible and concise.</p> <p>Two respondents indicated they understood the steps they needed to follow when making an application under the <i>Shipping Reform (Tax Incentives) Act 2010</i> (SRTI) while two respondents indicated they strongly disagreed to understanding the step to follow when making an application. In 2018-2019 80% of respondents indicated they understood the steps they needed to follow when making an application.</p> <p>The reduced number of respondents understanding the steps in 2019-2020 may be attributed to a number of staff changes within organisations.</p> <p>The Department will review the published information with an aim to provide greater clarity of the legislative requirements and the application process. The Department will provide additional guidance to applicants that indicated they are unfamiliar with the steps required to submit a complete application under the SRTI.</p> <p>Information on the website includes historical information on the number and types of notices and certificates issued by calendar year.</p>

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

	<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 and Programs Section within the Department offers assistance to all applicants, by telephone and email.</p>	<p>Achieved</p> <p>All respondents to the 2019-2020 survey either strongly agreed or agreed the information on the website is easily accessed. This is an increase of 20% from the 2018-2019 survey results. This is not consistent with two respondents indicating they do not understand the steps needed to apply under the SRTI. As above the Department will review the guidance material. The Tasmanian and Shipping Programs Section will provide assistance to applicants that indicate they are unfamiliar with the process required to make an application under the SRTI. No comments were provided to explain the respondent’s concerns.</p> <p>The 2019-2020 survey results indicated that on average half of the applicants contact the Department three times a year while the remaining two respondents are split evenly between twice a year and once a year.</p> <p>The Department’s internal analysis of applications during the reporting period revealed on some occasions requests for further information from the Department are required to fully assess an application.</p> <p>The Department will take steps to improve the clarity of the application process during the 2020-2021 period, including reviewing the application forms and guidance material.</p>
	<p>Feedback on the effectiveness of the Department’s communication with stakeholders is sought and responded to promptly.</p>	<p>Achieved</p> <p>The Department’s website is reviewed and updated regularly. The last review was conducted in January 2020.</p> <p>Information for stakeholders to make a compliment/complaint is available to applicants on the Department’s website.</p>

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

		https://infrastructure.gov.au/maritime/business/tax_incentives/eligibility.aspx
	Information complies with the Government’s accessibility standards.	Achieved 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.
Advice is consistent and supports predictable outcomes.	Internal guidance material (guidelines and checklists) are made available to staff to ensure that decisions take into account precedents and are consistent.	Achieved Internal guidance material is reviewed and updated annually. A review of operational material is currently being undertaken. The use of the internal guidance material by administrators in the Department ensures consistency in approach to assessment of applications and communication to applicants and stakeholders.
	All responses to the survey indicated that the decision process is perceived to be predictable. Instructions on applying for certificates/notices are updated within 15 business days of any major process change.	Achieved All respondents indicated that when they submit an application, they usually get the outcome they are expecting or if not a suitable explanation is provided by the Department. The process of submitting and obtaining Shipping Tax Incentive certificates or notices during the reporting period has not changed from the previous reporting period. Therefore, the Department had no need to contact stakeholders.

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

Measure	Evidence	2019-2020 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 to the Delegate as required under Section 27 of the <i>Shipping Reform (Tax Incentives) Act 2012</i>. Each assessment is peer reviewed to ensure compliance is maintained.</p>	<p>Achieved</p> <p>All applications are assessed carefully to ensure compliance with the legislation. Any non-compliance is brought to the applicant’s attention immediately. To achieve consistency in assessing applications internal guidance material is used to assess and determine an application’s compliance with the legislation. The guidance material is reviewed regularly to ensure currency. The last review of the guidance material occurred in October 2019.</p> <p>One respondent strongly agreed and the other three respondents agreed the amount of paperwork required when making an application under the SRTI is appropriate.</p> <p>Risks are assessed and managed by the Department on an ongoing basis. The Department has a Risk and Compliance Framework for managing risks under the SRTI, which is reviewed regularly.</p>

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

Measure	Evidence	2019-2020 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 Shipping Tax Incentives e-mailbox.</p>	<p>Achieved</p> <p>Information requests to an applicant are made only when the application has been assessed and in a manner that minimises the burden on the applicant.</p> <p>Stakeholders are consulted on ways to reduce the burden of regulation by being requested to comment on projects of this nature. The Department uses the responses to improve the administration of the program.</p>
<p>Monitoring and inspection approaches based on risk and, where possible, take into account the circumstances and operational needs of the regulated entity.</p>	<p>Published compliance policy reflects risk-based, proportionate and voluntary compliance principles.</p>	<p>Achieved</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	2019-2020 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>Achieved</p> <p>Information on the operation of the Shipping Tax Incentives Scheme is reviewed and updated annually. The latest review was conducted in early 2020.</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>One respondent strongly agreed and two respondents agreed the Department clearly explains the reasons for its decision about the application for a notice or certificate.</p> <p>One respondent included the comment ‘<i>I have always found the Department has responded promptly and informatively</i>’.</p> <p>The remaining respondent indicated they neither agreed nor disagreed.</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 certified by the Department and consolidated information will be published on the Department’s website.</p>	<p>Achieved</p> <p>The Department 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	2019-2020 Results
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.	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>Achieved</p> <p>Following stakeholder feedback on the Regulator Performance Framework Self-Assessment the final document will be clarified and published on the Department’s web site.</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>Achieved</p> <p>The Department advertises on its website a central contact for feedback and complaints https://infrastructure.gov.au/utilities/contact.aspx.</p> <p>No complaints concerning the administration of the Shipping Tax Incentive Scheme were received during the survey period.</p> <p>All respondents to the survey indicated that the Department responds quickly with the information the applicant is seeking.</p>