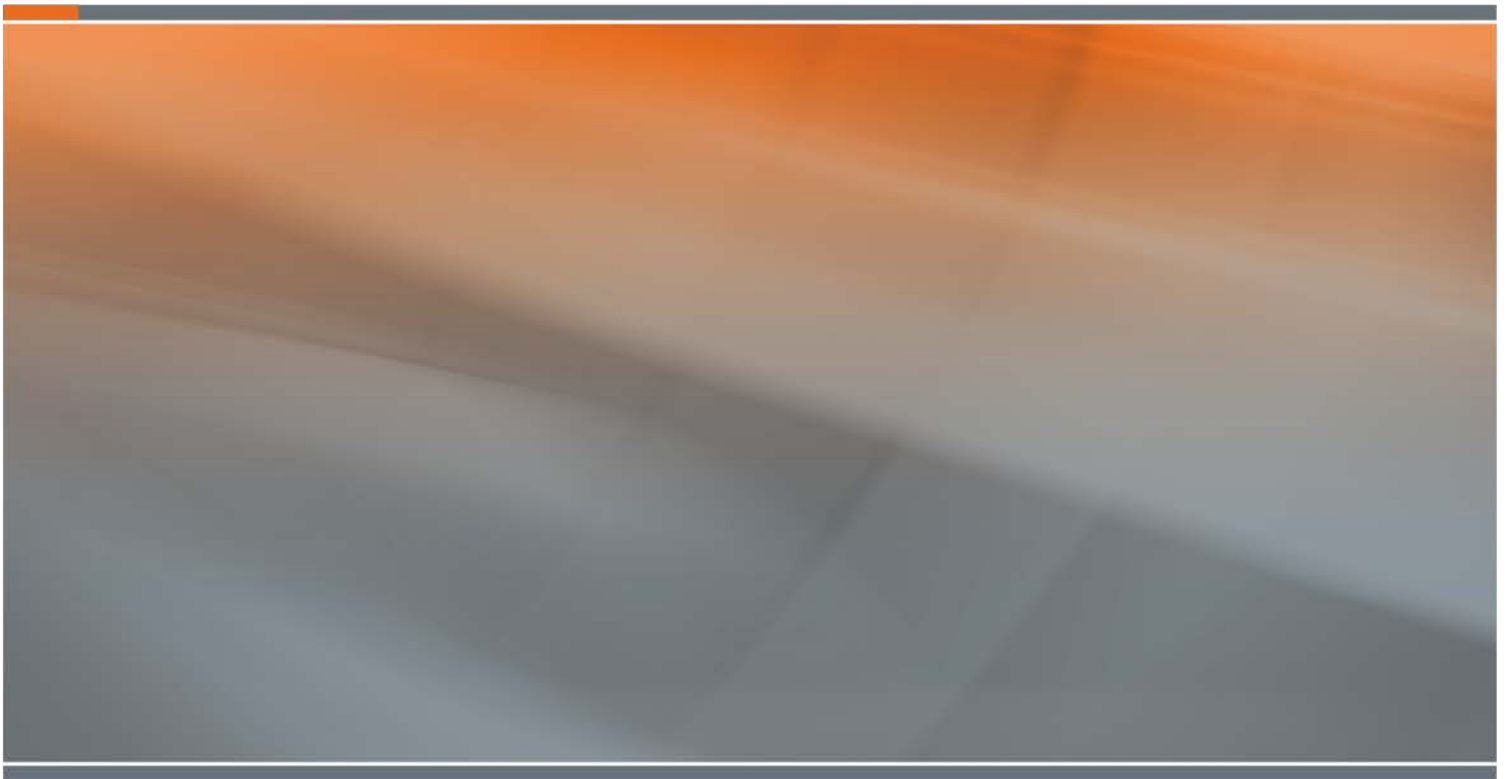




Australian Government
Department of Defence

Department of Defence

Regulator Performance Framework



Annual Self-Assessment Report 2016-2017



Introduction

The Regulator Performance Framework

The Australian Government Regulator Performance Framework (the Framework) was agreed by Government and released on 29 October 2014¹.

The purpose of the Framework is to encourage regulators to minimise their impact on those they regulate. The Framework applies to those Commonwealth entities and functions that have statutory responsibility to administer, monitor or enforce regulation by undertaking some or all of the following activities:

- Licensing and/or approvals processes, including registration or accreditation, that controls entry to or participation in a market;
- Monitoring and compliance activities, including imposing and collecting fees;
- Enforcement actions for non-compliance and complaints resolution; and
- Providing advice and guidance regarding compliance with regulation, including education around compliance.

Self-assessment

Under the Framework, regulators must conduct an annual self-assessment of regulatory activities, have the self-assessment externally validated through an approved stakeholder consultation mechanism and publish a report on the outcomes of this process. This is the Defence Portfolio's second Self-assessment Report under the Framework and covers the period 1 July 2016-30 June 2017.

Regulators are to assess their performance against six outcomes-based Key Performance Indicators (KPIs):

- regulators do not unnecessarily impede the efficient operation of regulated entities;
- communication with regulated entities is clear, targeted and effective;
- actions undertaken by regulators are proportionate to the risk being managed;
- compliance and monitoring approaches are streamlined and coordinated;
- regulators are open and transparent in their dealings with regulated entities; and
- regulators actively contribute to the continuous improvement of regulatory frameworks.

¹ Further information on the Regulator Performance Framework is available on the [Australian Government's online resource for the Deregulation Agenda](#)

Regulatory roles within the Defence Portfolio

The Defence Portfolio's primary activities as a regulator involve conducting licensing and approvals processes. The Framework applies to the following two areas within the Defence Portfolio:

- The Defence Export Controls Branch including the AS-US Defence Trade Cooperation Treaty; and,
- Woomera Prohibited Area Coordination Office.

Defence Export Controls

Defence Export Controls (DEC) administers the *Defence Trade Controls Act 2012*, *Defence Trade Controls Regulation 2013*, *Weapons of Mass Destruction (Prevention and Proliferation) Act 1995*, and *Weapons of Mass Destruction Regulations 1995*. Defence Export Controls also administers s112BA of the *Customs Act 1901* and regulations 13E-EK of the *Customs (Prohibited Exports) Regulations 1958* on behalf of the Department of Home Affairs.

DEC is responsible to the Minister for Defence for regulating the export of military and dual-use goods as part of Australia's system of export controls.

Australia's export control system reflects the Government's commitment to ensure that proliferation-sensitive goods and technologies are not supplied or exported to states or groups that would be detrimental to Australia's national interests or in contravention of Australia's international obligations and commitments.

Organisations and individuals who supply or export proliferation-sensitive goods and technologies must comply with the regulatory framework and are required to apply for a permit prior to export. DEC processes around 4,000 export permissions annually.

Australia's export control legislation, policies and procedures are reviewed regularly to reflect changes in strategic circumstances and priorities and in Australia's international obligations.

Defence Export Controls – AS-US Defence Trade Cooperation Treaty

In 2007, the Australian and the United States Governments signed the Treaty concerning Defence Trade Cooperation (the Treaty).

The Treaty is intended to improve the efficiency of eligible two-way transfers between Australian Community members and the United States' Community members. Both communities include government and non-government entities that have applied to be and been approved as members of the

Approved Community. Each Community is managed by their respective Government.

The membership of Australian Community members and Intermediate Consignees is administered by DEC.

Woomera Prohibited Area Coordination Office

Woomera Prohibited Area Coordination Office performs regulatory functions in support of the Woomera Prohibited Area Rule 2014.

The Woomera Prohibited Area (WPA) is a 'Prohibited Area' declared for the testing of war materiel under regulation 34 of the Defence Force Regulations 1952 (as preserved) and described in the Woomera Prohibited Area Rule 2014 (the Rule). The WPA is an important Defence capability and testing and evaluation asset that plays a significant role in Australia's national security. The Department of Defence is responsible for ensuring the safety of people and security of its testing programs during all defence activities inside the WPA.

The WPA is mainly South Australian Crown land subject to native title determinations, pastoral leases, mining and resource exploration tenements and conservation parks. About one third of the area is Aboriginal freehold title. As a declared prohibited area, access to the WPA (excluding some access routes and the Woomera Village) for non-Defence use requires prior Commonwealth approval under Defence's legislative framework by way of permission or a permit. Access may be suspended during periods promulgated for the testing of war materiel. Categories of non-Defence users of the WPA with prescriptive application requirements are: a) mining and resource exploration b) tourists c) opal and precious stone prospectors; and d) research and environmental. Other non-Defence users who had permission to access the WPA before the Rule came into effect in August 2014 remain subject to the provisions of the Regulations (as preserved).

In financial year 2016-2017, engagement with non-Defence stakeholders included targeted consultations with resource sector representatives to support the 2016 Post Implementation Review of the Government's response to the 2010-2011 review of the WPA. Following the 2010-2011 review, the current coexistence framework was introduced and governed by the Rule that came into effect in August 2014. The Post Implementation Review found the predominant view of stakeholders was that the Rule and supporting policies and procedures met the intent of the 2010-2011 review to formalise the administrative and coexistence arrangements for non-Defence users to access the WPA. Moreover, that the new legislative framework was considered superior to the former individually-negotiated deed of access and administrative arrangements.

Coincident with the Post Implementation Review, an interim departmental review of the Woomera Prohibited Area Rule 2014 – as it applied to the resources sector, was undertaken with the Department of Industry, Innovation and Science. This review was also supported by stakeholder consultations concerning the operation of the regulation and whether there were any regulatory or administrative overheads brought about by the legislative framework that might affect long-term investment certainty. Industry stakeholders unanimously indicated that the Rule provided sufficient long-term certainty to support investment decisions for resources exploration. A number of participants remarked that resources exploration companies are subject to many other and different ‘layers’ of regulatory processes (State and Commonwealth), and that any constraints associated with working in the WPA and the Rule were just another layer to work through and to be planned accordingly.

Stakeholder consultations also supported the preliminary planning for the forthcoming 2018 Review of Coexistence within the Woomera Prohibited Area. The 2018 review will examine the operation of the coexistence framework that is supported by the Rule, which may result in future regulatory changes and procedural reform.

Assessment and Reporting

Self-Assessment Methodology

The performance metrics developed under the Framework for each of the two Defence Portfolio regulatory areas was approved by the Minister for Defence on 7 August 2015. These metrics assess performance against each of the six KPIs under the Framework with relevant supporting evidence specific to each regulatory activity.

The two Defence Portfolio regulatory areas conducted self-assessments in 2017 and these have been validated through an external review conducted as approved by the Minister for Defence.

Reporting

The final self-assessment reports, performance metrics and evidence provided to support self-assessment and review against the six KPIs is published in the final self-assessment reports at Tables 1 to 3 of Appendix A.

Table 1: Defence Export Controls Branch – 2016-17 Regulator Performance Framework Self-Assessment

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	1.1: Demonstrate an understanding of the operating environment	1.1.1: Engage up stream with stakeholders to ensure prompt decisions and resolve any issues	<p>DEC representatives attended a number of key industry events including Avalon Air Show (March 2017), the Defence + Industry Conference (June 2017) and the Australia Cyber Security Conference (March 2017). DEC staff utilised these opportunities to engage with defence industry on their export control responsibilities.</p> <p>During Financial Year (FY) 2016-17, DEC undertook a number of targeted outreach activities. DEC engaged with multiple individual companies and research institutions to discuss their export obligations and to assist them in acquiring the most suitable permits to meet their requirements. For example, DEC worked closely with an Australian company who manufacture primarily uncontrolled goods to implement a tiered approach to providing Export Control Assessments (ECAs). DEC issued internal guidance to risk assessors, which implemented clearly articulated thresholds. This initiative reduced workload for DEC while ensuring the company's business was not impeded by unnecessary regulatory burden. This arrangement has been in place since January 2017, and will be reviewed end 2017. DEC plans to identify additional companies for tailored licensing solutions throughout 2017-18.</p> <p>DEC worked closely with the Centre for Defence Industry Capability (CDIC) to coordinate outreach activities, including the arrangement of International Traffic in Arms Regulations (ITAR) training for industry. This outreach session was originally planned for May 2017; however, due to delays in the tender process to find appropriate trainers, the outreach was delayed until July 2017. DEC led coordinated outreach to stakeholders with the Department of Foreign Affairs and Trade (DFAT) and Australian Border Force (ABF) to strengthen the whole-of-Government approach to export controls.</p> <p>DEC and the CDIC also conducted joint targeted outreach. The CDIC have arranged for DEC to provide export control advice to project companies, allowing DEC the opportunity to build their compliance profile.</p> <p>DEC undertook significant work to review the current compliance regime with the view to developing a holistic compliance framework but it is yet to be finalised.</p> <p>Throughout 2016-17 DEC implemented several improvements to documents and customer interfaces. The implementation of a new DEC website enhanced the customer experience including additional self-paced public training resources. In line with DEC's stakeholder-centric approach, DEC policies and procedures were also constantly reviewed to ensure they meet customer needs and expectations, whilst also upholding international obligations.</p>		<p>Attend and present at key industry events, engage with individual companies and organisations to design tailored licensing solutions and conduct a regular program of outreach activities in most capital cities.</p> <p>Regularly review and refresh all documents, policies, procedures and customer interfaces.</p> <p>Review the current compliance regime and develop a holistic compliance framework. This framework will include the US Trade Treaty (the Treaty).</p> <p>Work with the Centre for Defence Industry Capability and the Defence Innovation Hub to allow for early engagement on export controls surrounding developing technologies.</p>
		1.1.2: Licence/Permit renewal process (Two years export licence to Five years or life of project licence)	<p>DEC continues to issue permits with a maximum validity period of five years or the life of the project (introduced May 2015).</p> <p>In February 2017, DEC implemented a trial of tailored boarder permits for the cryptographic sector. The trial ended June 2017 after two broad permits were issued. Both permits have been extended to the end of 2017. Feedback has been sought from the cryptographic community regarding the practical application of the permit and the low permit uptake rate.</p>		<p>Identify licensing solutions that best suit the needs of applicants whilst balancing risks to Australia's defence, security or international relations.</p> <p>Review company specific licencing arrangements.</p> <p>Collate feedback on the broad cryptography permit trial.</p>
	1.2: Take actions to minimise the potential for unintended negative	1.2.1: Close engagement with stakeholders (Strengthened	During 2016-17 the Industry Working Group was expanded to include representatives from		Continue leading the DECWG,

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
	impacts of regulatory activities on regulated entities	Export Controls Steering Group and Senate Committee)	industry, research and community sectors, forming the Defence Export Controls Working Group (DECWG). Members of the DECWG are experienced export control practitioners and stakeholders who are in a position to support the effective management and implementation of export controls, enabling DEC to strengthen its risk-based, stakeholder-centric approach.		utilising meetings to consult various export control issues.
KPI 2 - Communication with regulated entities is clear, targeted and effective	2.1: Extensive information on website including approval time periods published	2.1.1: Assessment time for routine applications is up to 15 working days	The DEC website provides detailed information on approval times for permit applications.		Continue to publish quarterly performance reports.
			DEC also publishes quarterly performance reports on the website including statistics on the percentage of applications that were approved within the mandated timeframe.		
	In June 2017 DEC undertook a study on the level of data transparency. Included in this work, was an assessment of the possibility of enhancing detail of DEC published data. Implementation of this work is ongoing.	Endeavour to assess all applications within the required timeframes.			
	In FY2016-17, DEC received 3590 applications. 95% of non-sensitive applications and 92% of sensitive/complex applications were assessed within the required timeframes. This represents an improvement from 2015-16, where DEC assessed 91% of non-sensitive and 91% of sensitive/complex applications within required timeframes.		Implement appropriate outcomes from the transparency assessment to enhance the detail of published Export Control data.		
2.2: Close stakeholder engagement and open channels of communication	2.2.1: Engage up stream with stakeholders to ensure prompt decisions and resolve any issues.	2.2.1: Engage up stream with stakeholders to ensure prompt decisions and resolve any issues.	In addition to activities outlined in 1.1.1, DEC maintains open lines of communication with entities throughout the permit assessment process. Specific stakeholders are engaged early in the process to ensure timely resolution of issues and applicants are kept apprised of developments regularly.		Attend and present at key industry events, engage with individual companies and organisations to design tailored licensing solutions and conduct a regular program of outreach activities in most capital cities.
			DEC ensures applicants receive regular updates on the status of all active cases. Case managers contact applicants at intervals of no more than two weeks to discuss case progress.		
			Throughout 2016-17, DEC conducted multiple visits to companies across Australia to discuss specific issues surrounding proposed exports, business relationships and licensing requirements. This one-on-one approach allows DEC to be flexible and work with customer's specific needs.		
2.2.2: Online help facility & range of contact options (telephone, email and mail)	2.2.2: Online help facility & range of contact options (telephone, email and mail)	2.2.2: Online help facility & range of contact options (telephone, email and mail)	The DEC website was enhanced during 2016-17 to provide more detailed information on Australia's export control framework, policy, key legislation and regulations. There is also extensive frequently asked questions information available. Telephone, email and mail contact options are provided on the website and on all documents issued by DEC. DEC operates a 1800 number (freecall) service during business hours to enable applicants to contact the DEC team directly.		Continue to provide telephone, email and website resources. Including maintaining a staffed 1800 number.
			In FY2016-17, DEC received approximately 4000 phone calls.		
2.2.3: Conference, news, notices,	2.2.3: Conference, news, notices,	2.2.3: Conference, news, notices,	News, notices, guidance material and online training modules are available on the DEC		Review available online

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
		guidance materials & training modules on website.	<p>website and are regularly updated.</p> <p>DEC has continued to provide sector specific guidance as required, for example in the cryptography sector, which resulted in the broad permit trial in 2016-17.</p>		<p>training to ensure it is up to date and relevant.</p> <p>Provide sector specific guidance as required.</p>
KPI 3 - Actions undertaken by regulators are proportionate to the regulatory risk being managed	3.1: Risk-based approach is regularly re-assessed and amended to reflect changing priorities, without diminishing regulatory impact	3.1.1: Risk assessment process determines licensing conditions	<p>Since the introduction of Australian General Export Licences (AUSGELs) in 2015, DEC has refined the AUSGEL process to ensure it remains relevant and useful. In June 2017, DEC released a new streamlined AUSGEL form aimed at improving assessment timeframes.</p> <p>16 companies or organisations were granted AUSGELS in FY2016-17.</p> <p>DEC undertook ongoing assessment of the risk based licensing assessment and approval processes throughout 2016-17 ensuring a culture of continuous improvement is maintained. DEC also produced in depth SOPs on Pre-Assessment, Technical Assessment, Risk Assessment and Delegate Decisions.</p> <p>DEC began work on interagency guidance aimed at improving the consistency of decision making. This guidance is intended to assist in the application of export control criteria and is designed for use by multiple departments to ensure a consistent whole of government approach to export controls. Implementation of this work is ongoing.</p>		<p>Review existing risk based licensing, assessment and approval processes to ensure they are robust, efficient and effective. Review and formalise policy framework.</p> <p>Review AUSGEL permits to ensure the risk system is being managed appropriately.</p> <p>Undertake to promote and advertise AUSGELS.</p> <p>Refine branch wide SOPs.</p> <p>Continue to refine interagency guidance.</p>
		3.1.2: Licence/Permit renewal process (2 years export licence to 5 years or life of project licence)	<p>DEC continues to issue permits with a maximum validity period of five years or the life of the project (introduced May 2015).</p> <p>DEC began working with various companies from the chemical sector on possible tailored licensing solutions. Work on this initiative will continue during 2017-18.</p>		<p>Identify licensing solutions that best suit the needs of applicants whilst balancing risks to Australia's defence, security or international relations.</p> <p>Review company specific licensing arrangements.</p> <p>Collate feedback on the broad cryptography permit trial.</p> <p>Implement tailored licensing solutions for chemical sector.</p>
KPI 4 - Compliance and monitoring approaches are streamlined and co-ordinated	4.1: Utilise existing information and shares information with other regulators	4.1.1: Online Defence Export Control System (DECS) provides an automated permits and assessments application process.	<p>DEC's operations are managed through an IT system – the Defence Export Control System (DECS). This system contains all information from applications to correspondence. The system supports more effective tracking of cases through a range of dashboards, alerts and reports. Application assessment times have significantly improved since DECS introduction in 2013. The system continues to be enhanced and upgraded to meet stakeholder requirements.</p> <p>DEC aimed to convert application forms to web forms during 2016-17. This was not achieved, but the option will continue to be explored as part of requirements discussions</p>		<p>Convert the application forms to web forms.</p> <p>In consultation with relevant stakeholders, examine options to make the export application form more user-friendly.</p>

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
			for future DECS releases.		
		4.1.2: Sharing of information with other agencies/dept i.e. Customs, Australian Intelligence Community (AIC), non-proliferation counterparts	<p>DEC has a well-established information sharing process with other Government agencies to assess export applications.</p> <p>During FY2016-17, DEC regularly shared information with our international counterparts through export control regime meetings which occur throughout the year. DEC also strengthened engagement with the Australian Federal Police (AFP) on investigative matters and enhanced relationships with the Australian Criminal Intelligence Commission and Australian Transaction Reports and Analysis Centre (AUSTRAC). DEC continues to enjoy close relationships with the Department of Home Affairs (DHA) and the Australian Border Force (ABF).</p> <p>Significant work was undertaken to seek access to Australian Firearms Information Network (AFIN). This is still progressing. In the meantime, DEC is also working to strengthen its internal firearms process.</p>		<p>Gain access to the Australian Firearms Information Network (AFIN).</p> <p>Where possible, increase information sharing and connectivity with the AFP, State and Territory Police Forces.</p>
KPI 5 - Regulators are open and transparent in their dealings with regulated entities	5.1: Extensive information on website including approval time periods published	5.1.1: Conference, news, notices, guidance materials & training modules on website	<p>News, notices, guidance material and online training modules are available on the DEC website and are regularly updated.</p> <p>DEC has continued to provide sector specific guidance as required, for example in the cryptography sector, which resulted in the broad permit trial in 2016-17.</p> <p>Throughout 2016-17 DEC implemented several improvements to documents and customer interfaces. The implementation of a new DEC website enhanced the customer experience including additional self-paced public training resources. In line with DEC's stakeholder-centric approach, DEC policies and procedures were also constantly reviewed to ensure they meet customer needs and expectations, whilst also upholding international obligations.</p> <p>In June 2017 DEC undertook a study on the level of data transparency. Included in this work, was an assessment of the possibility of enhancing detail of DEC published data. Implementation of this work is ongoing.</p>		<p>Regularly review and refresh all documents, policies, procedures and customer interfaces.</p> <p>Implement appropriate outcomes from transparency assessment to enhance the detail of published Export Control data.</p> <p>Provide sector specific guidance as required.</p>
		5.1.2: Assessment time for routine applications is up to 15 working days	<p>The DEC website provides detailed information on approval times for permit applications.</p> <p>DEC also publishes quarterly performance reports on the website including statistics on the percentage of applications that were approved within the mandated timeframe.</p> <p>DEC ensures applicants receive regular updates on the status of all active cases. Case managers contact applicants at intervals of no more than two weeks to discuss case progress.</p> <p>In June 2017 DEC undertook a study on the level of data transparency. Included in this work, was an assessment of the possibility of enhancing detail of DEC published data. Implementation of this work is ongoing.</p> <p>In FY2016-17, DEC received 3590 applications. 95% of non-sensitive applications and 92% of sensitive/complex applications were assessed within the required timeframes. This represents an improvement from 2015-16, where DEC assessed 91% of non-sensitive and 91% of sensitive/complex applications within required timeframes.</p>		<p>Continue to publish quarterly performance reports.</p> <p>Endeavour to assess all applications within the required timeframes.</p> <p>Implement appropriate outcomes from transparency assessment to enhance the detail of published Export Control data.</p>
	5.2: Advice and guidance is widely available to stakeholders, with feedback mechanisms in place to support continuous improvement	5.2.1: Engage up stream with stakeholders to ensure prompt decisions and resolve any issues	In addition to activities outlined in 1.1.1 DEC maintains open lines of communication with entities throughout the permit assessment process. Specific stakeholders are engaged early in the process to ensure timely resolution of issues and applicants are kept apprised of developments regularly.		Attend and present at key industry and research sector events, engage with individual companies and organisations

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
			Advice and guidance is available to all stakeholders via the 1800 number (freecall) service during business hours.		<p>to design tailored licensing solutions and conduct a regular program of outreach activities in most capital cities.</p> <p>Regularly review and refresh all documents, policies, procedures and customer interfaces.</p> <p>Review the current compliance regime and develop a holistic compliance framework.</p> <p>Work with the Centre for Defence Industry Capability and the Defence Innovation Hub to allow for early engagement on export controls surrounding developing technologies.</p>
		5.2.2: Online help facility & range of contact options (telephone, email and mail)	<p>The DEC website was enhanced during 2016-17 to provide more detailed information on Australia's export control framework, policy, key legislation and regulations. There is also extensive frequently asked questions information available on the website. Telephone, email and mail contact options are provided on the website and on all documents issued by DEC. DEC operates a 1800 number (freecall) service during business hours to enable applicants to contact the DEC team directly.</p> <p>In FY2016-17, DEC received approximately 4000 phone calls.</p>		<p>Regularly review and refresh all documents, policies, procedures and customer interfaces.</p>
KPI 6 - Regulators actively contribute to the continuous improvement of regulatory frameworks	6.1: Seeks regular feedback	6.1.1: Engage up stream with stakeholders to ensure prompt decisions and resolve any issues	<p>In addition to activities outlined in 1.1.1, DEC regularly engages with stakeholders to seek feedback regarding their experience with the application process, targeting specific stakeholders through targeted outreach where necessary, for example, extensive engagement with the university sector to improve the regulatory framework surrounding research.</p> <p>DEC routinely seeks feedback from the Defence Export Controls Working Group. Consisting of representatives from industry and universities, this working group provides DEC with an industry perspective on policy and planning.</p> <p>DEC maintains open lines of communication with entities throughout the permit application assessment process. Specific stakeholders are engaged early in the process to ensure timely resolution of issues and applicants are kept apprised developments regularly.</p>		<p>Attend and present at key industry events, engage with individual companies and organisations to design tailored licensing solutions and conduct a regular program of outreach activities in most capital cities.</p> <p>Regularly review and refresh all documents, policies, procedures and customer interfaces.</p> <p>Regularly meet with the DEC Working Group.</p> <p>Review the current compliance regime and develop a holistic compliance framework. This framework will include the US Trade Treaty (the Treaty).</p> <p>Consider implementing a formal feedback mechanism.</p> <p>Consider initiating a survey of</p>

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
					<p>stakeholders which can be utilised to inform the DTC Act Review as well as improvements to DEC's existing regulatory framework</p> <p>Work with the Centre for Defence Industry Capability and the Defence Innovation Hub to allow for early engagement on export controls surrounding developing technologies.</p>
		6.1.2: Consistent and regular outreach activities	<p>Although DEC undertook extensive outreach activities as described in 1.1.1, broad public outreach activities in most Australian capital cities was not achieved. Although online training materials are available, stakeholder feedback indicates that they prefer regular face-to-face training events from DEC.</p> <p>DEC worked closely with Centre for Defence Industry Capability (CDIC) to coordinate outreach activities, including the arrangement of International Traffic in Arms Regulations (ITAR) training for industry. This outreach session was originally planned for May 2017; however, due to delays in the tender process to find appropriate trainers, the outreach was delayed until July 2017. DEC lead coordinated outreach to stakeholders with the Department of Foreign Affairs and Trade (DFAT) and Australian Border Force (ABF) to strengthen the whole-of-Government approach to export controls.</p>		<p>Maintain regular "road show" outreach activities in 2017-18.</p> <p>Work with the Centre for Defence Industry Capability to coordinate outreach.</p>
	6.2: Improve and refine licensing and approval process	6.2.1: DECS is fully integrated to deliver a more robust and flexible approach to managing the expanding range of export legislation	<p>DEC has initiated preliminary planning work for the Defence Trade Controls (DTC) Act review. The review is due to formally start soon after April 2018.</p> <p>DEC underwent a restructure in late 2016 where the Military Assessment Team and the Weapons of Mass Destruction Assessment Team merged to form the Defence Export Assessments and Regimes Team. This restructure ensures DEC approaches permit applications with a consistent and integrated approach.</p> <p>In May 2017 DEC assessed team staffing levels and moved an additional two staff to the Legislation and Policy team. This resulted in four Full Time Equivalent (FTE) positions dedicated exclusively to export control legislation and policy work. In addition, the Legislation and Policy team is supported by a Defence Legal Officer embedded within DEC branch.</p>		<p>Review existing risk based licensing, assessment and approval processes to ensure they are robust, efficient and effective.</p> <p>Identify licensing solutions that best suit the needs of applicants whilst balancing risks to Australia's defence, security or international relations.</p> <p>Begin the formal undertaking of the DTC Act Review after 2 April 2018.</p>

Table 2: Australia-US Defence Cooperation Trade Treaty – 2016-17 Regulator Performance Framework Self-Assessment

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	1.1: Implement continuous improvement strategies to reduce the costs of compliance for those they regulate	1.1.1: Stakeholder and industry consultation on policies and procedures	<p>The Defence Export Control Branch (DEC) Trade Treaty Team (Treaty Team) undertook regular consultation with United States Department of State (USDoS) Directorate of Defense Trade Controls through Video Teleconference, email, visits and annual meetings to discuss improvements to Treaty implementation.</p> <p>DEC conducted Authorised Officer Compliance Visits with Australian Community Members. Incorporated into these visits were interviews with key staff to discuss what was, and was not, working regarding the Treaty. These discussions are informing proposals to be taken to the US Department of State to amend Treaty documents and improve its operation and overall utility.</p>		<p>A United States – Australia Treaty Management Board is planned to be held late 2017 in accordance with the Implementing Arrangement. FY 17-18 will see the implementation of the outcomes of this meeting.</p> <p>The Treaty Team will contribute to the <i>Defence Trade Controls Act 2012</i> (DTC Act) review to streamline application and compliance requirements.</p> <p>Continue to attend and present at key industry events, and engage with individual companies and organisations to stay up to date on the practical operation of the Treaty.</p>
		1.1.2: Documented application and compliance processes	<p>DEC reviewed all documents, legislation, policies, procedures and customer interfaces. The review identified areas of improvement and fixes were drafted for consultation (this is still ongoing).</p> <p>The restrictions on the use of the Treaty are presented on the website in detailed lists. These allow users of the Treaty to self-manage and investigate any limitations.</p>		<p>Implement required fixes for key documents and processes once consultation with key stakeholders is completed.</p>
	1.2: Take actions to minimise the potential for unintended negative impacts of regulatory activities on regulated entities	1.2.1: Data sourced from other government agencies	<p>The Defence Security and Vetting Service (DSVS) and the Department of Immigration and Border Protection (DIBP) supply information for the application assessment process for Community Members. A review was conducted on interagency cooperation, standing operating procedures and streamlining procedures. The review identified areas of improvement and fixes were drafted for consultation (consultation still ongoing).</p>		<p>Implement required fixes for key documents and processes once consultation with key stakeholders is completed.</p>
		1.2.2: Information only sought for demonstrated requirements	<p>Application and annual compliance forms only seek information for demonstrated purposes of Australian Community Membership (ACM) application assessment and compliance with membership requirements.</p>		<p>New annual compliance forms are being developed and will be consulted with stakeholders.</p>
KPI 2 - Communication with regulated entities is clear, targeted and effective	2.1: Close stakeholder engagement and open channels of communication	2.1.1: Outreach and industry engagement	<p>The Defence Export Control Branch (DEC) Trade Treaty Team (Treaty Team) undertook regular consultation with United States Department of State (USDoS) Directorate of Defense Trade Controls through Video Teleconference, email, visits and annual meetings.</p> <p>During Financial Year (FY) 2016-17, DEC undertook a significant number of targeted outreach activities. Over this period, DEC engaged with at least a dozen individual companies and research institutions to discuss their export requirements and to assist them in acquiring the most suitable permits to meet their requirements and to advise on the benefits of signing up to the Treaty.</p> <p>DEC conducted Authorised Officer Compliance Visits with a number of Australian Community Members. Incorporated into these visits were interviews with key staff to discuss what was and was not working in the Treaty space. These discussions are</p>		<p>Continue to attend and present at key industry events, and engage with individual companies and organisations to stay up to date on the practical operation of the Treaty.</p>

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
			informing proposals to be taken to the US Department of State to amend Treaty documents and improve its operation.		
		2.1.2: Feedback mechanisms and timely responses	<p>The Treaty website provides detailed information on the Treaty including all key documents, legislation, regulations and policy. There is also extensive frequently asked questions information available on the website. DEC reviewed all documents, legislation, policies, procedures and customer interfaces. The review identified areas of improvement and fixes were drafted for consultation (this is still ongoing).</p> <p>Telephone, email and mail contact options are provided on the website and on all documents issued by the Defence Export Control Treaty Team. DEC operates a 1800 number (freecall) service during business hours to enable applicants to contact the DEC Treaty Team directly. The Treaty Team uses these mechanisms to provide timely assessment feedback to applicants, quickly respond to request for information and provide regular updates on the Treaty.</p>		Implement required fixes for key documents and processes once consultation with key stakeholders is completed.
	2.2: Extensive information on website including approval time periods published	2.2.1: Accessible, plain language guidance (online, by email or telephone hotline)	The Treaty website provides detailed information on the Treaty including all key documents, legislation, regulations and policy. There is also extensive frequently asked questions information available on the website. DEC reviewed all documents, legislation, policies, procedures and customer interfaces. The review identified areas of improvement and fixes were drafted for consultation (this is still ongoing).		Implement required fixes for key documents and processes once consultation with key stakeholders is completed.
		2.2.2: Regulatory decisions clearly communicated and explained	<p>All decisions involving customer outcomes are communicated in writing with avenues of review and obligations specified.</p> <p>DEC has a specific website with all key documents, legislation, regulations and policy. There is also a hotline to enable industry to contact the Treaty Team directly.</p>		The website will be reviewed to become more user friendly and process driven – this will enable easier access to sources/justifications of decisions.
KPI 3 - Actions undertaken by regulators are proportionate to the regulatory risk being managed	3.1: Risk-based approach is regularly re-assessed and amended to reflect changing priorities, without diminishing regulatory impact	3.1.1: Applicant self assessment against published frameworks	A complete review of all processes, interagency relationships and customer requirements (legislative and policy), to identify the risks of Treaty operations – for Defence, DEC and the industry members. Currently applicants self-assess a number of security requirements. The appropriateness of this self-assessment and the guidance given was a key aspect of this review. The review identified key areas of improvement. Various options for achieving improvement have been identified with varying levels of regulatory burden. These options are currently being workshopped to ensure no unnecessary burden is placed on applicants.		Implement required improvements to processes to ensure risks are identified and appropriately mitigated through published frameworks.
		3.1.2: Compliance management plan published and guidance issued	Compliance requirements are detailed in the Australian Community Manual. The approval documentations specify the conditions with which compliance is checked. Prior to any Authorised Officer visits, Community Members are provided with guidance as to what the visit will entail, the documentation that will be checked and what will be expected.		The Australian Community Manual compliance section will be updated to become more process focused and to better compliment Authorised Officer visits. Checklists will be introduced. This will prevent an over-supply of repeated information.
		3.1.3: Authorised officers formally trained and qualified in compliance	DEC currently has one Authorised Officer. New Authorised Officers have been identified and training courses are being implemented.		Continue new Authorised Officer training.
		3.1.4: Resolution by negotiation at the lowest possible level	DEC used the Authorised Officer visits to work with Community Members to reach and/or maintain appropriate levels of compliance.		Continue Authorised Officer visits.
KPI 4 - Compliance and monitoring approaches are streamlined and co-ordinated	4.1: Utilise existing information and shares information with other regulators	4.1.1: Compliance management plan published and guidance issued	Compliance requirements are detailed in the Australian Community Manual. The approval documentations specify the conditions with which compliance is checked. Prior to any Authorised Officer visits, Community Members are provided with guidance as to what the visit will entail, the documentation that will be checked and what will be expected. DEC meets with other security and investigative agencies to source information that has already been collected. Processes were developed to streamline information access.		Interagency operations will be captured in SOPs and formal agreements.

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
	4.2: Regulators base monitoring and inspection approaches on risk	4.1.2: Annual member self assessment against published frameworks	A complete review was conducted of all processes, interagency relationships and customer requirements (legislative and policy), to identify the risks of Treaty operations for Defence, DEC and the industry members. Currently applicants self-assess a number of security requirements. The appropriateness of this self-assessment and the guidance given was a key aspect of this review. The review identified key areas of improvement. Various options for achieving improvement have been identified with varying levels of regulatory burden. These options are currently being consulted to ensure no unnecessary burden is placed on applicants.		Implement required improvements to processes to ensure risks are identified and appropriately mitigated through published frameworks.
		4.2.1: Authorised officers formally trained and qualified in compliance	DEC currently has one Authorised Officer. New Authorised Officers have been identified and training courses are being implemented.		New Authorised Officers will be identified and trained.
		4.2.2: Compliance monitoring visits by negotiation	A comprehensive compliance program for the <i>Defence Trade Controls Act 2012</i> (DTC Act), including Treaty compliance, is currently being developed and implemented. Authorised Officer visits are negotiated well ahead of minimum notification time required under DTC Act.		New Authorised Officers will be identified and trained.
		4.2.3: Exception reports for non-compliant occurrences	In FY 2016-17, there were no minor violations and no major violations reported. Minor violations of the Treaty, with no mal-intent can be rectified with DEC advice and increased monitoring in the first instance.		
KPI 5 - Regulators are open and transparent in their dealings with regulated entities	5.1: Extensive information on website including approval time periods published	5.1.1: Accessible, plain language guidance (online, by email or telephone hotline)	The Treaty website provides detailed information on the Treaty including all key documents, legislation, regulations and policy. There is also extensive frequently asked questions information available on the website. DEC reviewed all documents, legislation, policies, procedures and customer interfaces. The review identified areas of improvement and fixes were drafted for consultation (this is still ongoing).		Implement required fixes for key documents and processes once consultation with key stakeholders is completed.
		5.1.2: Regulatory decisions clearly communicated and explained	All decisions involving customer outcomes are communicated in writing with avenues of review and obligations specified. DEC has a specific website with all key documents, legislation, regulations and policy. There is also a hotline to enable industry to contact the Treaty Team directly.		The website will be reviewed to become more user friendly and process driven – this will enable easier access to sources/justifications of decisions.
	5.2: Advice and guidance is widely available to stakeholders, with feedback mechanisms in place to support continuous improvement	5.2.1: Feedback mechanisms and timely responses	The Treaty website provides detailed information on the Treaty including all key documents, legislation, regulations and policy. There is also extensive frequently asked questions information available on the website. DEC reviewed all documents, legislation, policies, procedures and customer interfaces. The review identified areas of improvement and fixes were drafted for consultation (this is still ongoing). Telephone, email and mail contact options are provided on the website and on all documents issued by the DEC Treaty Team. DEC operates a 1800 number (freecall) service during business hours to enable applicants to contact the DEC Treaty Team directly. The Treaty Team uses these mechanisms to provide timely assessment feedback to applicants, quickly respond to request for information and provide regular updates on the Treaty. All reviews previously discussed within this document have been consulted or workshopped with stakeholders.		Implement required fixes for key documents and processes once consultation with key stakeholders is completed.
KPI 6 - Regulators actively contribute to the continuous improvement of regulatory frameworks	6.1: Conduct regular engagement with regulated entities and representative bodies to identify areas for improvement	6.1.1: Post implementation review of the regulation	A Post Implementation Review was completed in August 2015 in accordance with Office of Best Practice Regulation directions. The review found that the legislative and regulatory framework has the potential to bring benefits to Australian Community Members by providing opportunities for the supply and sustainment of eligible US export controlled technology to the Australian Government. DEC conducted Authorised Officer Compliance Visits with a number of Australian Community Members. Incorporated into these visits were interviews with key staff to		A United States – Australia Treaty Management Board is planned to be held late 2017 in accordance with the Implementing Arrangement. FY 17-18 will see the implementation of the outcomes of this meeting.

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
			<p>discuss what was and was not working in the Treaty space. These discussions are informing proposals to be taken to the US Department of State to amend Treaty documents and improve its operation.</p>		<p>The Treaty Team will contribute to the DTC Act review to streamline application and compliance requirements.</p> <p>Continue to attend and present at key industry events, and engage with individual companies and organisations to stay up to date on the practical operation of the Treaty.</p>
		<p>6.1.2: Annual stakeholder forums or surveys regarding regulation, application and compliance policies and processes</p>	<p>The Defence Export Control Branch (DEC) Trade Treaty Team (Treaty Team) undertook regular consultation with United States Department of State (USDoS) Directorate of Defense Trade Controls through VTC, email, visits and annual meetings to discuss improvements to Treaty oversight..</p> <p>DEC conducted Authorised Officer Compliance Visits with a number of Australian Community Members. Incorporated into these visits were interviews with key staff to discuss what was, and was not, working with regards to the Treaty. These discussions are informing proposals to be taken to the US Department of State to amend Treaty documents and improve its operation and overall utility</p> <p>All reviews previously discussed within this document have been consulted or workshopped with stakeholders.</p>		<p>A United States – Australia Treaty Management Board is planned to be held late 2017 in accordance with the Implementing Arrangement. FY 17-18 will see the implementation of the outcomes of this meeting.</p> <p>The Treaty Team will contribute to the DTC Act review to streamline application and compliance requirements.</p> <p>Continue to attend and present at key industry events, and engage with individual companies and organisations to stay up to date on the practical operation of the Treaty.</p>

Table 3: Woomera Prohibited Area Coordination Office – 2016-17 Regulator Performance Framework Self-Assessment

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	1.1: Implement continuous improvement strategies to reduce the costs of compliance for those they regulate	1.1.1: Source regulated entities, representative bodies and industry feedback on policies and procedures via Woomera Prohibited Area (WPA) Coordination Office service support hotline and inbox	<p>During the 2016/17 Financial Year the Woomera Prohibited Area (WPA) Coordination Office updated the Information available on its website to improve the quality of information available, along with the accessibility of materials, required to support compliance for regulated entities. The telephone hotline and email enquiry service remain in operation.</p> <p>Other feedback channels included (1) direct consultation with stakeholders during public engagement activities held in December 2016; (2) public and targeted stakeholder consultations in September 2016 for reviews to support the completion of the 2016 Post Implementation Review of the <i>Woomera Prohibited Area Rule 2014</i>, and an associated Interim Review; and (3) targeted consultations over the reporting period with select stakeholders regarding the operation of the <i>Defence Force Regulations 1952</i>.</p> <p>The WPA Advisory Board met twice in 2016. Members of the Board may also advocate on behalf of stakeholders.</p>		<p>Comprehensive feedback from regulated persons and entities and stakeholders will be sought in support of the 2018 Review of the Woomera Prohibited Area Coexistence Framework. This will be undertaken through designated stakeholder engagement activities and a comprehensive consultation program.</p> <p>Test and adjust the administrative and policy arrangements that support the regulations, where appropriate.</p>
	1.2: Take actions to minimise the potential for unintended negative impacts of regulatory activities on regulated entities	1.2.1: Extant WPA Coordination Office databases track the time taken to process applications against mandated legislative requirements	<p>Database provides this metric.</p> <ul style="list-style-type: none"> • 100% of Approved Personnel applications were processed within mandated timeframes in the 2016/17 period. Of these: <ul style="list-style-type: none"> ○ 39% were processed within 0-5 days; ○ 35% within 6-10 days; ○ 21% within 11-15 days; and ○ 5% within 16-20 days. • Similarly, 100% of Exploration Permits were issued within mandated timeframes. 		<p>Applicable timeframes and processing performance figures to be assessed in support of 2018 Review of the Woomera Prohibited Area Coexistence Framework.</p>
		1.2.2: WPA Coordination Office performance metrics are published via the WPA Quarterly Report	<p>Metrics are published in the WPA Advisory Board Annual Report and in the finalised 2016 Post Implementation Review of the <i>Woomera Prohibited Area Rule 2014</i> in August 2014.</p>		<p>Examine annual performance against mandated requirements and identify remediation strategies to address any shortcomings.</p>
KPI 2 - Communication with regulated entities is clear, targeted and effective	2.1: Close stakeholder engagement and open channels of communication	2.1.1: Regulated entities, representative bodies and industry consultation on policies and procedures via WPA Coordination Office service support hotline and inbox	<p>Updated information made available on the Woomera Prohibited Area (WPA) Coordination Office website. Telephone hotline and email enquiry service in operation.</p>		<p>Continued assessment of website currency and accessibility.</p> <p>Remain responsive to telephone hotline and email enquiry services.</p>
		2.1.2: Direct engagement with regulated entities and representative bodies to source feedback about communication mechanisms	<p>Feedback channels include stakeholder consultation for the WPA Advisory Board Annual Report; through WPA Coordination Office staff attendance at industry and stakeholder forums; and through direct stakeholder engagement and development of associated communication protocols where applicable.</p> <p>The outcomes of public and targeted stakeholder consultation undertaken in 2016 were included in the final report of both the Post Implementation Review of the <i>Woomera Prohibited Area Rule 2014</i> and the associated Interim Review. The feedback received through this process validated the current communication channels and methodology.</p>		<p>Continue direct engagement with stakeholders to seek feedback about the preferred and most effective communication mechanisms.</p> <p>Foreshadow targeted stakeholder communications in the lead-up to the 2018 Review of the Woomera Prohibited Area Coexistence Framework.</p>

Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
					Comprehensive feedback to be sought in support of the 2018 review through designated stakeholder engagement activities and a consultation program.
KPI 3 - Actions undertaken by regulators are proportionate to the regulatory risk being managed	3.1: Risk-based approach is regularly re-assessed and amended to reflect changing priorities, without diminishing regulatory impact	3.1.1: Annual review of identified risks and mitigation strategies put in place by WPA Coordination Office	Risk assessment framework remains subject to review.		Risk assessment framework to be considered in the context of the 2018 Review of Woomera Prohibited Area Coexistence Framework.
		3.1.2: Undertake consultation with regulated entities, representative bodies and industry to discuss the current regulatory requirements managed by WPA Coordination Office	Stakeholders were given the opportunity to comment on the operation of the <i>Woomera Prohibited Area Rule 2014</i> during consultations for the Post Implementation Review in September 2016 and associated Interim Review. Further consultation was also undertaken as part of annual stakeholder public engagement activities in December 2016.		Comprehensive consultation to be undertaken as part of the 2018 Review of the Woomera Prohibited Area Coexistence Framework.
		3.1.3: Subsequent amendment of regulatory activities based on this advice	No change.		Consider in the context of the 2018 Review.
KPI 4 - Compliance and monitoring approaches are streamlined and co-ordinated	4.1: Utilise existing information and shares information with other regulators	4.1.1: Regularly engage with the Air Force Compliance Management Team (CMT) assigned to conduct Woomera specific monitoring activities	The CMT is engaged and provides quarterly reports of compliance monitoring activities.		Ongoing program. Consider in the context of the 2018 Review.
		4.1.2: Use of the Defence Policing and Security Management System (DPSMS) to record and action compliance breaches	Undertaken by CMT staff.		Ongoing program.
		4.1.3: Authorised officers formally trained and qualified in compliance management	Yes. Ongoing program.		Ongoing program.
KPI 5 - Regulators are open and transparent in their dealings with regulated entities	5.1: Extensive information on website including approval time periods published	5.1.1: Providing clear guidance material on the website, service hotline and inbox	Information available on the WPA Coordination Office website. Telephone hotline and email enquiry service in operation.		Ongoing program. Consider in the context of the 2018 Review. Remain responsive to telephone hotline and email enquiry services.
		5.1.2: Regulatory decisions clearly communicated and explained in all correspondence	Yes. Regulatory provisions cited in permits and correspondence.		Ongoing program.
	5.2: Advice and guidance is widely available to stakeholders, with feedback mechanisms in place to support continuous improvement	5.2.1: Conduct of workshops with regulated entities and representative bodies when regulations are amended	Public and targeted stakeholder consultations were undertaken in 2016 as part of the September 2016 Post Implementation Review of the WPA Rule 2014 and an Interim Review of the WPA Rule 2014. The outcomes of these were reflected in the reviews' final reports.		Comprehensive consultation to be undertaken as part of the 2018 Review of the Woomera Prohibited Area Coexistence Framework.
KPI 6 - Regulators actively contribute to the continuous improvement of regulatory frameworks	6.1: Conduct regular engagement with regulated entities and representative bodies to identify areas for improvement	6.1.1: Formal 2018 WPA post implementation review of the new regulatory scheme	Scheduled for 2018.		Continue preparations for 2018 Review.
		6.1.2: Annual regulated entities and representative body forums which include discussion of regulation policies and processes	Feedback sought through the WPA Advisory Board Annual Report consultation process; through WPA Coordination Office staff attendance at industry and stakeholder forums; and through direct stakeholder engagement activities. The outcomes of public and targeted stakeholder consultation undertaken in 2016/17 saw		Continue direct engagement with stakeholders to facilitate improvement and inform the 2018 Review. Comprehensive consultation to



Key Performance Indicator	Measures	Evidence	Self-Assessment	Materiality	Actions for 2017-18
			the streamlining of administrative processes where feedback indicated areas for improvement.		be undertaken as part of the 2018 Review of the Woomera Prohibited Area Coexistence Framework.

