



**Australian Government**  
**Department of Industry, Science,  
Energy and Resources**

# **Regulator Performance Framework**

Self-Assessment Report

Submitted by: Australian Industry Participation Authority

2019 - 2020

[www.industry.gov.au/aip](http://www.industry.gov.au/aip)

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# 1 Introduction

## 1.1 About the regulator

The Australian Industry Participation Authority (the Authority) administers the *Australian Jobs Act 2013* (the Jobs Act). The Jobs Act applies to eligible major public and private projects with a capital expenditure of AUD500 million or more. Regulated entities under the Jobs Act are the proponents and operators of these projects. Proponents are required to develop and implement an Australian Industry Participation (AIP) plan detailing how they will ensure Australian entities have full, fair and reasonable opportunity to bid to supply key goods and services to the project.

Australian Industry Participation plans:

- detail expected opportunities for the supply of key goods and services to the project and the initial operational phase;
- describe how these opportunities will be communicated to potential Australian suppliers; and
- detail how Australian businesses will be assisted in longer-term participation, including encouraging capability development and integration into global supply chains.

The Jobs Act also requires compliance reporting on each AIP plan, during the project's construction phase and two years into the operations phase (for projects that establish new facilities).

The Authority is a statutory position established under the Jobs Act to ensure compliance with the Act. Its role is to evaluate, approve and publish summaries of AIP plans, monitor the implementation of AIP plans and report on its activities. A permanent Authority has not been appointed. The Australian Government has appointed officers from the Department of Industry, Science, Energy and Resources as the Acting Authority (in accordance with section 71 of the Jobs Act). The Authority interacts with major project proponents with an emphasis on engagement and encouragement to ensure compliance. It is supported by departmental employees.

As a first step, the Authority promotes awareness of the Jobs Act among regulated entities to explain their obligations under the Act. Where evidence of a possible contravention of the Act's requirements is detected, targeted advice and assistance is provided to ensure proponents are aware of their obligations and remedy any contravention. For continuing contraventions, the Authority may seek to use administrative or court assisted enforcement methods.

As at 30 June 2020, the Authority, and the Jobs Act, have operated for six and a half years, with a legislated five year review of the implementation of the Jobs Act completed in late 2018. The Authority considered and accepted all eight of the review's recommendations and has implemented four to date which give the maximum benefit to proponents:

- streamlined the AIP plan and compliance report templates;
- developed standard operating procedures for Authority staff;
- published guidance information on compliance dates for AIP plans; and
- developed an AIP plan exceptions process.

The remaining recommendations are being addressed including the monitoring and evaluation framework, communication strategy, review of the AIP website and information sharing with the states and territories.

In 2019-2020, the Authority:

- wrote to 21 project proponents alerting them to their potential obligations under the Jobs Act and providing guidance on meeting the requirements;
- received formal notification of 31 major projects with current or future obligations under the Jobs Act;
- approved 17 draft AIP plans and published the AIP plan summaries at [www.industry.gov.au/aip](http://www.industry.gov.au/aip); and
- received, evaluated and accepted 78 AIP plan compliance reports.

No applications were made in 2019-2020 that met the requirements under the Australian Jobs (Australian Industry Participation) Rule 2014 for an exception to providing a draft AIP plan. To date, the Authority has provided nine exceptions to the requirement to submit an AIP plan where a compliant state or territory industry participation plan is in place.

The Authority is yet to impose a penalty for a case of non-compliance.

## 1.2 The Australian Government Regulator Performance Framework

The Regulator Performance Framework (the Framework) is an important part of the Government's commitment to reduce the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations. The Framework was developed following consultation with a range of stakeholders and consists of six outcome-based key performance indicators (KPIs):

1. Reducing regulatory burden.
2. Targeted communications.
3. Risk-based and proportionate approaches.
4. Efficient and coordinated monitoring.
5. Transparency.
6. Continuous improvement.

### Performance measures (PM)

The following five performance measures were agreed upon by the Hon Ian Macfarlane, the former Minister for Industry and Science on 21 July 2015, for the assessment of the Authority under the Framework.

1. **Performance commitment (PM 1):** Demonstrating a clear commitment to performance standards that are transparent to all stakeholders and monitoring progress against these standards.
2. **Risk-based compliance (PM 2):** Evidence of implementing risk-based approaches and streamlined compliance approaches.
3. **Clarity of expectations and decision-making (PM 3):** Regulated entities are clear as to the expectations of the Authority on requirements under the Jobs Act. In addition, entities are provided with informative and clear advice as to reasons for an adverse decision given to them including avenues of appeal.
4. **Stakeholder engagement (PM 4):** Evidence of targeted, effective and relevant engagement with stakeholders to gain feedback or input on policy or administration changes, organisational improvements and better understanding of the regulatory cost impact.
5. **Continuous improvement (PM 5):** Evidence of a continuous improvement culture through changing practices in response to staff feedback, stakeholder suggestions, and internal or external reviews.

The performance measures listed above were developed to assess the Authority against the Framework's Key Performance Indicators (KPIs) (see below). They are used for annual assessment of continuous improvement within the Authority and its staff.

KPI	Regulator Performance Framework	Performance Measures
1	Regulators do not unnecessarily impede the efficient operation of regulated entities	PM 2, PM 5
2	Communication with regulated entities is clear, targeted and effective	PM 3, PM 4
3	Actions undertaken by regulators are proportionate to the regulatory risk being managed	PM 2, PM 5
4	Compliance and monitoring approaches are streamlined and co-ordinated	PM 2, PM 5
5	Regulators are open and transparent in their dealings with regulated entities	PM 1, PM3
6	Regulators actively contribute to the continuous improvement of regulatory frameworks	PM 1, PM 4, PM 5

### 1.3 Common resources

In 2019-20, the Authority continued the evaluation survey for regulated entities who had prepared their first AIP plan or first compliance report. The responses received for the 2019-20 survey have been considered as part of an ongoing continuous improvement process for the Authority.

Resources used to inform the 2019-20 self-assessment:

- notifications register: records project details, project milestone dates, responsible officers, and Authority's decision dates including exceptions granted;
- standard operating procedures: provides guidance on regulatory processes for Authority staff;
- stakeholder engagement and survey: feedback obtained using human centred design in developing a Smartform for the Jobs Act AIP plans and compliance reports;
- compliance monitoring database: tracks projects, proponent details, industry information and letters sent to potential major project proponents;
- guidance documents: instructional documents guiding proponents through the AIP process, including AIP plan preparation and compliance reporting;
- the AIP inbox ([aip@industry.gov.au](mailto:aip@industry.gov.au)): emails received and sent from the email address;
- the AIP website ([www.industry.gov.au/aip](http://www.industry.gov.au/aip)): hosts information about the AIP National Framework and public resources (i.e. user guides, templates) to aid stakeholders and regulated entities;
- project files: electronic files kept on projects, documenting regulatory processes, AIP Plans, approvals, stakeholder interactions and compliance reports; and
- the 2019-2020 evaluation survey responses.

## 2 Performance Scorecard

Improvements and activities in 2019-20	Performance measure	Regulatory KPI
2019-20 evaluation survey provided the Authority with feedback from regulated entities to continuously improve customer service and to ensure entities are able to access regulatory assistance and guidance documents in a way that best enables them to meet the requirements of the Jobs Act. Responses have been collected for this financial year and any suggestions for improvements will be considered for implementation over the next 12 months. The survey will be continued next financial year.	PM 1, PM 4, PM 5	KPI 1, KPI 4, KPI 6
The Authority has updated all the templates and user guides to improve clarity and usability in response to stakeholder feedback, has provided guidelines on AIP plan trigger dates and continues to provide advice to regulated entities via a hotline and email inbox. This ongoing engagement supports and educates proponents about meeting Jobs Act obligations.	PM 2, PM 3, PM 4	KPI 2, KPI 3, KPI 4, KPI 5, KPI 6
The Authority progressed to moving the AIP plans and compliance reporting to an online SmartForm system, in line with Recommendation 1 of the Jobs Act Review to streamline regulatory processes. Proponents contributed to developing the system through a focus group held in Perth and a national survey using human centred design. Feedback has been captured and used in the design of the Smartform system.	PM 2, PM 4, PM 5	KPI 3, KPI 4, KPI 6
Authority staff held 34 meetings with potential proponents in 2019-20 to communicate Jobs Act obligations, AIP plan requirements and approval processes (up from 19 in 2018-19).  During these meetings, proponents' project-specific queries were discussed and staff provided targeted responses, providing clarity and advice on the expectations of the Authority. Staff also provided ongoing support by following up with proponents via email and telephone after the meetings, providing information resources to assist proponents in understanding AIP obligations and answer any further queries.	PM 1, PM 3, PM 4, PM 5	KPI 2, KPI 6
Authority staff attended three conferences for infrastructure, mine, oil and gas projects to engage with proponents, SMEs, industry associations and/or state government to discuss Jobs Act obligations, the objective of AIP plans and promote awareness of the Jobs Act and the Authority for future projects. These conferences also provided an opportunity for Authority staff to develop industry specific knowledge on procurement practices.	PM 1, PM 3, PM 4, PM 5	KPI 2, KPI 6
Authority staff attended internal and external learning and development activities to improve their capacity to engage with stakeholders.	PM 5	KPI 6
The Authority continued to examine whether its current metrics are appropriate to understand AIP activities and outcomes, in line with Recommendation 5 of the Jobs Act Review, with further work planned in 2020-21.	PM 4, PM 5	KPI 4, KPI 6