



**Australian Government**

**IP Australia**



# **IP Australia**

# **Corporate Plan**

## **August 2015**

Covering period 2015-16 to 2018-19

# Contents

Contents.....	2
Purposes.....	4
Environment.....	6
Performance.....	9
Capability.....	20
Risk Oversight and Management Systems.....	23
Compliance.....	25

## Copyright

All content in this publication is provided under a Creative Commons Attribution 4.0 International (CC BY 4.0) licence.

<http://creativecommons.org/licenses/by/4.0/> with the exception of:

- the Commonwealth Coat of Arms,
- IP Australia's corporate logo
- photographs of our staff and premises
- content provided by third parties - including photographs, logos, drawings and written descriptions of patents and designs

### Third party copyright

IP Australia has made all reasonable efforts to:

- clearly label material where the copyright is owned by a third party
- ensure that the third party has consented to this material being presented in this publication.

Permission may need to be obtained from third parties to re-use their material.

© Commonwealth of Australia August 2015



The CC BY licence is a standard form licence agreement that allows you to copy and redistribute the material in any medium or format, as well as remix, transform, and build upon the material, on the condition that you provide a link to the licence, you indicate if changes were made, and you attribute the material as follows:

Licensed from the Commonwealth of Australia under a Creative Commons Attribution 4.0 International Licence.

Contact us ([www.ipaustralia.gov.au](http://www.ipaustralia.gov.au)) if you have any enquiries about IP Australia's copyright licence or the use of material in this publication.

I, Patricia Kelly, as the Director General of IP Australia, present the 2015-16 IP Australia Corporate Plan, which covers the periods of 2015-16 to 2018-19, as required under paragraph 35(1)(b) of the Public Governance, Performance and Accountability Act 2013.

# Purposes

The corporate plan sets out the agency's strategic agenda for the next four years. It describes IP Australia's vision and purposes, and the key strategies that will be implemented to ensure that it has the capability required to achieve its purposes and realise its vision.

## Our Vision

### **A world leading IP system building prosperity for Australia**

IP Australia is the entity responsible for administering Australia's intellectual property (IP) rights system, specifically trade marks, inventions (patents), designs and plant breeder's rights. It operates as a listed entity within the Industry and Science portfolio and recovers more than 98 per cent of its costs by charging fees for its IP rights services.

To achieve its outcome, IP Australia grants exclusive IP rights for a period of time. This fosters innovation, investment and international competitiveness by:

- Providing an effective legal framework for protection of innovative products and brands which creates a secure environment for investment
- Providing incentives for undertaking research and development
- Promoting the disclosure of discoveries and follow-on generation of ideas
- Enabling firms to build brand value and business reputation which in turn contributes to improved consumer confidence.

IP Australia also promotes awareness of the IP system, provides advice to Government on the development of IP policy; and contributes to relevant bilateral and multilateral negotiations and development cooperation programs to support the global IP system for the benefit of the Australian economy and society. From time to time, this system will require adjustment to meet new demands or to keep up with economic, legal and business developments. IP Australia's role is to seek to ensure that these changes are in Australia's best interests.

IP Australia's outcome and programme areas can be summarised as follows:

## **Outcome 1:**

Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government.

### **Programme 1.1: Rights Administration and Professional Registration**

Intellectual property rights: IP Australia will deliver robust IP rights and satisfy its customers in terms of timeliness and value for money. IP Australia will be recognised as one of the leading IP offices in the world for the quality (including accuracy and consistency) of the IP rights it grants.

Professional registration: IP Australia will successfully undertake its functions associated with persons wishing to qualify for registration as Patent and/or Trade Mark Attorneys and will provide effective support to the Professional Standards Board.

### **Programme 1.2: Education, Awareness and International Engagement**

Education and awareness: IP Australia will facilitate access to the domestic and international intellectual property system and promote understanding of their value among its stakeholders in line with Australia's interests.

International engagement: IP Australia will influence the development of effective intellectual property systems in line with Australia's interests.

### **Programme 1.3: Advice to Government**

Policy and legislation: IP Australia's programme of policy and legislative input will foster Australian innovation by shaping the development of the IP system both domestically and abroad.

# Environment

## Resource environment:

IP Australia is a cost-recovery agency with 98% of our revenue coming from client fees. While IP Australia has experienced continuing growth in IP applications following the Global Financial Crisis, year-to-year revenue results reflect volatility in individual application and renewal categories. This produces some uncertainty in resource planning, which when added to the scheduled review of fees in 2015-16 and the proposed new Enterprise Agreement, requires an ongoing conservative approach to financial management for the 2015-16 financial year. The biggest single factor (and risk) influencing our revenue is the state of the economy, both domestically and globally, with poor economic conditions associated with lower demand for our services.

IP Australia is in the process of reviewing our fees, consistent with Government's Cost Recovery Guidelines. We are committed to the three governing principles of the policy –

- Efficiency and effectiveness;
- Transparency and accountability; and
- Stakeholder Engagement.

The review will take into account recent improvements in the management of overhead costs and a comparison of our fees with those charged by international IP Offices run by our major trade partners.

## Economic forecasts:

Domestic growth is expected to be below trend in 2015-16 as the fall in mining investment offsets the predicted expansion in other sectors. The economy is forecast to grow 2.75 per cent in 2015-16, being supported by historically low interest rates, lower oil and electricity prices and a lower exchange rate. Jobs growth and a rise in the participation rate are anticipated to net an increase in the unemployment rate, peaking at 6.5 per cent in 2015-16.<sup>1</sup>

Treasury expects global growth to be supported by both the United States and the Eurozone area. The United States is expected to expand above its trend growth with improving labour market conditions and robust business investment supporting domestic demand. Eurozone exports are expected to benefit from currency depreciation. The Indian Government's economic reforms are expected to spur India's growth above that in all other major economies. China will continue to make significant contributions to global growth, albeit with a slightly more modest growth target as the Government aims to shift the economy towards a more sustainable growth model increasingly reliant on consumption. While Japan has been impacted by an increase in consumption tax (introduced in April 2014), lower oil prices, currency depreciation and accommodative monetary and fiscal policy are anticipated to enable growth. In the near term, growth across Australia's major trading partners is expected to exceed the world average and is forecast at 4.5 per cent in 2015 and 2016. Positive economic conditions in our trading partners should lead to continued growth in intellectual property rights filings in the short term.

---

<sup>1</sup> Treasury (2015), Australian Federal Budget 2015, Canberra. [http://www.budget.gov.au/2015-16/content/bp1/html/bp1\\_bs1-02.htm](http://www.budget.gov.au/2015-16/content/bp1/html/bp1_bs1-02.htm)

## **Customer Behaviour:**

The numbers of applications received by IP Australia across the IP rights are forecast based on a number of key external indicators and historical customer behaviour. The number of National Phase Entry (NPE) applications received by the Office is based on the historical proportion of the World Intellectual Property Organization (WIPO) international Patent Cooperation Treaty (PCT) applications filed 31 months prior to entering the Australian National Phase. The growth in innovation patent filings is based on historically sustained positive growth. While innovation patent applications sustained a large negative correction in 2013-14, there has been substantial growth over the last 3 years. There has been negative growth forecast for non-US PCT search requests on the basis that the Office will receive less work from Singapore as their national office has become an International Search Authority (ISA). Trade Mark Headstart application classes are forecast to grow by 10% in 2015-16. Given their tight processing turnaround, growth in this area above 10% could negatively impact on the Trade Mark Group's capacity to examine other application types in a timely manner.

## **Changes to the IP system:**

A range of activities are underway that may lead to changes to the IP system during 2015/2016. For example, the Advisory Council on Intellectual Property (ACIP) has released its reviews of the designs and innovation patent systems, which canvas a number of substantial changes to these systems. In addition, the Competition Policy Review recommended a comprehensive review of the IP system be undertaken by an independent body such as the Productivity Commission. If the Government agrees to this recommendation this could result in consideration of future changes.

IP Australia also continues to undertake its own research and analysis on IP issues and monitor relevant developments, such as the High Court case on patents for isolated gene sequences and ongoing legal action on business method patents.

## **Government policy developments:**

The Government's continued focus on deregulation, supporting small business, boosting commercial outcomes from research, and improving the accessibility of government data will be supported by IP Australia through a number of initiatives.

Legislative reforms in conjunction with ICT upgrades will be undertaken in order to streamline and modernise our processes and systems. This will reduce the regulatory burden of the IP system on business by reducing delays and complexity, while better balancing the interests of innovators and competitors.

IP Australia will also continue to support commercialisation of research outputs through our IP analytical services to researchers, the introduction of an online collaboration platform (Source IP) to connect public sector research agencies and business, and launch of an IP Toolkit (a joint project with Department of Industry and Science) to provide guidance and tools to assist researchers and business to collaborate more effectively.

IP Australia will also continue to provide valuable IP Government Open Data to support utilisation of valuable business information and evidence-based policy advice. Savings through shared services and the Smaller and More Rational Government agenda will also continue to be progressed.

### **International developments:**

The Government is focused on finalising the Trans Pacific Partnership and the Regional Comprehensive Economic Partnership trade negotiations. Outcomes agreed in the IP Chapters of these agreements are not expected to require changes to Australian legislation. These agreements will open new trade and investment opportunities for Australia. Australia exports and imports a range of products and services that benefit from effective and balanced intellectual property protection and enforcement regimes here and overseas. These regional FTAs provide an opportunity to achieve a more consistent approach to intellectual property protection and enforcement across the region. The Government is also advocating for a free trade agreement between Australia and the EU.

The World Intellectual Property Organization's (WIPO) global IP systems, including the Patents Cooperation Treaty (PCT) and Madrid System for Trade Marks, are expected to remain the pre-eminent IP systems. IP Australia actively participates in the WIPO committees that are working to refine these systems to increase their accessibility and efficiency for innovators. The complex nature of multilateral treaty negotiations means that progress in establishing new WIPO treaties is expected to remain slow. IP Australia will continue to engage in negotiations to progress Australia's interests in shaping the global IP system to assist Australian innovation and business.

IP Australia has bilateral relationships with a range of other IP offices to add value to the IP system. A key partnership for IP Australia is with the offices of the UK and Canada, where we are undertaking a range of joint projects to assist in improving the efficiency and quality of our work. The Indo-Pacific region continues to be a key priority for IP Australia's capacity building programs and we are working closely with IP offices in the region on the development of their IP systems, including examiner training. This work contributes to Australia's broader aid efforts to support private sector growth, facilitate trade and promote international competitiveness enabling the private sector to seek out cost-effective and profitable ways of doing business.



# Performance

## PBS Outcome

Increased innovation, investment and trade in Australia, and by Australians overseas, through the administration of the registrable intellectual property rights system, promoting public awareness and industry engagement, and advising government.

## Programme 1.1: IP Rights Administration and Professional Registration

### Objective

#### Intellectual property rights:

IP Australia will deliver robust IP rights and satisfy its customers in terms of timeliness and value for money. IP Australia will be recognised as one of the leading IP offices in the world for the quality (including accuracy and consistency) of the IP rights it grants.

#### Professional registration:

IP Australia will successfully undertake its functions associated with persons wishing to qualify for registration as Patent and/or Trade Mark Attorneys and will provide effective support to the Professional Standards Board.

### Deliverables

IP Administration and Professional Registration encompasses the administration of patent, trade mark, design and plant breeder's IP rights legislation. This programme also includes the administration of the Professional Standards Board for Patent and Trade Marks Attorneys and the Patent Attorneys Disciplinary Tribunal.

## Performance Measurement and Monitoring

### Quality

In compliance with ISO 9001 standard, we monitor the examination process to ensure examination results lead to valid defensible IP Rights.

#### Rationale

IP Australia is responsible for ensuring a high quality of IP rights products, including search and examinations that are central to the decision whether or not to register a right. Through our Quality Review process we are able to continually monitor, maintain and improve the quality of our products. The results of our quality review processes are published on our website as quarterly reports.

IP Rights Administration - Quality measures (reported annually for each year covered in the plan)		Commitment
All IP Rights	Tier 1 - Correct search and research	93.50%
All IP Rights	Tier 2 - Reports are comprehensive and informative and free of invalid objections/considerations	90%
All IP Rights	Tier 3 - Written formalities are complete and correct	85%

## Timeliness

IP Australia decisions communicated in a timely manner to stakeholders. Timeliness is monitored throughout the year and performance is published on our website on a quarterly basis.

### Rationale

Backlogs of unexamined rights lead to uncertainties for the applicant concerning actually granting and the scope of the right, for the public about freedom to operate, and for funders about whether to invest. Timely responses and decisions from IP Australia build confidence and give certainty to customers and the public about the outcomes from examination and hearing processes, and in the whole IP system.

IP Rights Administration - Timeliness measures (reported annually for each year covered in the plan). We aim to:		Average Timeliness Commitment
Patents	Examine and issue first reports on applications for standard patents within <b>12 months</b> of receiving the request for examination.	12 months
PBR	Conduct a prima facie examination on your application for plant breeder's rights within <b>8 weeks</b> of receiving the application.	8 weeks
Trade Marks	Examine and issue a report on your application for a trade mark within <b>13 weeks</b> of receiving the application.	13 weeks
Designs	Examine and issue a report on your registered design within <b>13 weeks</b> of receiving your request for examination.	13 weeks
All IP Rights	Respond to correspondence relating to the examination of your application within <b>20 working days</b> of receiving the correspondence.	20 days
All IP Rights	Issue our decision within <b>12 weeks</b> of holding a hearing, unless we receive further submissions or evidence.	12 weeks

## Fee Changes

IP Australia combines individual activities into activity groups, and cost recovers at the activity group level. IP Australia compares fees payable by customers with those payable to other OECD IP Offices operating on a full cost recovery basis and/or cost transparency. IP Australia will next seek approval of its cost recovery arrangements from the Australian Government in budget year 2015-16.

### Rationale

Certainty about fees and early warning about fee changes is important for customers in conducting business and making decisions about how best to proceed with IP rights applications and renewals.

IP Rights Administration - Value for money measures (reported in any year covered in the plan where there is a fee change)		Commitment
All IP Rights	We will give at least 8 weeks' notice before implementing a change in our fees and will endeavour to give more than 8 weeks' notice when introducing major new fees	8 weeks

## Registration of IP Professionals

Registration of IP Professionals to ensure knowledge, academic, employment and residency requirements are met.

### Rationale

The Professional Standards Board (PSB) administers the regulatory and disciplinary regimes for patent and trade marks attorneys in Australia. Key activities for the PSB relevant to its role as regulator of the attorney profession are the review of applications for attorney registration and notification of registration.

Professional Registration measures (reported annually for each year covered in the plan)		Timeliness Commitment
Time to registration	The Professional Standards Board will complete final registration within <b>15 working days</b> of receipt of applications for either individual or incorporated attorney registration, that are compliant with legislative requirement.	15 working days
Notification of decisions	The Professional Standards Board will notify the person in writing of its decision within <b>42 working days</b> of deciding whether or not it is satisfied that the person has the qualification.	42 working days

### Rationale

IP Australia monitors Patent and Trade Marks Attorney compliance with Continuing Professional Education (CPE) requirements for maintaining registration.

Professional Registration – Compliance Measures (reported annually for each year covered in the plan)	
Continuing Professional Education (CPE)	Annual audit of compliance with CPE requirements for Patent and Trade Marks Attorneys is undertaken based on an appropriate sample. Action is taken on non-compliance.

## **Programme 1.2: Education, Awareness and International Engagement**

### **Programme Objective**

#### **Education and awareness:**

IP Australia will facilitate access to the domestic and international intellectual property system and promote understanding of their value among its stakeholders in line with Australia's interests.

#### **International engagement:**

IP Australia will influence the development of effective intellectual property systems in line with Australia's interests.

### **Deliverables**

Education, Awareness and International Engagement encompasses IP Australia's role in raising awareness and educating customers about intellectual property, and engaging with key international stakeholders and IP bodies. Under the education and awareness objective of this programme, IP Australia will deliver public education and awareness programmes, which promote an understanding of the IP system and provide Australians with the tools they require to make informed decisions regarding IP.

Under the international engagement objective of this programme, IP Australia will engage with IP offices in other countries to promote work-sharing and beneficial cooperation activities. To further Australia's interests IP Australia will continue to actively participate in the activities of the World Intellectual Property Organisation (WIPO) and the International Union for the Protection of New Varieties of Plants (UPOV) as the administrative bodies for international IP rights.

## Performance Measurement and Monitoring

### Education and Awareness

To facilitate informed use and understanding of the IP system, IP Australia commits to improving IP Australia's online presence.

#### Rationale

IP Australia's website is aimed at a range of users and potential users of the IP system, from IP experts to people who want to find out more about IP or register their intellectual property.

Public Awareness and Education (reported annually for each year covered in the plan)		Commitment
IP Australia's Website	Measure the number of visitors to the IP Australia website.	2% increase on 2014/15 results

### International Cooperation

In working with WIPO we will continue to focus on reforms to patent, trademark and design systems and IT standards that assist Australian innovators and business make the most of their IP on a global basis. We will also contribute to international considerations on IP and genetic resources, traditional knowledge and traditional cultural expressions and how they should be recognised in the IP system. In addition, we are committed to working with developing and least developed countries through capacity-building programs to enhance their participation in the global innovation economy. In UPOV we will continue to seek simplified, harmonised administrative and technical standards for new plant varieties

## Regional Patent Examiner Training (RPET)

Regional Patent Examination Training (RPET) was launched in April 2013 as a joint project between IP Australia, WIPO and ASEAN. Its aim is to build patent examination capabilities of participating offices. Helping to enhance the consistency and quality of patent examination in other offices will (in time) contribute to greater confidence of IP rights that are granted especially in our region. This can contribute to increased business confidence and facilitate trade and technology transfer in our region.

### Rationale

Evaluate whether the RPET program is meeting its intended outcomes, and effectiveness of IP Australia's management and delivery of the program.

International Cooperation - RPET (reported in 2015/16 performance statement)		Commitment
RPET	Attract participation from target country IP offices and proportion of students that meet required standards.	Evaluation 2015/16



## **Programme 1.3: Advice to Government**

### **Objective**

#### **Policy and legislation:**

IP Australia's programme of policy and legislative input will foster Australian innovation and investment by shaping the development of the IP system both at home and abroad.

### **Deliverables**

Advice to Government relates to IP Australia's role in providing advice on intellectual property matters, and supporting research into the current and future use of IP rights. Legislation to implement IP changes and improvements is developed as required.

Under the policy and legislative objective of this programme, IP Australia will provide policy advice across government and internationally.

## Performance Measurement and Monitoring

### Timeliness and quality of Ministerial Briefs

Ensuring that Ministerial briefs are of a high quality and timely.

#### Rationale

Timeliness and quality of Ministerial briefs indicates IP Australia's capability in regard to providing advice on IP matters.

Timeliness and Quality of Ministerial Briefs (reported annually for each year covered in the plan)		Commitment
Timeliness of Ministerial Briefs	Ministerial briefs delivered on time	Briefing provided within 5 working days of request
Quality of Ministerial Briefs	Ministerial briefs delivered with high quality	95% of briefings are accepted without requests for revision

### Impact of Legislative Change

Impact of legislative changes will be reported when sufficient time has elapsed to evaluate the impact of each specific change. 5 years from commencement is likely to be a minimum.

#### Rationale

Impact of Legislative changes demonstrates that policy is well researched and evidence based.

Impact of Legislative Change (reported in the performance statement 5 years from the commencement of the legislation)		Commitment
Rights In One (RIO) Bill – introduction due 2015	Achieved stated goals to improve IP system	Evaluation 5 years from commencement

## Stakeholder Consultation

Ensuring mechanisms are maintained to facilitate stakeholder feedback.

### Rationale

Effective engagement with stakeholders is essential in identifying proposals for improving service delivery and regulatory functions and reducing costs for business. As well as undertaking public consultation on packages of legislative reforms and major business process changes, IP Australia maintains a range of consultation groups that meet regularly to identify areas for improvement.

Consultation on improvements to regulatory frameworks (reported annually for each year covered in the plan)		Commitment
All IP Rights	Our specific and business as usual consultation activities will culminate in consultation with the peak stakeholder body (Stakeholder IP Forum) at least twice a year. The Stakeholder IP Forum will oversee IP Australia's regulatory performance and provide advice on regulation reform.	2 times per year

## IP Research

IP Australia will influence the development of effective intellectual property systems in line with Australia's interests.

### Rationale

The role of Intellectual Property in the Australian economy is an increasingly important component and as the administrator of the IP system it is important that IP Australia make the best possible data and summary of evidence available for the public to have an informed debate on the issues. Occasional research papers will also be published to inform debate on key topics.

IP Research (reported annually for each year covered in the plan)		Commitment
Release of IP Government Open Data and publication of the Australian IP Report	Evidence and data to inform debate and policy formulation through the release of the annual Australian IP Report and the dissemination of IP Australia open data, (all IP Australia public data updated annually).	Both published annually

# Capability

## Workforce Planning

IP Australia's workforce is our greatest asset and as such is the focus of extensive planning, training and development. Currently 93% of staff are based in Canberra, with a gender split of 55% male and 45% female. We will continue to develop IP Australia's workforce of the future with four key areas of focus:

- Transitioning our workforce in response to business innovation
- Motivating and retaining quality people
- Attracting and selecting the best people
- Enhancing our flexible work environment

IP Australia will remain centrally located in Canberra, however expects an increase in the number of staff accessing home-based work or out-posted work arrangements. Our office space requirements are therefore expected to reduce somewhat over time and we are seeking to progressively refurbish our office space to cater for more mobile and diverse work styles and requirements. Extensive use of technology will be supported to facilitate telework, mobile work, video and tele-conferencing and collaborative work.

Our focus on a strong technical base for our workforce will continue and the building of this capability will be delivered through blended, online and cloud based virtual classrooms. We will refine our recruitment processes to be more agile in the recruitment of examiners and they will be trained using best practice competency based training delivered in real time at their own pace. We will further enhance general capabilities by utilising whole-of-government arrangements or shared services providers and also interchanges, secondments and placements within the APS, attorney firms and business.

## ICT

Our ICT Strategy aims to deliver a highly capable ICT system through four key objectives: to empower staff to be more efficient; to leverage the information we collect and manage; to deliver customer centric services; and to optimise the use of technology in supporting the IP system.

These objectives will be realised through a number of activities and investments that will enhance the technologies supporting our workforce, deliver improved functionality to our customers and improve the overall cost effectiveness of our ICT services.

Examples of recent improvements include the delivery of outbound correspondence electronically to customers and the ability to process unstructured inbound requests (such as paper applications) electronically. The main long term investment priority is the Rights-in-One (RIO) program that will deliver unified administrative processing across all four IP rights and will enable the decommissioning of multiple bespoke legacy systems currently used to manage each of the IP rights.

The main business drivers leading to this ICT Strategy are demand for;

- improved customer experience (especially our website and eServices)
- new and improved administration systems
- maximising benefits from the IP system (e.g. better data provision)
- improved internal capability (supporting staff and the organisation)

The ICT Strategy includes leveraging off and participating in the Government's Digital Transformation Agenda as well as implementing whole-of-government policy in areas such as shared services, mobility and teleworking. It also includes collaborative development with New Zealand and WIPO to enable work sharing across the Tasman and internationally.

## Capital Investment Strategy

IP Australia is committed to applying a strategic approach in the investment, development and delivery of new and improved technology, infrastructure and building works for the benefit of staff, customers and external stakeholders. This approach guides and informs IP Australia's capital management planning and investment strategies that support the achievement of the organisation's outcome for Government, within the limits of resources available.

IP Australia will continue to invest in enhancing ICT systems that improve internal business processes, systems and administrative arrangements while enhancing the user experience for our customers. This program of work will lead to the replacement of IP Australia's IP rights administrative systems with a single case management system (RIO).

IP Australia will also explore the potential benefits from investing in other forms of cutting edge technology, with the intent of discovering new service delivery models, innovative ways of engaging with customers and streamlining search and examination functions.

## Quality

IP Australia is committed to building on our strong reputation for delivering high quality services to our customers. The ISO 9001:2008 certification of our quality management system is central to our commitment to being respected for our valuable contribution to the national innovation system. In order to maintain our high standards IP Australia recognises that we need to efficiently deliver robust IP rights and continuously improve the consistency of our decisions, our response times and our business systems.



## Environment

IP Australia has made a commitment to the environment by developing an Environmental Management System (EMS) compliant with the ISO 14001:2004 standard for the organisation.

The ISO standard provides a structured approach to planning and implementing environmental protection measures. The EMS integrates environmental management into an organisation's daily operations, long term planning and other quality management systems. This allows the organisation to promote the efficient use of resources including maximising recycling, reducing paper consumption and conserving power.

# Risk Oversight and Management Systems

IP Australia has a sound system of risk oversight to support the achievement of its strategic priorities. IP Australia utilises risk management principles to identify, assess, monitor and manage the risks identified as impacting on the achievement of objectives. IP Australia aims to continually improve the oversight and management of risk by embedding risk management into the business and instilling awareness in our staff to ensure that we maintain a strong and integrated risk culture. IP Australia's risk management framework is based on the AS/NZS ISO 31000:2009, the PGPA Act, the Commonwealth Risk Management Policy, and relevant better practice guides.

Our approach to risk management seeks to:

- increase the likelihood of achieving our strategic objectives
- establish a reliable basis for sound decision making and prudent risk taking that facilitates innovation
- improve operational effectiveness, efficiency, performance and resilience
- encourage proactive management, improving accountability and control assurance
- avoid adverse outcomes while seizing beneficial opportunities

The risk management process provides a basis for decision making and is applied across IP Australia activities, including service delivery, strategic and operational planning, policy development, engagement with stakeholders and planning and execution of programs, projects and initiatives. Managing risks effectively results in improved outcomes and is monitored through the successful delivery of objectives.

The main risks for IP Australia that might impact on the delivery of our objectives are:

- IP Australia's revenues fall outside of projections
- Public expectations of IP Australia's services (IP rights) are affected because of inadequate quality, timeliness and responsiveness, leading to the IP system becoming less relevant
- Major disruptive events or instabilities in the ICT systems affect IP Australia's ability to service customers and maintain day-to-day operations and security of data
- Rights in One (RiO) Program delivery is outside the thresholds of success in relation to expected functionality, timeframes and approved budget
- Reduced ability to retain key staff with skills to meet work demands and to attract suitable replacements
- Failure to provide a safe and secure workplace for our staff
- Loss of confidence by Minister and/or the Government.
- Key supplier failures impact customer service or delivery of business outcomes
- An external review of the IP system recommends major changes which affect the structure, business objectives or operations of the organisation

The Director General, as the Accountable Authority has overall responsibility for management of IP Australia including responsibility for ensuring an effective risk management framework is in place. Implementation of the framework is delegated to the respective General Managers. IP Australia's Audit Committee is responsible for

providing independent advice and assurance to the Director General on the system of risk oversight and management; and the system of internal control. Employees are expected to understand and manage the risks within their span of control and boundaries of authority when making decisions and undertaking day to day activities.



# Compliance

## Regulator performance framework

The Regulator Performance Framework is part of the government's deregulation agenda. IP Australia is required to assess its performance against the six outcomes-based key performance indicators covering reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement. Metrics for these KPI's are contained within the Corporate Plan.

KPI	Corporate Plan Reference
KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities	Programme 1.1 metrics
KPI 2 – Communication with regulated entities is clear, targeted and effective	Programme 1.1 metrics
KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed	IP Australia does not have a compliance or enforcement role in regard to IP rights once they are granted. Accordingly, this KPI is not relevant to IP Australia.
KPI 4 – Compliance and monitoring approaches are streamlined and co-ordinated	Programme 1.1 metrics
KPI 5 - Regulators are open and transparent in their dealings with regulated entities	Programme 1.1 metrics
KPI 6 – Regulators actively contribute to the continuous improvement of regulatory frameworks	Programme 1.3 metrics, Capability section

## Compliance with PGPA Act

Matters to be included in a Commonwealth entity's corporate plan

Item	Topic	Matters to be included	Page Reference
1	Introduction	The following: a. a statement that the plan is prepared for paragraph 35(1)(b) of the Act; b. the reporting period for which the plan is prepared; c. the reporting periods covered by the plan	3
2	Purposes	The purposes of the entity	4-5
3	Environment	The environment in which the entity will operate for each reporting period covered by the plan.	6-8
4	Performance	For each reporting period covered by the plan, a summary of: a. how the entity will achieve the entity's purposes; and b. how any subsidiary of the entity will contribute to achieving the entity's purposes; and c. how the entity's performance will be measured and assessed in achieving the entity's purposes, including any measures, targets and assessments that will be used to measure and assess the entity's performance for the purposes of preparing the entity's annual performance statements under section 16F.	9-19
5	Capability	The key strategies and plans that the entity will implement in each reporting period covered by the plan to achieve the entity's purposes.	20-22
6	Risk oversight and management	A summary of the risk oversight and management systems of the entity for each reporting period covered by the plan (including any measures that will be implemented to ensure compliance with the finance law).	23-24

© Commonwealth of Australia August 2015

