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Our Ref: EC25-003708

The Hon Dr Jim Chalmers MP
Treasurer
PO Box 6022
Parliament House
Canberra ACT 2600

Senator the Hon Katy Gallagher
Senator for the Australian Capital Territory
Minister for Finance
Minister for Women
Minister for the Public Service
Minister for Government Services
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Treasurer and Senator,

Thank you for your letter dated 4 July 2025 requesting my assistance in identifying regulatory reform opportunities that Department of Home Affairs (the department) can implement to streamline regulatory processes, reduce red tape, improve transparency and facilitate investment and innovation in priority sectors.

The department is responsible for a range of regulatory activities spanning across critical infrastructure, cyber security, transport security, trade compliance and migration. In delivering these responsibilities, we will continue to progress regulatory reform opportunities to ensure our regulation remains fit-for-purpose and supports economic prosperity and productivity in Australia while not diminishing security settings.

We remain focused on ensuring our regulatory activities are outcomes focused and not simply compliance based. I have encouraged all of my staff to be focused on outcomes including by using artificial intelligence, large language models and existing data to reduce the compliance burden on industry.

An example about how we are doing this is through the Critical Infrastructure Program for Modelling and Analysis Unit where we have modelled all critical infrastructure in Australia to assist with preparations for natural hazards, impact of cyber incidents and to inform advice on foreign investment decisions. This work realises productivity benefits for the Australian economy by using data and artificial intelligence to better target preventative action and incident response; inform investments in resilient infrastructure and allow for quicker analysis of foreign ownership to streamline detailed industry data requests.

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The department has identified the following targeted actions that can be implemented within the next 12 months, within existing resources and legislative frameworks:

- Co-design and develop additional best practice guidance to allow industry to better focus risk mitigation strategies and compliance with *Security of Critical Infrastructure Act 2018* (SOCI Act), including by reducing compliance costs and focusing on expected outcomes.
- Streamline the Work and Holiday visa process through a pre-application ballot process to manage the oversubscription of the program and streamline more effective processes for end users and for the department.
- Align the Skilling Australians Fund (SAF) Levy with enhanced mobility of migrants through more equitable charging and refund provisions giving employers the confidence to only pay where they receive a benefit of a migrant working in their business and reducing administrative red tape and burden.
- Develop a new citizenship by conferral application form to reduce regulatory burden by only requiring necessary information and reducing manual interactions.

Further detail on each of these opportunities is outlined in **Attachment A**.

My department will continue to support regulatory reform opportunities, including further discussion at the upcoming Economic Reform Roundtable in August 2025. I note that other agencies in the Home Affairs Portfolio will also provide you with their ideas on regulatory reform opportunities.

I am confident that the regulatory opportunities identified within this correspondence and my other Home Affairs Portfolio colleagues will help to improve and streamline the regulatory environment and help to remove unnecessary red tape.

Yours sincerely,

Stephanie Foster

July 2025