



COMMISSIONER FOR
BETTER REGULATION

GPO Box 4379
Melbourne Victoria 3001
Telephone: 03 9092 5800

24 November 2017

Dr Cathy Wilkinson
Executive Director
Environment Protection Authority
200 Victoria Street
CARLTON VIC 3053

Dear Dr Wilkinson

POLICY IMPACT ASSESSMENT FOR A VARIATION TO THE WASTE MANAGEMENT POLICY (SOLID FUEL HEATING)

I would like to thank your staff for working with the Office of the Commissioner for Better Regulation on the preparation of the Policy Impact Assessment (PIA) for the proposed *Waste Management Policy (WMP) (Solid Fuel Heating) 2018*.

As you know, under an agreement with the Environment Protection Authority (EPA), independent advice is provided on the adequacy of analysis presented in PIAs prepared in Victoria, analogous to that given for Regulatory Impact Statements. The Commissioner's role is to advise on the adequacy of the discussion and analysis presented in an impact assessment. To be adequate, the analysis should be logical, draw on relevant evidence, be transparent about any assumptions made, and be proportionate to the proposal's expected effects: the PIA needs to provide relevant information to enable informed community consultation on the proposal.

I am pleased to advise that the final version of the PIA received by us on 23 November 2017 meets the adequacy standard.

The primary purpose of the proposal is to reduce adverse health impacts (such as cardiovascular disease and respiratory illness) arising from particulate emissions from wood heating. Victoria has made a commitment to address these emissions under the 2015 National Clean Air Agreement. This proposal will implement part of that commitment by requiring all new wood heaters manufactured, supplied and installed in Victoria to meet the Australian Standard for wood heater efficiency (AS/NZS 4012:2014).

The benefits of the proposal in terms of improved health outcomes are estimated to be \$33.2 million (present value) over ten years. The costs associated with the proposal are estimated to be around \$213,000 (present value) over ten years, comprising both costs to manufacturers and enforcement costs for the EPA.

As a result of this proposal, any future revisions to the Australian Standard will automatically apply in Victoria. The efficiency standard was most recently reviewed and amended in 2014, and is not expected to be reviewed again in the near future. The PIA states that the process for making future changes to the national standard requires consultation with industry and state governments and that, in particular, the EPA will have an opportunity to assess the expected impacts of any proposed changes in Victoria and, if necessary, to review the merits of including the standard in the WMP.

An opportunity to review the WMP before the minimum 10-year review period specified in the *Environment Protection Act 1970* may also arise as a result of the recent *Independent Inquiry into the EPA* (2016) and associated Government response.

Should you wish to discuss any issue raised in this letter, or subsequent changes to the proposal arising through the public consultation process for the PIA, please do not hesitate to contact me on (03) 9092 5800.

Yours sincerely



Anna Cronin

Commissioner for Better Regulation