

22 November 2011

Linda Timothy  
Director  
Legislation, Policy & Information Services  
WorkSafe Victoria  
222 Exhibition Street  
MELBOURNE VIC 3000

Dear Ms Timothy



Victorian  
Competition & Efficiency  
Commission

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## ADVICE ON THE ADEQUACY OF REGULATORY IMPACT STATEMENT

Thank you for seeking advice on the Regulatory Impact Statement (RIS) on the proposed Accident Compensation Regulations 2012.

The Victorian Competition and Efficiency Commission (VCEC) advises on the adequacy of RISs as required under section 10 of the *Subordinate Legislation Act 1994* (the Act). I advise that the final version of the RIS received by the VCEC on 22 November 2011 meets the requirements of section 10 of the Act.

The VCEC's advice is based on the adequacy of the evidence presented in the RIS and is focused on the quality of the analysis rather than the merits of the proposal itself. **Therefore, the VCEC's advice that the RIS is adequate does not represent an endorsement of the proposal.**

The VCEC notes that there is uncertainty about the benefits and costs of the options for the financial contributions to be made by self-insurers, which has necessitated a qualitative assessment of the options using a multi-criteria analysis. The multi-criteria analysis describes the trade-offs made between different criteria and judgements about effectiveness of different options. The key trade-off identified is between supporting self-insurance options for some employers within the Victorian worker's compensation system and the financial impact on the remaining scheme-insured employers.

The VCEC further notes that the results of the multi-criteria analysis are very similar for all of the options analysed in the RIS, including the preferred option. Slightly different judgements about the appropriate criteria and the effectiveness of each option could result in a different preferred option. Stakeholder feedback on these judgements and the consultation questions included in the RIS will help to validate the results of the multi-criteria analysis.

In the interests of transparency, most departments and agencies publish this letter alongside the RIS when it is released for consultation. The VCEC recommends that you do the same.

If you have any questions, please contact [RegulationReview@vcec.vic.gov.au](mailto:RegulationReview@vcec.vic.gov.au).

Yours sincerely

A handwritten signature in blue ink that reads "Andrew Walker".

Andrew Walker

**Assistant Director**

**Victorian Competition and Efficiency Commission**

