

25 January 2012



Victorian
Competition & Efficiency
Commission

Mr Shaun Green
Manager, Regulatory Innovation
Environment Protection Authority
200 Victoria Street
CARLTON VIC 3053

Level 14, 55 Collins Street
Melbourne Victoria 3000
GPO Box 4379
Melbourne Victoria 3001
telephone (03) 9092 5800
facsimile (03) 9092 5845
email contact@vcec.vic.gov.au
web www.vcec.vic.gov.au

Dear Mr Green

ASSESSMENT OF REGULATORY IMPACT STATEMENT

Thank you for seeking an assessment of the Regulatory Impact Statement (RIS) on the proposed *Environment Protection (Fees) Regulations 2012*.

The Victorian Competition and Efficiency Commission (VCEC) assesses 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 24 January 2012 meets the requirements of section 10 of the Act.

The VCEC's assessment 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, an assessment of adequacy by the VCEC does not represent an endorsement of the proposal.**

The VCEC notes that the RIS provides analysis of the 'strong nexus' between works approvals and licences in order to justify recovering \$1.5 million in costs for works approvals from annual licence fees. The RIS argues that because the works approval could be viewed as the first stage of the licensing process, it is appropriate for licensees to pay for the cost of their works approval over the life of their activity. This approach avoids large upfront fees for works approvals which could create a barrier to entry for smaller businesses. The RIS is transparent about this approach and invites stakeholders to comment on the appropriateness of recovering a large proportion (around 60 per cent) of the works approval costs through annual licence fees.

In the interests of transparency, most departments and agencies publish this assessment 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.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jeff Hole'.

Jeff Hole

Executive Director

Victorian Competition and Efficiency Commission