



Victorian  
**Competition & Efficiency**  
Commission

7 October 2011

Colin Morrison  
Director  
Local Government Victoria  
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Dear Mr Morrison

### **ADVICE ABOUT THE ADEQUACY OF REGULATORY IMPACT STATEMENT**

Thank you for seeking our advice about the adequacy of the Regulatory Impact Statement (RIS) on the proposed *Local Government (Long Service Leave) Regulations 2012*.

The Victorian Competition and Efficiency Commission (VCEC) provides independent advice about the adequacy of RISs as required under section 11 of the *Subordinate Legislation Act 1994* (the Act). I advise that the final version of the RIS received by the VCEC on 19 August 2011 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.**

In making this assessment, the VCEC notes that the RIS has used a qualitative assessment of the benefits of the proposed regulations. A qualitative assessment is appropriate for a relatively low-cost proposal such as this. While a formal cost-benefit analysis (CBA) would have provided greater assurance about the merits of the proposal, undertaking a CBA was not feasible given the expected benefits of the proposal (continuity of service with local government and flexibility of service across government to promote skill development in the local government workforce) cannot be practicably quantified.

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](mailto:RegulationReview@vcec.vic.gov.au).

Yours sincerely

Nick Voukelatos

**Acting Assistant Director**

**Victorian Competition and Efficiency Commission**