



Victorian
Competition & Efficiency
Commission

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Mr Andrew Wall
Director
Network Policy and Standards
VicRoads
Level 10, 1 Spring Street
MELBOURNE VIC 3000

Dear Mr Wall

ADVICE ON THE ADEQUACY OF REGULATORY IMPACT STATEMENT

Thank you for seeking advice on the Regulatory Impact Statement (RIS) on the proposed Road Management (Works and Infrastructure) Regulations 2015.

The Victorian Competition and Efficiency Commission (VCEC) advises on the adequacy of RISs as required under section 10(3) of the *Subordinate Legislation Act 1994* (the Act). I advise the final version of the RIS received by the VCEC on 20 March 2015 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 the RIS is adequate does not represent an endorsement of the proposal.**

In making this assessment, the VCEC notes that these Regulations (apart from the fees component) largely intend to reduce burdens by, among other things, providing for exemptions from the consent application requirements of the *Road Management Act 2004*.

The proposed Regulations largely re-make the existing Regulations with a small number of changes, including to clarify that the 'minor works' exemption only applies to utilities, providers of public transport and responsible road authorities. The effect of this approach is that, compared with current practices, all other parties — such as developers, builders and plumbers — will be subject to a more rigorous consent application process and pay higher application fees.

VicRoads has determined that this approach is warranted, based on its assessment that works by other parties expose the community to higher risks because these parties do not have the equivalent quality systems, skills and resources that are available to utilities, providers of public transport and responsible road authorities. However, consultation by VicRoads to date has not identified concerns with the level of oversight by coordinating road authorities applied to 'minor works', the standard of road works undertaken by developers, builders and plumbers, or adverse safety, congestion or other outcomes due to such works.

It is therefore unclear, based on the available information, that the proposed 'minor works exemption' is the most cost-effective way to achieve safety, congestion and other outcomes.

The RIS transparently identifies the limited available information and the assumptions made by VicRoads in reaching this view. In these circumstances, the VCEC notes that stakeholder

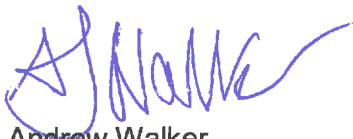
responses to this RIS (including to the specific questions included) will be an especially valuable input to guide the finalisation of the Regulations.

The VCEC also acknowledges VicRoads' commitment to collect improved data as part of its evaluation strategy, which will allow future exploration of opportunities to improve the cost-effectiveness of the regulatory framework.

In the interests of transparency, it is government policy that VCEC's advice be published with the RIS when it is released for consultation.

If you have any questions, please contact RegulationReview@vcec.vic.gov.au.

Yours sincerely



Andrew Walker

Assistant Director

Victorian Competition and Efficiency Commission