

VCEC assessment of Policy Impact Assessments under the Environment Protection Act 1970

Assessment criteria and process

Purpose of assessment:

VCEC will undertake an independent assessment of the adequacy of the analysis contained in Policy Impact Assessments, not the merits of the policy proposal.

Applicable Instruments:

Policy Impact Assessments (PIAs) prepared for State environment protection policies and Waste management policies (known as “statutory policies”) under the *Environment Protection Act 1970* (EP Act).

Principles for assessment:

The following principles for assessment of PIAs should apply:

- The assessment criteria and process must comply with the PIA requirements set out in the EP Act
- As far as is possible, the assessment criteria and process should be consistent with the criteria and process for assessing RISs.

Assessment framework

VCEC will assess the adequacy of the PIA against:

- The requirements of section 18C(1) of the EP Act; and
- Steps 1 to 4 for the preparation of Business Impact Assessments and RISs as set out in Chapter 5 of the Victorian Guide to Regulation (VGR).

In summary, PIAs will be assessed against the following requirements:

- (a) Identification of the problem or issue to be addressed (step 1, VGR)
- (b) The statement of purposes/specification of desired objectives (section 18C(1)(a) of EP Act / step 2, VGR)
- (c) Identification of viable options to achieve the purposes/objectives (section 18C(1)(b) of EP Act / step 3 VGR)
- (d) The assessment of financial, social and environmental impacts/costs and benefits of the options (section 18C(1)(c) of EP Act / step 4, VGR).

In the event of any inconsistency between section 18C(1) of the EP Act and the VGR, the requirements of the EP Act prevail.

Assessment timelines

EPA will consult VCEC at an early stage in the development of any new or amended statutory policy that involves the preparation of a PIA.

Consistent with the approach taken for RISs, VCEC will adopt the performance standard of 10 business days for providing comments on each draft of a PIA.

Draft PIA

The EP Act requires the EPA to release a draft PIA for public comment. EPA will publish on its website the draft PIA and VCEC's assessment letter when it is released for public comment. VCEC will also publish the draft PIA and assessment letter on its website.

Final PIA

Following public consultation on the draft PIA and draft statutory policy, the EP Act requires that the (final) PIA be submitted to the Governor in Council along with the proposed statutory policy.

VCEC's role in the preparation of the final PIA depends on the extent of changes made to the draft PIA.

1. If the changes do not impact on the substance of the analysis contained in the draft PIA, no further involvement of VCEC is required in preparing the final PIA.
2. If the changes do impact on the substance of the analysis contained in the draft PIA, EPA will consult with VCEC and seek a further assessment letter for the final PIA.

Following the making of the statutory policy by the Governor in Council the EPA and VCEC will publish the final PIA on their websites. Where a further assessment letter is required for the final PIA, the assessment letter will also be published on the EPA and VCEC websites.

Status of VCEC as reviewer

It is not proposed that the Minister appoint VCEC as a "review panel" under section 18C of the EP Act. Therefore, the proposed assessment of PIAs by the VCEC should not be taken to mean that the VCEC is exercising functions of a review panel.

Commission Conventions for the Regulatory Review Function

The Commission Conventions for the Regulatory Review Function sets out VCEC's operating practices on information sharing and processes relating to providing independent advice for its regulatory review function. VCEC will apply, as far as is possible, the regulatory review conventions to its role in assessing PIAs.