

6 August 2012

Mr John Merritt
Chief Executive Officer
Environmental Protection Agency Victoria
GPO Box 4395
MELBOURNE VIC 3001

Dear Mr Merritt



Victorian
Competition & Efficiency
Commission

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

VCEC assessment of Policy Impact Assessments

Thank you for the opportunity to have the Victorian Competition and Efficiency Commission (VCEC) review Policy Impact Assessments (PIAs) prepared under the *Environment Protection Act 1970* (EP Act). I write to formally accept this request and to indicate that the VCEC's Regulation Review team will be assuming this role.

As indicated in your correspondence dated 29 June 2012, the PIA assessment criteria and process will comply with the PIA requirements set out in the EP Act and be consistent with those applying to Regulatory Impact Statements, as far as is practicable.

The VCEC considers that PIAs are a valuable tool in evaluating the costs and benefits of statutory policies. I agree that the VCEC's independent review of PIAs is a sensible step towards statutory policies being subject to the same level of scrutiny and rigour as is required under the *Subordinate Legislation Act 1994* and note that this would require amendments to the EP Act.

I agree that this agreement be placed on the Environmental Protection Authority and VCEC websites and also for the effectiveness of these arrangements to be reviewed after two years.

If you have further comments or questions, then please do not hesitate to contact the relevant officer, Catherine Pingiaro, on (03) 909 25829 or email: catherine.pingiaro@vcec.vic.gov.au.

Yours sincerely



Dr Matthew Butlin
Chair
Victorian Competition and Efficiency Commission

CC: Brendan Flynn
Deputy Secretary
Economic and Financial Policy Division
Department of Treasury and Finance

Paul Smith
Executive Director
Environmental Policy and Climate
Change
Department of Sustainability and
Environment

