Stage Two Statement of Expectations for Regulators Guidelines



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# Context for the Statement of Expectations framework

The objective of the Statement of Expectations (SOE) framework is to promote greater efficiency and effectiveness in the administration and enforcement of regulation in the context of facilitating increased business investment and economic activity in Victoria.

The objective of SOEs is to establish clear expectations of regulator performance and improvement between responsible Ministers and regulators. This will improve regulator outcomes and reduce costs on regulated parties.

This policy forms part of the Government’s program to reduce red tape affecting businesses, not‑for‑profit organisations, government service providers and households. As illustrated in the diagram below, reforms to the regulatory framework can be grouped under two broad categories. The first involves ensuring that the flow of new regulation and the stock of existing regulation are managed effectively to achieve the objectives of better regulation and reducing regulatory burden. The Victorian Guide to Regulation, which guides the development and evaluation of new regulation, the Red Tape Reduction Program and initiatives proposed by the Red Tape Commissioner fall into this category. The second category of regulatory reform involves embedding operational excellence by regulators in the task of administering and enforcing regulation, and in improving their performance. The SOE framework is a part of this category of reforms. All of these reforms contribute to the delivery of better economic and social outcomes for Victoria.

Key areas of focus to drive regulatory change

**Reducing red tape costs on Victorian business**

**Improving the administration of regulation**

**Controlling the flow and stock of existing regulation**

Source: DTF SOE presentation at Regulators’ Community of Practice

The SOE framework is aimed at improving performance along the regulatory cycle (below).

Stylised regulatory life cycle



Source: VCEC Inquiry into Victoria’s regulatory framework, Strengthening Foundations for the Next Decade, Final Report April 2011, p. xxix.

# Overview of the SOE framework

Establishing clear expectations of regulator performance in priority areas can reduce the costs faced by Victorian businesses. For this reason, the Government is issuing Ministerial SOEs to all Victorian business regulators[[1]](#footnote-1). The implementation of SOEs will be completed in two stages.

Under Stage One, five of Victoria’s highest‑impact regulators have been issued red tape reduction SOEs, by each regulator’s responsible Minister, that focus on their contribution to the Government’s 25 per cent red tape reduction target.[[2]](#footnote-2) The purpose of Stage One is for regulators to reduce the cost of high‑impact or high‑volume compliance and administrative activities by reducing timelines and streamlining processes.

Stage Two is the subject of these guidelines. Stage Two applies to all business regulators. Departments and regulators will collaborate to develop a 2014‑15 SOE that focuses on a broad range of governance and performance objectives to improve regulatory outcomes, with two‑year targets for performance improvement in priority areas. The implementation of Stage Two will commence in late 2013, with the reporting cycle for Stage Two SOEs commencing in 2014‑15 annual reports.

# SOE Stage Two policy and process

The purpose of these SOE guidelines is to assist regulators and departments, on behalf of their Minister, to prepare a 2014‑15 Statement of Expectations letter.

## Who do these guidelines apply to?

The SOE guidelines apply to all Victorian business regulators, as listed in Attachment 1[[3]](#footnote-3). A business regulator is a State Government entity (either independent or within a department) that derives, from primary or subordinate legislation, one or more of the following powers in relation to businesses and occupations:

* inspection;
* regulatory advice to a third party;
* licensing;
* accreditation; and
* standards monitoring and enforcement.[[4]](#footnote-4)

SOEs are not intended to cover regulation of non‑business activities undertaken by individuals.

The regulatory activities of some bodies that fit this definition of a business regulator are not their sole or primary activities. In these cases, the scope of SOEs should be limited to regulatory functions.

Some regulators perform functions to administer national regulations, sometimes of behalf of other jurisdictions. In these cases, SOEs should be limited to issues or standards over which the Minister has direction or the regulator has control or flexibility in meeting outcomes.

SOEs are developed within the context of the existing statutory framework whereby the Government has passed legislation and the regulator has been charged with administering the legislation.

SOEs are not intended to override legislative requirements. If the process of developing an SOE identifies legislative barriers to performance improvement, the relevant department should consider pursuing these instances as reform opportunities.

## The four‑step SOE process

The key stages of the SOE process are outlined below. The mandatory required output from the SOE framework is the SOE letter, issued from the relevant Minister to each regulator. The other steps of the SOE process below are provided as a recommended pathway for departments and regulators to develop this output.

The four key steps of the SOE process are:

1. Identification of key elements of good regulatory practice;
2. A self‑assessment against the elements of good regulatory practice being undertaken for each regulator in order to establish a ‘baseline’ of current performance;
3. A Good Regulatory Practice Plan being developed for each regulator, focusing on areas identified in the self‑assessment as having the greatest opportunity for improvement; and
4. A 2014‑15 Ministerial Statement of Expectations being issued to each regulator, taking into account each regulator’s Good Regulatory Practice Plan.

This four‑step process is intended to provide a consistent framework for regulators to improve the administration and enforcement of regulation.

The framework is provided as a suggested approach to developing an SOE. It is not intended to replace or duplicate frameworks or processes for continuous improvement that might already be in place. Where departments and regulators believe, and the relevant Minister agrees, that existing processes and tools provide a suitable means of establishing rigorous performance improvement targets for inclusion in an SOE, those existing processes can be used to complement or replace one or more of the recommended steps.

This recognises that:

* many regulators and departments have existing tools and frameworks in areas of self‑assessment and good practice plans that can support the development of SOEs; and
* prior reviews of regulator performance by relevant agencies (e.g. Victorian Auditor-General’s Office (VAGO), Victorian Competition and Efficiency Commission (VCEC), internal departmental or regulator reviews) may be valuable inputs to informing the development and content of SOEs.

It also allows regulators and departments to innovate in the way they achieve the required output (the SOE letter).

More specifically, some regulators already have Stage One SOEs and some have pre‑existing SOEs developed outside the current process. In these cases, once an appropriate process of identifying further areas for improvement such as the steps outlined in these guidelines has been undertaken, the Stage Two SOE will simply be an expanded version of the existing SOE (either by way of a re‑issued consolidated SOE or a separate SOE letter).

In addition, some regulators are in the process of developing SOEs under alternative processes. In this case these complementary processes will require coordination with the aim of developing a consolidated SOE for each relevant regulator.

Where the steps outlined in these guidelines are applied, the outcomes of the self‑assessment (Step 2) and Good Regulatory Practice Plan (Step 3) are likely to vary between regulators depending on the size, maturity and capability of the regulator and the availability of data to inform baselines and improvement plans. The approach taken in Steps 2 and 3 should be proportional to the scale and reach of the regulator and, where adequate data does not exist, should emphasise data collection as a key component of the 2014‑15 SOE, to inform future SOEs. SOEs for new regulators in particular may have a greater emphasis on data collection and establishing baselines for future reference than those for established regulators with sophisticated data sets.

Steps 2 and 3 will require close collaboration between regulators and their respective policy departments, prior to departments developing Ministerial SOEs.

The Department of State Development, Business and Innovation (DSDBI) uses its well‑developed business engagement network to collect and log business intelligence on the impact of regulation. Given the focus of SOEs on reducing regulatory burden on businesses, departments and regulators are encouraged to engage with DSDBI’s Regulation Policy Branch in developing and refining SOEs.

# The elements of good regulatory practice

This section outlines the elements of good regulatory practice using a governance and performance matrix.

The matrix outlines minimum standards for all regulators, and suggested best practice stretch targets for higher‑volume and higher‑impact regulators. These may not be relevant to all regulators. Consistent with a proportionate approach, when applying the matrix to complete a self‑assessment and develop their Good Regulatory Practice Plan, departments and regulators should select the most appropriate and highest priority elements for their circumstances. Where different minimum standards and stretch targets are considered more appropriate, these can be used instead.

| Elements of good regulatory practice | Minimum standards | Characteristics of best practice |
| --- | --- | --- |
| **Governance objectives** |
| **Role clarity***Clearly defined roles and responsibilities and a clear understanding of the objectives that regulatory interventions hope to achieve supports improvements in regulatory practices and performance over time, as well as strengthening regulatory outcomes. This is particularly important where there are multiple regulators involved in implementing, administering and enforcing a regulation.* | 1. Regulator has in place a monitoring and assurance regime to ensure that their regulatory objectives are being met.
2. There is a clearly understood and documented chain of accountability and communication between departments/agencies and their regulators.
3. Formal instruments clarify regulator roles where there are shared accountabilities and promote coordination between regulators (for example, memorandums of understanding, formal agreements or contracts for service provision).
 | 1. Regulator provides assurance to the Victorian community that regulated entities are meeting their mandated requirements.
 |
| **Cooperation amongst regulators***Sharing information and developing a common understanding of the regulatory context promotes regulatory coherence, capability development and a cooperative compliance culture. Over time cooperation amongst regulators can strengthen the legitimacy of regulation and improve regulatory outcomes.* | 1. Regulators come together to identify good practice and share lessons.
2. Regulator has considered and explored ways to facilitate data sharing.
3. Regulator performance is benchmarked.
 | 1. The regulator engages and coordinates on a regular basis with other regulators whose regulated parties overlap with their own.
2. Regulatory practices are streamlined between regulators (for example, information is only required to be provided to government once and that data is shared between regulators).
 |
| **Stakeholder consultation and engagement***Effective communication and engagement with stakeholders can reduce regulatory burden, facilitate improved regulator performance and lead to better regulatory outcomes. Stakeholder consultation and engagement includes sharing information, providing opportunities to express views and contribute to regulatory design (where appropriate), taking views into account and advising on the outcome of consultation.* | 1. Forms, data requests and other administrative and compliance processes are regularly reviewed with feedback sought from stakeholders (for example, forms include a short feedback section with suggestions for improvement).
2. The regulator provides feedback on the outcome of consultation exercises to those who took part.
3. The regulator understands the changing needs of business and the community throughout the regulatory cycle.
 | 1. Regulator routinely involves regulated parties and the community in identifying risk, analysis and evaluation.
2. Consultation has a demonstrable impact on the design of regulatory processes.
 |
| **Accountability and transparency***Administration of regulation should be subject to public scrutiny. Performance reporting can provide regulators, their stakeholders, the community and the government with a clearer picture of the strengths of Victorian regulators’ existing practices and processes, and where effort is needed to improve performance. However, unless the right things are measured and reported clearly, it is difficult to know how effective a regulator is in achieving its regulatory outcomes.* | 1. The regulator is transparent about how they administer and, where appropriate, how they enforce regulation (for example, transparent complaints and disputes mechanisms and transparency about the reasons for enforcement decisions)[[5]](#footnote-5).
2. Regulator collects and publishes data that enables it to measure its operational performance.
3. Government priorities are addressed as part of regulator performance reporting[[6]](#footnote-6).
 | 1. Regulator regularly reviews the efficiency and effectiveness of their regulatory practices and complaint handling processes in order to determine whether regulatory outcomes are being realised.
2. Regulator publishes outcome‑focused data on operational performance.
 |
| **Performance objectives** |
| **Clear and consistent regulatory activities** *Inefficient practices represent a regulatory burden to regulated parties and the community. Ineffective enforcement practices can distort regulatory outcomes.* | 1. Regulator has documented key administrative and compliance processes and activities.
2. There is a clear purpose for all information that is collected.[[7]](#footnote-7)
3. Regulator is responsive to lessons learned.
4. Regulator undertakes appropriate planning and resource management.
 | 1. Regulator strives to continuously improve administrative and compliance processes and activities.
2. Enforcement activities are carried out in a way that minimises the impact on business (for example, joint inspections with other regulators, businesses are notified in advance of inspections).
 |
| **Risk‑based strategies** *Risk‑based strategies can improve regulatory outcomes by more strategically focusing on activities where the risks are the greatest. Enforcement approaches that are not targeted at or proportionate to risk may be too onerous on compliant businesses and result in insufficient enforcement activity being focused on high risk businesses. Failure to apply risk‑based regulation may result in inappropriate priority setting and inefficient allocation of scarce resources.* | 1. Relevant data to inform a risk‑based approach to regulation has been identified and is being collected.
2. Regulator has an established approach to risk assessment.
3. Requests for data from regulated parties are proportionate to risk.
4. Risk‑based approaches to compliance and enforcement are considered and adopted where appropriate (for example, regulator tailors sanctions so that they are proportionate and meaningful).
 | 1. Risk assessment is consistently applied across all activities.
2. Knowledge of risk informs inspection targeting.
3. Risk assessment processes and methodologies are transparent.
4. Resources are concentrated in areas of greatest risk to the achievement of outcomes.
 |
| **Timeliness** *Regulatory costs can often result from issues around the timeliness of approval processes, unanticipated delays and coordination problems in administrative decisions, rather than from regulatory design.* | 1. Processes/systems are in place to make it as easy as possible for businesses to complete forms.
2. Regulator provides clarity about the timing and scope of regulatory processes.
3. Timetables for completing forms take into account all requests for information that a regulated party is dealing with, including requests from other regulators.
4. Processes/systems are in place to make it easy for businesses to submit required data and to check on the status of any applications.
 | 1. Regulator strives for improved e‑capability.
 |
| **Compliance related assistance and advice***Effective assistance and advice reduces the risk of non‑compliance. Poor or inaccessible advice may increase the time spent by regulated parties to understand regulatory requirements. Regulated parties should be able to access advice without fear of enforcement action.* | 1. The regulator provides assistance and advice in order to secure compliance.
2. Advice is: easily available (for example, accessible in appropriate formats); accurate; easy to understand (i.e. written in plain English); comprehensive (e.g. include illustrative examples); timely (e.g. provided in time for changes to regulation); and, regularly reviewed and updated in light of feedback.
3. Administration and enforcement is accompanied by ongoing advice.
4. Regulator judges the effectiveness of its assistance and advice by monitoring regulated parties’ awareness and understanding of the services.
5. Regulators provide clarity about the status and objectives of advice (i.e. whether it is statutory or non‑statutory).
 | 1. Assistance and advice services cover the full range of regulated activities and is tailored where appropriate to different groupings of regulated parties.
 |

# Good regulatory practice self‑assessment

This self‑assessment table has been designed to help regulators assess their current practices against good practice. It is recommended to serve as the basis for the regulator to consider what can be done to improve current practices and move towards best practice.

For each element of good regulatory practice outlined in the governance and performance matrix under section 4 of these guidelines, the following questions can be used as a guide to help the regulator make an assessment of current regulatory practices. Based on the self‑assessment in response to these questions, the regulator should be able to rank their proficiency in each of the identified good regulatory practices.

Other inputs to the self‑assessment could include reports or recommendations from external review bodies such as the VAGO, VCEC or Parliamentary committees.

The self‑assessment is recommended for use in section six of these guidelines to develop a Good Regulatory Practice Plan that will underpin the SOE.

| Good regulatory practice minimum standards (high‑volume/high‑impact regulators should also include best practice characteristics) | Outline how current regulatory practices compare to standards, including evidence where possible | Highlight areas for improvement between standards and current practice |
| --- | --- | --- |
| **1. Role clarity** |
| 1a. Regulator has in place a monitoring and assurance regime to ensure that their regulatory objectives are being met. |  |  |
| 1b. There is a clearly understood and documented chain of accountability and communication between departments/agencies and their regulators. |  |  |
| 1c. Formal instruments clarify regulator roles where there are shared accountabilities and promote coordination between regulators (for example, memorandums of understanding, formal agreements or contracts for service provision). |  |  |
| **2. Cooperation amongst regulators** |
| 2a. Regulators come together to identify good practice and share lessons. |  |  |
| 2b. Regulator has considered and explored ways to facilitate data sharing. |  |  |
| 2c. Regulator performance is benchmarked. |  |  |
| **3. Stakeholder consultation and engagement** |
| 3a. Forms, data requests and other administrative and compliance processes are regularly reviewed with feedback sought from stakeholders (for example, forms include a short feedback section with suggestions for improvement). |  |  |
| 3b. The regulator provides feedback on the outcome of consultation exercises to those who took part. |  |  |
| 3c. The regulator understands the changing needs of business and the community throughout the regulatory cycle. |  |  |
| **4. Accountability and transparency** |
| 4a. The regulator is transparent about how they administer and enforce regulation (for example, transparent complaints and disputes mechanisms and transparency about the reasons for enforcement decisions). |  |  |
| 4b. Regulator’s performance is measured against achieving regulatory outcomes (i.e. regulator regularly reviews the efficiency and effectiveness of their regulatory practices in order to determine whether regulatory outcomes are being realised and to measure the benefits and costs of regulatory intervention). |  |  |
| 4c. Government priorities are addressed as part of regulator performance reporting. |  |  |
| **5. Clear and consistent regulatory activities** |
| 5a. Regulator has documented all administrative and compliance processes and activities. |  |  |
| 5b. There is a clear purpose for all information that is collected. |  |  |
| 5c. Regulator is responsive to lessons learned. |  |  |
| 5d. Regulator undertakes appropriate planning and resource management. |  |  |
| **6. Risk‑based strategies** |
| 6a. Regulator has an established approach to risk assessment. |  |  |
| 6b. Data requests vary according to risk. |  |  |
| 6c. Knowledge of risk informs inspection targeting. |  |  |
| 6d. Risk‑based approaches to compliance and enforcement are considered and adopted where appropriate (for example, regulator tailors sanctions so that they are proportionate and meaningful). |  |  |
| **7. Timeliness** |
| 7a. Processes are in place to make it as easy as possible for businesses to complete forms. |  |  |
| 7b. Regulator provides clarity about the timing and scope of regulatory processes. |  |  |
| 7c. Timetables for completing forms take into account all requests for information that a regulated party is dealing with, including requests from other regulators. |  |  |
| 7d. Regulator uses IT to streamline data submissions and applications. |  |  |
| **8. Compliance related assistance and advice** |
| 8a. The regulator provides assistance and advice in order to secure compliance. |  |  |
| 8b. Advice is: * easily available (for example, accessible in appropriate formats);
* accurate; easy to understand (i.e. written in plain English);
* comprehensive (e.g. include illustrative examples);
* timely (e.g. provided in time for changes to regulation); and
* regularly reviewed and updated in light of feedback.
 |  |  |
| 8c. Administration and enforcement is accompanied by ongoing advice. |  |  |
| 8d. Regulator judges the effectiveness of its assistance and advice by monitoring regulated parties’ awareness and understanding of the services. |  |  |
| 8e. Regulators provide clarity about the status and objectives of advice (i.e. whether it is statutory or non‑statutory). |  |  |

This document provides an assessment of the regulator’s practices at a particular point in time and will provide a useful point of reference for subsequent self‑assessments.

# Good Regulatory Practice Plan

Undertaking a Good Regulatory Practice Plan is recommended to help regulators articulate how better practice can be achieved and measured. The plan is based on the outcome of the self‑assessment conducted under section five of these guidelines. The content of plans will be specific to each business regulator, reflecting the capacity, capability, opportunities and challenges they face.

It is recommended that a Good Regulatory Practice Plan be developed to support the regulator in ranking and prioritising areas where there is greatest opportunity for improvement.

The section below provides some examples of improvement strategies and measures to serve as a guide. The Good Regulatory Practice Plan is intended to be a helpful way to build on the findings of the self‑assessment to identify improvements for inclusion in the SOE letter. It is not intended to form part of the SOE, or be published.

| Improvement strategies | Improvement measures/evidence |
| --- | --- |
| **Role clarity**Develop or document coordination of regulatory activities.Establish or document a clear chain of accountability between regulators and departments involved in the regulatory regime.Develop or review monitoring and assurance regimes to ensure that regulatory objectives are being met. | Up to date arrangements on regulator’s website and in Annual Report. |
| **Cooperation among regulators**Develop strategies to enhance information exchange and capability development between regulators. | Report against participation in relevant portfolio‑based fora or communities of practice. Provide examples of data‑sharing initiatives. |
| **Stakeholder consultation and engagement**Establish and publish stakeholder consultation and engagement strategies. Strategies may include developing websites, newsletters with sector specific or personalised information, on‑site visits and ‘on the ground’ learning networks and seminars.Conduct interviews and focus groups with representatives from regulated parties. | Document communication activity undertaken by:* Business category
* Communication tool.
* List consultation documents and stakeholder surveys undertaken by the regulator.
 |
| **Accountability and transparency**Establish or improve operational performance reporting systems and processes. | Expectations around the publication of targets, results and outcomes of regulator operational performance. |
| **Clear and consistent regulatory activities** Review of quality control in regulatory practice development and improvement processes. | Review administrative processes associated with regulation and develop process performance indicators to use in conjunction with efficiency and effectiveness performance indicators. |
| **Risk‑based strategies** Develop a risk management framework.Undertake a comprehensive risk assessment of regulated businesses.Develop a strategy for targeted enforcement and compliance activities that are proportionate to risk category. | Demonstrate in annual reports how risk‑based strategies have been applied to high impact inspection and enforcement activities. |
| **Timeliness** Develop a strategy to establish, document, publish and improve administrative processes. | Set and publish targets for reducing key approval processes.Collect timeliness measures relating to administrative and compliance processes and report against them in annual report.Measure take‑up of e‑enabled systems.Ratio of e‑enabled data collection to manual completion/paper‑based forms. |
| **Compliance related assistance and advice** Undertake stakeholder consultation on existing guidance and developing new guidance to ensure it is easy to understand and comprehensive. | Publish measures relating to the quality of information (for example, timely, reliable and comprehensive).Monitor impact of assistance and advice on regulated parties. For example, majority of businesses benefit from advice and guidance. |

# The SOE letter

Stage Two SOEs for 2014‑15 will be developed by departments taking into account the key opportunities identified in Good Regulatory Practice Plans (where these have been undertaken) and will be issued by Ministers to regulators. A preform SOE letter is provided at **Attachment 2**.

To the maximum extent possible, performance improvements and targets contained in the SOE should be quantified and expressed in terms of outcomes rather than inputs or activities. Where applicable, performance improvements or targets can include data collection to inform future SOEs. As a guide, it is recommended that an SOE contain between five and 10 improvement measures and performance targets.

The content of SOE letters will vary across regulators. Improvement areas and targets will be informed by the results of the self‑assessment and improvement plan (or similar tools), which will be unique to each regulator. SOEs will reflect this diversity.

# The Stage 2 SOE process and timelines

Given the broad scope of these SOEs and the diverse range of regulators covered, there will be a two‑year implementation period (including performance targets).

Beyond the initial two‑year implementation period for 2014‑15 SOEs, it is intended that SOEs be living documents that can be updated and amended at any time. DTF will undertake a post‑implementation evaluation of the 2014‑15 SOE process.



Timelines

| Stage | Date to be achieved |
| --- | --- |
| DTF consultation with regulators and agencies | Mid October to mid November 2013 |
| Cabinet approval of SOE Stage two framework | Early 2014 |
| Regulator self‑assessment and development of Good Regulatory Practice Plan | End March 2014 |
| Ministerial Statements of Expectations issued to regulators | End May 2014 |
| Regulators responses outlining how they will meet expectations | 1 July 2014 |

Regulators will commence the good regulatory practice self‑assessment as soon as the SOE guidelines are released. The resulting Good Regulatory Practice Plan will be used by departments to develop the SOE (in consultation with regulators). The responsible Minister will issue the 2014‑15 SOE to the regulator by **31 May 2014**.

Regulators will respond by **1 July 2014** outlining how they intend to meet expectations, including performance targets over two years.

Regulators will publish their SOE and their response to the Minister on their website and report publicly against performance targets (predominantly through corporate planning and annual financial reporting cycles).

The VCEC will review reporting by regulators on a biennial basis, including in its Victoria’s Regulatory System report. The findings of this review will also be reported to the Treasurer. The review will focus on the process and broad trends across SOEs, rather than individual regulator performance.

Following implementation of 2014‑15 SOEs, DTF will review the SOE policy and revise it accordingly prior to the commencement of a new SOE cycle.

# Regulator performance improvement forum

A key aspect of the SOE performance improvement framework is the VCEC’s Regulator’s Forum. This forum will allow business regulators to meet regularly to benchmark their performance on key regulatory activities against other regulators, share lessons learned and discuss approaches for continuous improvement in compliance and enforcement practices.

# Roles and responsibilities under the SOE guidelines

The Treasurer, supported by DTF, is responsible for developing, evaluating and enhancing the SOE policy and maintaining the SOE guidelines.

Regulators and departments will collaborate in undertaking self‑assessments and developing Good Regulatory Practice plans.

Departments will develop SOEs in consultation with regulators and submit them to the responsible Minister. DTF is available to support regulators and departments in the development of SOEs, by providing advice on the consistency of draft SOEs with the SOE guidelines.

Responsible Ministers will issue SOEs to all their business regulators.

Regulators will formally respond to their SOE outlining how they will meet the expectations and achieve the performance targets.

Regulators will then commence work towards meeting their SOE obligations and report publicly on their progress.

The VCEC will monitor regulator reporting.

1. List of Victorian business regulators\*

| Business Regulator | Ministerial responsibility | Department |
| --- | --- | --- |
| Aboriginal Affairs Victoria | Minister for Aboriginal Affairs | Premier and Cabinet |
| BiosecurityDairy Food Safety VictoriaFisheries PrimeSafeVeterinary Practitioners Registration Board of VictoriaGame Management Authority\* | Minister for Agriculture and Food Security | Environment and Primary Industries |
| EPA VictoriaLand, Fire and EnvironmentParks Victoria | Minister for Environment and Climate Change |  |
| Water and Natural Resources | Minister for Water |  |
| \* Note the Game Management Authority is to commence on 1 July 2014 |
| Architects Registration Board of Victoria (ARBV)\*Victorian Building AuthorityHeritage Victoria and Heritage Council of VictoriaLand VictoriaSurveyor's Registration Boar | Minister for Planning | Transport, Planning and Local Infrastructure |
| Professional Boxing and Combat Sports Board of Victoria | Minister for Sport and Recreation |  |
| Automotive Alternative Fuels Registration Board | Minister for Roads |  |
| Transport Safety Victoria | Minister for Public Transport Minister for RoadsMinister for Ports |  |
| VicRoads | Minister for Roads |  |
| Taxi Services Commission | Minister for Public Transport |  |
| Port of Melbourne Corporation | Minister for Ports |  |
| \* Note – DTPLI has advised functions and responsibilities of the ARBV are to be transferred to the Victorian Building Authority from 1 July 2014. |
| Business Licensing Authority Consumer Affairs Victoria | Minister for Consumer Affairs | Justice |
| Council of Legal Education\*Legal Services Board and Legal Services Commissioner\*Working with Children Check Unit | Attorney‑General |  |
| Country Fire AuthorityLicensing & Regulation Division – Victoria PoliceMetropolitan Fire and Emergency Services Board | Minister for Police and Emergency Services |  |
| Victorian Commission For Gambling And Liquor Regulation | Minister for Liquor and Gaming Regulation |  |
| Greyhound Racing VictoriaHarness Racing VictoriaRacing Integrity Commissioner | Minister for Racing |  |
| \* Note – DOJ has advised that an SOE will not be possible at this stage due to new legislative arrangements due to commence in mid‑2014. |
| Quality Assessment and Regulation Division of the DEECD on behalf of the Secretary of the DEECD  | Minister for Children and Early Childhood Development | Education and Early Childhood Development |
| Victorian Institute of Teaching | Minister responsible for the Teaching Profession |  |
| Victorian Registration and Qualifications Authority | Minister responsible for the Teaching ProfessionMinister for Education Minister for Higher Education and Skills |  |
| DOH Communicable disease prevention and control unitDOH Cooling towers and warm water systemsDOH Drugs And Poisons Regulation GroupDOH Food Safety UnitDOH Pest Control OperatorsDOH Private hospitals and non‑emergency patient transportDOH Public swimming pools & spa bathsDOH Safe drinking waterDOH Tobacco PolicyRadiation SafetyHealth Services CommissionerVictorian Assisted Reproductive Treatment AuthorityVictorian Pharmacy Authority Office of the Chief Psychiatrist | Minister for Health | Health |
| Supported residential services | Minister for Ageing |  |
| Standards and Regulation Unit, DHS | Minister for Mental HealthMinister for Community ServicesMinister for Disability Services and Reform | Human Services |
| Earth Resources Regulation BranchEnergy Safe Victoria | Minister for Energy and Resources | State Development, Business and Innovation |
| Employment Information and Compliance Unit | Minister for Employment and Trade |  |
| Small Business Commissioner | Minister for Innovation, Services and Small Business |  |
| Essential Services Commission | Minister for Finance | Treasury and Finance |
| Victorian WorkCover AuthorityHousing Registrar | Assistant Treasurer |  |
| State Revenue Office | Treasurer |  |

\* This is the list of Victorian business regulators that the SOE guidelines apply to as at February 2014. This list may be updated periodically.

1. Model SOE letter

XXXXX
Chief Executive
Regulator X
MELBOURNE VIC 3000

Dear XXXX

**STATEMENT OF EXPECTATIONS FOR REGULATOR X**

I am pleased to provide you with this Statement of Expectations (SOE) for Regulator X. This SOE applies for the period 2014‑15 and 2015‑16, or until otherwise amended.

**Improving the administration and enforcement of regulation**

This SOE sets out my expectations of Regulator X’s contribution to the Government’s program to reduce red tape affecting businesses, not‑for‑profit organisations, government service providers and households by promoting greater efficiency and effectiveness in the administration and enforcement of regulation.

As Minister for XX, I am responsible for administering the XXX Act [and XXX Act/s] that affect businesses and the broader Victorian community. This SOE should be read within the context of the objectives, obligations and functions outlined in this/these Act/s as amended.

This SOE outlines key governance and performance objectives and targets aimed at improving the administration and enforcement of regulation and thus reducing its cost impact on business and the community.

[IF APPLICABLE, INDICATE WHETHER THIS SOE REPLACES OR APPENDS AN EXISTING SOE]

**Improvements and targets**

Based on consultation between Department X and Regulator X, I have identified some key areas of governance and operational performance where there are opportunities for Regulator X to make improvements that would reduce cost impacts on business. Regulator X is expected to identify activities it will undertake to achieve the following performance improvements and targets:

[INSERT 5‑10 TARGETS AND IMPROVEMENTS HERE – TARGETS SHOULD BE QUANTIFIED WHERE POSSIBLE AND IMPROVEMENTS SHOULD BE OUTCOME‑FOCUSED. IMPROVEMENTS/TARGETS CAN INCLUDE DATA COLLECTION TO INFORM FUTURE SOEs, WHERE APPLICABLE]

In developing actions to achieve these improvements and targets, Regulator X is expected to consult with business and the broader community as appropriate.

**Reporting**

Reporting on your progress to achieve these SOE performance targets should be undertaken in the context of annual financial reporting to avoid dual reporting streams. As part of annual reporting, regulators are expected to report on:

* current baseline levels for performance targets set in this SOE; and
* activities to be undertaken to reach the performance targets and improvements set out in this SOE.

I also expect that these SOE performance targets will be incorporated into Regulator X’s Corporate Plan, and this SOE should be published on Regulator X’s website upon receipt.

I expect that within three months of receipt of this letter, Regulator X will respond to this SOE, outlining how it intends to achieve the performance improvements and targets set in this SOE. This response should include details of the specific activities that will be undertaken by Regulator X.

I look forward to seeing Regulator X continuously working towards achieving best practice in the administration and enforcement of regulation.

Yours sincerely

Minister responsible for Regulator X



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1. 2013‑14 Budget, BP3, p. 40. [↑](#footnote-ref-1)
2. The following regulators were included in Stage One: Consumer Affairs Victoria, Victorian Commission for Gambling and Liquor Regulation, VicRoads, EPA Victoria and Victorian WorkCover Authority. [↑](#footnote-ref-2)
3. The Stage Two SOE framework does not apply to local government. [↑](#footnote-ref-3)
4. VCEC, The Victorian Regulatory System, March 2011, p. 4. [↑](#footnote-ref-4)
5. It may not be appropriate to disclose all aspects of a regulator’s enforcement strategy e.g. where effort will be targeted. [↑](#footnote-ref-5)
6. Key Government priorities that SOEs should aim to address include the Red Tape Reduction target and implementation of proposals from the Red Tape Commissioner agreed by the Government. [↑](#footnote-ref-6)
7. Examples of legitimate needs for information include: monitoring and compliance; measuring outcomes; or, updating risk models. [↑](#footnote-ref-7)