



Victorian
Competition & Efficiency
Commission

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Dear Mr Shaw

ASSESSMENT OF STANDARD COST MODEL REPORT

Thank you for seeking an assessment of the Standard Cost Model (SCM) report for the 'Sustainability provisions for domestic alterations and re-erections'. The Victorian Competition and Efficiency Commission (VCEC) received the final version of the above SCM report on 18 September 2007.

The VCEC assesses the adequacy of the measurement of the change in administrative burden, as required by section 4.4 of the Victorian Guide to Regulation. The VCEC's assessment is based on the adequacy of the evidence presented in the SCM report and is focused on the quality of the analysis rather than the merits of the regulatory change itself. Further information on the estimated change in the administrative burden may become available when the SCM report is made public.

I advise that the administrative burden measurement contained in the Standard Cost Model report is adequate. We note that when standardising the data collected from interviews, it has been necessary to eliminate different elements for different businesses (section 5 of the report). However, we consider that this is an appropriate approach in this case, given that the data has been validated by an industry expert and there is a comparatively low estimated administrative burden.

The Victorian Guide to Regulation requires that the VCEC's assessment of the SCM report be publicly disclosed alongside the report.

The VCEC is building a database of Standard Cost Model reports and will be putting your material on our website when it is released. Please inform us when you have placed this SCM report and our assessment letter on your website.

If you have any questions, please contact Elen Liew on 9092 5826.

Yours sincerely

Simon Corden

Assistant Director

Victorian Competition and Efficiency Commission

