



Australian Government
Department of Industry

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ABN: 74 599 608 295

Mr Jason McNamara
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Dear Mr McNamara

I am writing in relation to the attached final details-stage Regulation Impact Statement (RIS) prepared by the Department of Industry for the Government's proposal in relation to the regulation of scope of registration applications in the vocational education and training sector (Your ref: OBPR ID 17038).

I am satisfied that the final details-stage RIS addresses the concerns raised in your letter of 28 July 2014. On receipt of your letter we have met with representatives from the Office of Best Practice Regulation to clarify the concerns raised and subsequently revised the RIS to insert additional background information and clarification in relation to the current regulatory approach. The attachment to this letter provides more detailed information about the aspects of the RIS that we have altered in response to the concerns you raised.

Accordingly, I am satisfied that the final details-stage RIS now meets the Government's best practice regulation requirements. I submit the final details-stage RIS to the Office of Best Practice Regulation for formal assessment.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Subho Banerjee', with a blue circular stamp or mark below the signature.

Dr Subho Banerjee
Deputy Secretary

12 August 2014

Attachment: Response to 28 July 2014 concerns

| Response to OBPR | |
|-------------------------|--|
| <i>Problem</i> | |
| 1 | The Executive Summary and Background have been updated to provide further background information on the reasons for the current regulatory system including risks that it mitigates against, and further clarification on the current regulatory framework including audit and change of scope application processes. |
| <i>Objectives</i> | |
| 2. | As suggested the objectives have been simplified to better identify what the proposal is trying to achieve. |
| <i>Impacts</i> | |
| 3. | Further information has been provided to clarify: <ul style="list-style-type: none"> • The differences between Options 2 and 3, in particular noting that Option 2 is provided for in existing legislation, whereas Option 3 will require legislative change and additional processes with associated costs. • The reasons for the differences in treatment of new RTOs entering the market; • Outcomes of a recent review of existing delegations. |
| 4. | Additional information has been provided to clarify that under both Options 2 and 3 the Authority will have a line of sight into the activities undertaken by participants and therefore monitor the risks the system is intended to address. |
| 5. | Further information was included to clarify that the pre-existing registration of incumbent RTOs was transferred across to the Authority from state and territory regulators and therefore both new and existing RTOs are subject to the same criteria. |
| 6. | Additional information has been included in the RIS to clarify the different types of audits in this proposal. |
| 7. | Further information was provided to support the differing compliance costs under Options 2 and 3. |
| 8. | Additional information was provided to clarify the perceived risks under the current framework and how the Authority will continue to maintain a line of sight over the risks in each option. |
| 9. | The addition of information to the document as a whole has supported the robustness of the conclusions in relation to the objectives. Amendments to the comparative costs have been made in line with the recommendation that Option 1 is set at zero. |
| 10. | No changes have been made to the consultation part of the RIS as it currently summarises the feedback received during consultation to date. |