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Kym Peake
Secretary
Department of Health and Human Services
GPO Box 4057
MELBOURNE VIC 3001

Dear Ms Peake

**MINISTERIAL STATEMENT OF EXPECTATIONS – STANDARDS AND REGULATION UNIT**

As Minister for Families and Children and Youth Affairs, I am committed to supporting vulnerable clients and improving the wellbeing of Victorians. My responsibilities include administering the *Children, Youth and Families Act 2005,* that is designed to support and protect children, youth and families. Effective, efficient, and proportionate regulation can be an important tool to achieve improved outcomes for these clients and for achieving the objectives of the Act, which include protecting children and providing for community services to support children and families.

In this context, I am pleased to provide you with this Statement of Expectations for the Department of Health and Human Services’ Standards and Regulation Unit. The Statement of Expectations applies for the period 1 July 2016 to 30 June 2017, or until otherwise amended.

While this statement of expectations focusses in particular on the work of the department’s Standards and Regulation Unit, I also wish to take this opportunity to emphasise the importance of the broader organisational design and regulatory reform work that is being carried out across the department. I consider that this work is essential to drive the ongoing departmental changes required during the transition to the National Disability Insurance Scheme and beyond, as well as those arising from the Royal Commission into Family Violence and *Roadmap for Reform: Strong Families Safe Children.*

I am aware the department uses a number of approaches and tools in addition to regulation, to monitor services and ensure the needs of Victoria’s vulnerable clients are being met. In particular, terms and conditions of funding agreements are used as a key tool to require service providers to comply with quality and safety standards, and report incidents. In this way funding agreements can supplement, or be used as a substitute for, legislation and regulations.

While conditions in funding and service agreements can be described as a form of regulation, different consequences generally flow from a breach of a service agreement than from a breach of a legislative or regulatory requirement.

It is important that the department has a clear policy framework which articulates when it is appropriate to use regulatory tools, and when it is appropriate to use funding or system stewardship measures to achieve desirable policy outcomes. I am aware that the department is currently examining this issue, and I look forward to further engagement with the department as this work progresses.

**Improving the Administration of Regulation**

This Statement of Expectations sets out my expectations in relation to the Standards and Regulation Unit’s contribution to the Government’s Regulation Reform Program.

As Minister for Families and Children and Youth Affairs, I expect the Standards and Regulation Unit to consult with key stakeholders, including funded agencies, when considering any new policy or designing new regulation, to ensure unnecessary regulatory burden can be minimised, in a manner that is consistent with the objectives of the Act.

After consulting with the Standards and Regulation Unit, I have identified specific opportunities for the Unit to improve its regulatory performance. These improvements are enclosed.

**Reporting Requirements for the Ministerial Statement and the Unit’s Response**

I expect that the attached Statement of Expectations performance improvements, and the Unit’s proposed response to these, will be incorporated into the Standards and Regulation Unit’s work plan and published on the department’s website.

Reporting on your progress to achieve these Statement of Expectations performance targets should be undertaken shortly after the conclusion of the 2016-17 financial year, on the department’s website.

I look forward to seeing the Standards and Regulation Unit working continuously towards achieving best practice in the administration and enforcement of regulation.

I also look forward to engaging with the department as the broader work on organisational design and regulatory reform progresses.

Yours sincerely

**Jenny Mikakos MP**

Minister for Families and Children

Minister for Youth Affairs

 / / 2016

Encl. Minister’s Statement of Expectations: Improvements for the Standards and Regulation Unit**Minister’s Statement of Expectations – Improvements for the Standards and Regulation Unit**

This Statement of Expectations for the period 1 July 2016 to 30 June 2017 sets out my expectations in relation to the Standards and Regulation Unit’s contribution to the Government’s Regulation Reform Program. After consulting with the Standards and Regulation Unit, I have identified opportunities for the Unit to improve its regulatory performance. These improvements include:

* Increasing stakeholder engagement by providing and seeking feedback from funded and registered homelessness, children, youth and families and disability services, in relation to regulation activities. This will be achieved through, for example, sector meetings and forums.
* Providing additional assistance, such as through information and training, to support smaller organisations funded under a prescribed threshold[[1]](#footnote-1) to encourage regulatory compliance.
* Reducing regulatory burden by ensuring processes or systems in place make it as easy as possible for organisations to access and submit information. This should include investigating, in consultation with the funded agency sector, the use of online forms and surveys.
* Identifying and collecting data available to the Standards and Regulation Unit, such as information that relates to risks to client safety and wellbeing, to inform a risk-based approach to regulation.
* Ensuring formal instruments, such as information sharing protocols and working arrangements, are updated or developed. These should clarify the roles of the Standards and Regulation Unit and other regulators, such as the Housing Registrar, and agencies such as the National Disability Insurance Agency, where there are shared accountabilities.
* Improving internal business processes of the Standards and Regulation Unit through documenting its activities, such as documenting how the Standards and Regulation Unit responds to breaches of the Service Agreement or Act.
* Ensuring the Standards and Regulation Unit’s regulatory policy provides clarity in relation to when the Unit should take regulatory action, or when it should prompt an alternative response using the department’s funding or stewardship measures.
1. All organisations within scope of the Human Services Standards are required to be independently reviewed. In some cases, where an organisation receives less than the prescribed funding threshold – less than $100,000 indexed annually – it may be exempt from the requirement to be independently reviewed and instead required to complete a self-assessment. [↑](#footnote-ref-1)