



Australian Government

Department of Infrastructure and Regional Development

Deputy Secretary

File Reference: 14/7405
Contact: Steven Hoy

Mr Jason McNamara
Executive Director
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Dear Mr McNamara

Regulation Impact Statement for early assessment

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the improved protection of vehicle occupants in side impact crashes (Pole Side Impact).

I believe the RIS meets best practice requirements and is consistent with the ten principles for Australian Government policy makers. The RIS has benefitted from previous informal consultation with OBPR.

In particular, the RIS addresses the first four RIS questions:

- What is the problem? – Side impact crashes involving light vehicles are one of the significant causes of road crash trauma in Australia and the specific road safety problem considered in this RIS.
- Why is government action needed? – Government action is needed because the market has failed to provide an effective solution to the problem of side impact crashes. These crashes cost the Australian community around \$4.2 billion per year. With the recent development of international regulations addressing the problem, which has been led by Australia, there is an opportunity to review what can be done to reduce the trauma associated with these crashes.
- What policy options are you considering? – Six options, both regulatory and non-regulatory, were explored. Three were considered viable and examined in more detail: Option 1: no intervention (business as usual); Option 3: fleet purchasing policies; and Option 6: mandatory standards under the *Motor Vehicle Standards Act 1989* (C'th). Option 6 was separated into two further options: Option 6a: mandatory standards for both light passenger and light commercial vehicles; and Option 6b: mandatory standards for light passenger vehicles only.

U N C L A S S I F I E D

- What is the likely net benefit of each option? – A benefit-cost analysis showed that Option 6a would generate the highest net benefits of the options examined, at \$556m, as well as the highest number of lives saved (158) and traumatic brain injuries avoided (240) assuming an intervention period of 15 years. Option 6b had the next highest net benefits, at \$468m, as well as number of lives and traumatic brain injuries saved, at 128 and 189 respectively. Option 3 also had positive (but significantly lower) net benefits, at \$27m, with the number of lives and traumatic brain injuries saved at 7 and 13 respectively.

In addition:

- The change in regulatory burden on business, community organisations and/or individuals as well as identified offsets have been quantified using the Regulatory Burden Measurement framework; and
- An appropriate consultation plan is described.

I submit the certified RIS to the Office of Best Practice Regulation for early assessment, consistent with best practice.

Yours sincerely



Lyn O'Connell

14 April 2015