



**Australian Government**

**Department of Infrastructure and Regional Development**

**Secretary**

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

Email: [helpdesk-OBPR@pmc.gov.au](mailto:helpdesk-OBPR@pmc.gov.au)

Dear Mr McNamara

### **Regulation Impact Statement – final assessment second pass**

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the Improved Protection of Vehicle Occupants in Side Impact Crashes. The regulatory burden to business, community organisations, and/or individuals has been quantified and offsets have been identified and quantified using the Regulatory Burden Measurement framework. These have been agreed with your office.

I am satisfied that the RIS addresses the concerns raised in your letter of 1 October 2015.

#### *OBPR comment no. 1(a)*

The RIS now examines in further detail the Federal Chamber of Automotive Industries' (FCAI) proposal during the consultation period to strengthen its existing voluntary code of practice for head protecting side airbags as an alternative to regulation. It more fully explains (see section 3.2.4) the Department's reasons for rejecting this option; that for safety critical issues such as side impact crashes, voluntary codes of practice are a high risk and high cost proposition in terms of both monitoring and detecting breaches and being able to take timely action to intervene in instances of non-compliance.

Nevertheless, the benefit-cost analysis was extended to consider such an option (see section 4.1.5), but in turn found that the net benefits of regulation would still exceed the net benefits of the proposal. This was because: a) there would be minimal difference in costs to business under a voluntary code compared with regulation; and b) the level of compliance – and therefore level of reduction in road trauma – would be reduced, given that the FCAI does not cover 100 per cent of manufacturers.

#### *OBPR comment no. 1(b)*

While you also requested an assessment, if possible, of how successful the FCAI code has been to date in reducing fatalities and serious injuries resulting from head trauma, it would be impossible to separate its effect from other voluntary measures that have occurred, including New Car Assessment Programs, advertising campaigns and fleet purchasing policies. However, the effect of these measures has already been fully accounted for in establishing the business as usual case.

*OBPR comment no. 2*

Your letter also suggested that the RIS uses technical language that is unfamiliar to those in the wider community, and that a greater effort should be made to reduce the use of this language.

The Department notes that that the subject matter of the RIS – protection of vehicle occupants in side impact crashes – is technically extremely complex and itself sits within the broader policy framework of setting vehicle standards within a type approval system. In this respect the RIS is primarily aimed at key stakeholders with expertise in the area of vehicle safety performance, i.e. industry, safety researchers, peak road user groups and governments. Importantly, the technical complexity of the RIS was not raised as a concern in any feedback received during the public consultation period. Notwithstanding this, the Department has endeavoured to assist those less familiar with the technical aspects of the proposal by providing an extensive glossary of technical terms at Appendix 11.

*OBPR comment no. 3*

Finally, the RIS now demonstrates how the probability that a vehicle occupant involved in a side impact crash is in a vehicle that complies with the proposed standard is likely to change over the assumed 15-year regulation period. Figure 9 in section 7.5 shows this probability change under three scenarios: business as usual; the indicative implementation timetable proposed in the consultation RIS; and the extended implementation timetable proposed by the FCAI during consultation.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the Australian Government Guide to Regulation.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely



Mike Mrdak

21 October 2015