1. **EC23-005463**
2. Mr Jason Lange
3. Executive Director
4. Office of Impact Assessment
5. Department of Prime Minister and Cabinet
6. 1 National Circuit
7. Barton ACT 2600
8. Email: helpdesk-OIA@pmc.gov.au
9. Dear Mr Lange

1. **Impact Analysis – Reducing Heavy Vehicle Lane Departure Crashes – Second Pass Final Assessment**
2. I am writing in relation to the attached Impact Analysis (IA) prepared for introducing a new national road vehicle standard, also known as an Australian Design Rule (ADR), for Lane Departure Warning Systems (LDWS) to reduce trauma from heavy vehicle lane departure crashes.
3. I am satisfied that the IA addresses the concerns raised in your letter of 14 August 2023. Specifically, it:
* expands on implementation of the preferred option explaining transitional arrangements for stakeholders and the evaluation process
* explains the method and underlying assumptions in the cost-benefit analysis and the extent to which the estimated benefits are sensitive to variations
* addresses minor inconsistencies in the IA in relation to the definition of a LDWS
* provides a description of the status of the IA at the previous major decision point in the proposal’s development
* clarifies the terminology about new models and all vehicles with regard to applicability dates
* informs the reader that retrofitting LDWSs to new heavy vehicles in the context of the ADRs is not considered in the IA or the benefit-cost analysis and why
* clearly outlines the key objectives of Government action
* includes an explanation for why only one option other than the status quo is explored in the IA
* discusses the status quo option further of voluntary fitment and the Department’s fitment predictions based on industry provided data
* clarifies why retrofitting LDWSs is not considered in the IA
* further explains the underlying assumptions made in the IA and the extent to which the estimate of net benefits is sensitive to variations in these assumptions
* explains how the policy will be monitored and evaluated over time to ensure suitability against the policy objectives

The regulatory costs associated with the final recommendation (option 2) is $18.2 million per year. It is proposed that this will be fully offset through the forward regulatory program for increased harmonisation of the ADRs with international standards and removal of Australian-specific content from the ADRs.

1. Accordingly, I am satisfied that the IA is now consistent with the six principles for Australian Government policy makers as specified in the *Australian Government Guide to Regulatory Impact Analysis.*
2. I submit the IA to the Office of Best Practice Regulation for formal final assessment.
3. Yours sincerely
4. Jessica Hall
5. A/g Deputy Secretary – Infrastructure Group
6. Oct 2023

