

Regulator Self-Assessment– *Motor Vehicle Standards Act 1989*

Introduction

About this Self-Assessment

The Australian Government has committed to reducing the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations. The Regulator Performance Framework (the Framework) has been developed to support Australian Government regulators to measure and improve their performance, particularly in adopting consistent, risk-based approaches to administered regulation. The Framework consists of six outcomes-based key performance indicators (KPIs) covering reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement.

The Department of Infrastructure and Regional Development (the Department) regulates vehicle standards under the *Motor Vehicle Standards Act 1989* (MVSA). In 2015 the Department developed a set of tailored KPIs as part of the Framework. Following consultation with key stakeholders these KPIs were published on the Department's website at: <https://infrastructure.gov.au/departments/deregulation>.

The Framework requires regulators to publish an annual self-assessment of their performance against the agreed KPIs and to have these self-assessments validated by external stakeholders. This document has been produced to meet this requirement.

About the Vehicle Safety Standards Regulator

Vehicle Safety Standards (VSS) Branch within the Department administers the MVSA, which sets vehicle standards for all new vehicles entering the Australian market and regulates the supply to the market of used vehicles.

It is also responsible for international engagement in the development of vehicle regulations and the Department's involvement in the Australasian New Car Assessment Program (ANCAP). It also assesses alleged vehicle safety defects and monitors manufacturers' voluntary recall campaigns on behalf of the Australian Competition and Consumer Commission (ACCC).

In undertaking the self-assessment exercise the Department had regard to responses submitted through a recent survey undertaken with industry. Three hundred and sixty-one surveys were distributed and 107 received across various sub-groups of identified industry stakeholders.¹ Response rates varied across sub-groups. Refinements to the survey process in 2016-17 could provide a more granular level of feedback.

Other evidence used in the self-assessment process includes statistics taken from various IT systems that support the MVSA, ad hoc feedback from client interactions, as well as feedback from various internal and external channels such as appeal cases, client service complaints or compliments, internet feedback and stakeholder forums.

Generally, the Department performed well against the identified KPIs. Areas that have been highlighted and targeted for future improvement include the accessibility and effectiveness of guidance and educational information material that is available regarding the various regulated functions performed, as well as improving the processing time for approvals. As part of the review of the MVSA, as well as in light of commentary from stakeholders through this process, the Department is looking at updates to the website to ensure a user friendly, effective and easy to understand website is developed with a view to ensuring client focused information is presented in an easy to access and understand manner.

¹ This response rate implies a $\pm 9\%$ error margin, with 95 percent confidence.

Key Performance Indicator 1 – Regulator does not unnecessarily impede the efficient operation of regulated entities.

Measure	Evidence	2015-16 Results
<p>Assessments are made in a timely fashion.</p>	<p>95% of applications for new type approvals are decided within 25 working days.</p> <p>95% of applications for import approval are decided within 20 working days.</p> <p>95% of applications for used import plate approval are decided within 5 working days of the submission of a vehicle inspection certificate.</p>	<p>95% or more of new type approvals were decided within the service charter timeframes.</p> <p>95% or more of import approval applications were decided within the service charter timeframes.</p> <p>Approximately 35% of import and plate approvals were decided within five business days, with 100% being approved within 10 business days.</p>
<p>Service level standards are reviewed annually to identify opportunities to improve past performance targets.</p>	<p>Develop a Customer Service Charter and undertake an annual review of service level standards.</p>	<p>VSS has not finalised a formal Client Service Charter. This project is underway as part of the MVSA review and communications implementation strategy and will be drafted and published in the next financial year (2016/17). However, there are publicised service targets, both on the website and through email notifications, in relation to the various approvals issued. IT developments in areas such as import applications have seen greater efficiencies in processing these applications. Further IT developments have been flagged for the future.</p>
<p>Maintain an understanding of the operating environment of the industry or organisation, or the circumstances of individuals and the current and emerging issues that affect the sector.</p>	<p>Regular stakeholder consultation through established stakeholder forums (*), the <i>Motor Vehicle Standards Act</i> Review, annual stakeholder survey and informal feedback from applicants via phone, email and face-to-face meetings. Key issues identified and changes reported back to stakeholders.</p>	<p>Established stakeholder forums met on numerous occasions throughout the self-assessment period. The Department also ran seminars with the Registered Automotive Workshop industry associations and the caravan industry and ongoing consultation occurred in relation to the upcoming legislative reform with various industry sectors and groups.</p> <p>Survey results indicated that some sectors were dissatisfied with their perceived ability to provide feedback to the Department and have it lead changes of administrative arrangements. 27% of overall stakeholder survey respondents agreed suggestions to the Department are given genuine consideration (18% disagreed), and 16% of respondents agreed the Department notified them of changes made as a result of stakeholder feedback (21% disagreed). The higher percentage of respondents who neither agreed nor disagreed could be because they have not provided feedback previously. Moving forward the Department will continue to engage with key stakeholder groups through established forums and will encourage feedback through on-line or email communication with us.</p>

Measure	Evidence	2015-16 Results
		The survey did yield good results in relation to the process to import vehicles, with numerous very positive comments about the new and efficient on-line import application system. The Department intends to update other IT applications in the coming years.

** Established stakeholder forums include VSS's Australian Design Rule (ADR) and vehicle safety forums: the Strategic Vehicle Safety and Environment Group, the Australian Motor Vehicle Certification Board and the Technical Liaison Group; and the Austroads Safety Task Force, the two Registered Automotive Workshop associations and various sectoral groups.*

Additional commentary

The Department can make improvements to the way that it interacts with the processes of its regulated entities, and it has already implemented measures to improve application decision timeframes including the creation of a dedicated and streamlined coordination team to undertake this and other processing work.

Additionally, the Department remains committed to ongoing stakeholder and industry consultation, and ensuring all participants feel they can provide comment to the Department. This latter issue will be addressed through the development and publication of a Vehicle Safety Standards Client Service Charter and avenues for clients to provide feedback to the Department on its business performance.

Key Performance Indicator 2 – Communication with regulated entities is clear, targeted and effective.

Measure	Evidence	2015-16 Results
<p>Publish guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience.</p>	<p>Published information complies with the Government’s accessibility standards.</p> <p>Feedback from stakeholders, including through the annual stakeholder survey.</p> <p>Guidance and information is reviewed and updated as necessary following changes to legislation/legislative instruments, and outcomes of external reviews such as audit reports and court decisions.</p>	<p>Published information is compliant with the Government’s accessibility standards.</p> <p>62% of overall stakeholder survey respondents found information easy to find on the Department’s website, while only 15% disagreed.</p> <p>54% of overall stakeholder survey respondents agreed that they were contacted by the Department about changes made to the rules, policies or processes that affected them, while 21% disagreed. This issue will be considered further by the Department (see additional commentary).</p> <p>The Department has updated and developed new guidance material relating to vehicle imports as a result of the new online imports system. A large scale review of all guidance material including information on the website, Administrator’s Circulars, guidelines etc. is underway.</p>
<p>Engagement with industry before changing legislation, policies or practices.</p>	<p>All changes to legislation, policies or practices are appropriately discussed at established stakeholder forums (*) with broader community consultation undertaken where appropriate.</p> <p>Annual stakeholder survey undertaken and any key issues identified and changes reported back to stakeholders (<i>new evidence</i>). This is in addition to informal feedback received from stakeholders via phone, email and face to face meetings being recorded and incorporated into review processes.</p>	<p>Proposed reforms to the legislation is ongoing as is consultation with various industry sector groups via established stakeholder forums.</p> <p>An annual survey has been completed. Areas that have been highlighted and targeted for future improvement by the survey include the accessibility and effectiveness of guidance and educational information material that is available regarding the various regulated functions the Department performs, as well as improving the processing time for approvals.</p>
<p>Advice is consistent and supports outcomes.</p>	<p>Internal guidance material (guidelines and checklists) is made available to staff that ensures that decisions take into account precedent and are consistent.</p>	<p>Staff are provided with internal guidance and training for all aspects of their roles.</p>

Measure	Evidence	2015-16 Results
	<p>Feedback from stakeholders, including through the annual stakeholder survey, indicates that the decision process is, and is perceived to be, fair and consistent.</p> <p>Compliment/complaint process available to all applicants with information on how to access appeal/review options.</p> <p>Compliments/complaints are managed in accordance with the Department's Customer Services Charter.</p>	<p>50% of overall stakeholder survey respondents considered decisions made by the Department to be fair and consistent, while only 12% disagreed with this proposition. This indicates that the Department is generally perceived to be consistent in its decision-making.</p> <p>34% of overall stakeholder survey respondents agreed that they could provide the Department suggestions to improve the way it conducts its business, while 22% disagreed. These results highlight that the accessibility and integrity of feedback mechanisms is an area for future improvement (see additional commentary below).</p>

** Established stakeholder forums include VSS's Australian Design Rule (ADR) and vehicle safety forums: the Strategic Vehicle Safety and Environment Group, the Australian Motor Vehicle Certification Board and the Technical Liaison Group; and the Austroads Safety Task Force, the two Registered Automotive Workshop associations and various sectoral groups.*

Commentary

The Department performed well against this KPI, but several areas for improvement have been identified.

The stakeholder survey indicates a general overall satisfaction with the information provided by the Department through both guidance and information presented on the website, or questions asked directly to the Department through phone or email contact with Departmental officers. The Department acknowledges that some stakeholder groups are less satisfied with the level of information and assistance being provided than others. As part of ongoing reform work, the Department is undertaking a large scale review of all external communications with a view to ensuring accurate, efficient and timely information and assistance is provided where needed and is targeted at the various industry groups and participants in an appropriate way.

From feedback received via the stakeholder survey as well as informal comments to the Department, the perception from industry is that generally the Department made fair and consistent decisions. A small percentage of participants did not agree with this statement, however, overall the Department was seen to clearly explain the reasons behind any negative decisions. The stakeholder survey results will assist the Department to ensure future communications about decision-making and the reasons for negative decisions are clearly explained and transparent.

Key Performance Indicator 3 – Actions undertaken by the regulator are proportionate to the regulatory risk being managed.

Measure	Evidence	2015-16 Results
<p>An annual compliance plan, based on risk assessment, is agreed by the Executive and implemented by VSS, with flexibility to address new circumstances (changes to be agreed at Executive Director level).</p>	<p>Audits, inspections, information seminars and other compliance activities are conducted effectively, with identified issues addressed satisfactorily.</p> <p>Systemic safety issues identified by VSS are addressed appropriately (including liaison with the ACCC and relevant companies to ensure recalls are announced in the most efficient way).</p>	<p>The Department continues to conduct a robust audit and inspection regime and adopts a risk based approach to audits both nationally and internationally. Issues raised through the audit process are swiftly identified, discussed with the organisation and rectification is followed up on to ensure a return to compliant behaviour. The Department offers support and assistance, by way of education, to all sectors of industry to ensure national standards are maintained and complaint behaviour achieved.</p> <p>Stakeholder feedback in relation to audits and investigations conducted by the Department were generally very favourable. 57% of overall stakeholder survey respondents considered that audits, inspections or investigations carried out by the Department are conducted professionally and fairly. 7% of respondents were unfavourable to this proposition.</p> <p>The Department has developed and maintained close working relationships, including the development of an MOU, with the ACCC to monitor, and if necessary, investigate systemic safety issues across the Australian vehicle fleet. Recall matters for motor vehicles are closely monitored and the Department works collaboratively with all vehicle manufacturers and the ACCC to ensure consumer safety in this area.</p> <p>Stakeholder feedback in relation to action taken by the Department when a safety issue is identified was positive. 50% of overall stakeholder survey respondents think the Department takes appropriate action when told about safety issues or non-compliance, while only 15% of respondents disagreed.</p>

Measure	Evidence	2015-16 Results
	<p>Compliance related policy documents are published and reviewed regularly. Compliance policy reflects risk-based, proportionate and voluntary compliance principles.</p>	<p>The Department continues to review and update internal policy regarding risk and compliance. An annual compliance plan is currently in the final drafting stages and will be reviewed and cleared by senior executive early in this financial year (2016/17).</p> <p>A compliance strategy will be published in 2016/17.</p>

Key Performance Indicator 4 – Compliance and monitoring approaches are streamlined and co-ordinated.

Measure	Evidence	2015-16 Results
<p>Depending on the compliance activity, VSS will coordinate at an appropriate level with other regulatory authorities such as state and territory vehicle registration authorities, the National Heavy Vehicle Regulator, the ACCC, Immigration and Border Protection, the AFP and state police forces.</p>	<p>Compliance activities are coordinated with other relevant authorities where appropriate (including to maximise the likelihood of success).</p>	<p>The Department has performed well against this KPI, and it continues to develop linkages and relationships with Commonwealth, state and territory regulators, registration authorities, consumer advocates and enforcement bodies. The Department has assisted other regulators and enforcement agencies with a number of investigations over the 2015/16 year with good outcomes.</p>

Key Performance Indicator 5 – Regulator is open and transparent in its dealings with regulated entities.

Measure	Evidence	2015-16 Results
Information on VSS's performance is publicly available.	Results of stakeholder surveys and self-assessment against Regulator Performance Framework published on Department's website (<i>new evidence</i>).	The Department is committed to being an open and transparent regulator and will publish this self-assessment on the Department's website.
Applicants are provided with access to relevant information and reasoning behind decisions.	<p>Correspondence informing stakeholders of decisions includes clear reasons for decisions, especially where a request has not been supported.</p> <p>Compliment/complaint process available to all applicants with information on how to access appeal/review options. Compliments/complaints are managed in accordance with the Department's Customer Services Charter.</p>	<p>46% of overall stakeholder survey respondents consider that the Department clearly explains reasons for a negative decision, while only 10% disagreed. This indicates that in general, the Department is perceived to clearly explain the reasons for decisions. The large neutral response may be because some applicants have not had a declined application.</p> <p>58% of stakeholder survey respondents also stated that the Department provides guidance to stakeholders on how fix errors or provide additional information, while 19% disagreed.</p> <p>The Department will also commit to reviewing the appeal and review information sent out with all decisions, noting that some types of regulated entities were not as familiar with review and/or complaint mechanisms as others.</p> <p>42% of overall stakeholder survey respondents consider themselves aware of how to have departmental decisions reviewed, while 16% disagreed.</p> <p>The Department has established complaint mechanisms and many decisions made under the MVSA are reviewable by external appeal bodies. The Department will ensure that moving forward these appeal avenues and feedback options are highlighted appropriately across industry.</p>

Key Performance Indicator 6 – The regulator actively contributes to the continuous improvement of regulatory frameworks.

Measure	Evidence	2015-16 Results
Australia's motor vehicle standards are aligned with international standards.	<p>Number of UN Regulations applied. Number of ADRs aligned with UN Regulations.</p> <p>Number of amendments made to ADRs to remove Australian specific content.</p>	<p>The Department applied five United Nations (UN) Regulations on topics including pole side impact, fog lamps, safety glazing material, rear vision mirrors and vehicle lighting. The result was the harmonisation of the relevant Australian Design Rules (ADRs) to UN Regulations.</p> <p>The Department made five amendments to ADRs to remove Australian specific content.</p>
Stakeholders have opportunity to work with the regulator to improve the regulatory framework.	Regular stakeholder consultation through established stakeholder forums (*), <i>Motor Vehicle Standards Act</i> Review, annual stakeholder survey and informal feedback from applicants via phone, email and face-to-face meetings. Key issues identified and changes reported back to stakeholders.	<p>The Department has regularly engaged with key stakeholders. 34% of overall stakeholder survey respondents agree that they can give the Department suggestions for how it can improve its business processes, while 22% disagreed.</p> <p>27% of overall stakeholder survey respondents believe suggestions made to the Department are given genuine consideration, while 18% were unfavourable to this proposition.</p> <p>16% of respondents believe the Department informs them of changes made as a result of their suggestions, while 21% disagreed.</p> <p>The Department continues to regularly meet with established stakeholder forums. Senior managers also meet in less formal consultation with industry participants such as the Registered Automotive Workshop Scheme (RAWS) and the Caravan Industry to engage on specific industry issues.</p>
Business processes are incrementally improved over time.	Department to demonstrate annual improvements to business processes associated with record keeping, application processes and coordination of administrative functions.	In 2015/16, the Department implemented an entirely new online imports system which has seen a streamlined and efficient approach to handling and processing large volumes of import applications. Stakeholder feedback indicates a high level of satisfaction with the new system. This was reflected in the stakeholder survey results, where 70% of regular importer stakeholders considered that the amount of paperwork or administrative processes that they have to complete is

Measure	Evidence	2015-16 Results
		<p>appropriate, while only 19% disagreed. Further enhancements to older systems, such as the RAWs online system are currently being developed.</p> <p>The Department also created a centralised coordination team that consolidates administrative functions and the call centre into one team. This has resulted in business improvements and efficiencies. Staff in import assessment roles and certification roles are now able to concentrate solely on assessing applications therefore reducing wait times for applicants whilst callers have consistent advice from a dedicated group of call centre and administrative staff.</p>

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Additional commentary

Overall, the Department has performed very well against this KPI, and in the 2015/16 financial year has continually worked towards harmonisation of the ADRs with international standards. The current focus of harmonisation with international regulations is to support the UN Economic Commission for Europe's International Whole Vehicle Type Approval scheme, due for introduction in late 2017.