

**Road Safety (Vehicles) Regulations 2021**

Regulatory Impact Statement

This Regulatory Impact Statement (RIS) has been prepared in  
accordance with the *Subordinate Legislation Act 1994* and to  
facilitate public consultation on the proposed Road Safety  
(Vehicles) Regulations 2021. A copy of the proposed  
Regulations is provided as an attachment to this RIS.

**I Preliminary**

This Regulatory Impact Statement (**RIS**) has been prepared with the assistance of Rivers Economic Consulting to fulfil the requirements of the *Subordinate Legislation Act 1994* and the Victorian Guide to Regulation, and to facilitate public consultation on the proposed Road Safety (Vehicles) Regulations 2021 (**the proposed Regulations**). The proposed Regulations will replace the Road Safety (Vehicles) Interim Regulations 2020 (the ‘current interim Regulations’) due to expire in October 2021. A copy of the proposed Regulations is provided as an attachment to this RIS.

In accordance with the Victorian Guide to Regulation, the Victorian government seeks to ensure that regulations are well targeted, effective and appropriate, and that they impose the lowest possible burden on Victorian businesses and the community. This RIS addresses the following key questions required by the Victorian Guide to Regulation:

* why is the Government considering action? (problem analysis);
* what outcomes is the Government aiming to achieve? (objectives of action);
* what are the possible different courses of action that could be taken? (identify feasible options);
* what are the expected impacts (benefits and costs) of feasible options and what is the preferred option? (impact analysis);
* what are the characteristics of the preferred option, including small business and competition impacts? (summarise the preferred option);
* how will the preferred option be put into place? (implementation plan); and
* when (and how) will the Government evaluate the effectiveness of the preferred option in meeting the objectives? (evaluation strategy).

The RIS process involves an assessment of regulatory proposals. A key function of this process is to provide members of the public with an opportunity to comment on proposed Regulations before they are finalised. Such public input can provide valuable information and perspectives, and thus improve the overall quality of the regulations.

Public comments and submissions are invited on the proposed Regulations in response to the information provided in this RIS. This RIS also includes a discussion of policy issues for consultation with no associated regulatory change in the proposed Regulations, however the Department is interested in receiving feedback from the public on these policy issues. In the interests of ensuring transparency and accountability, all submissions will be treated and managed as public documents and published on the relevant Government website(s), except for those submissions clearly marked as ‘private and confidential’. You can also choose to make an anonymous submission by not providing your name.

Please submit comments or submissions by no later than 5pm on 8 July 2021.

Responses can be submitted online through the Engage Victoria website: <https://engage.vic.gov.au>

All comments and submissions will be considered prior to the Regulations being made.

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**V Executive Summary**

**Purpose of this Regulatory Impact Statement**

The registration of motor vehicles and trailers in Victoria is regulated by the *Road Safety Act 1986 (RSA)* and the Road Safety (Vehicles) Interim Regulations 2020 (the current regulations). The current Regulations are due to expire on 3 October 2021.

A Regulatory Impact Statement (RIS) has been prepared for the new regulations, as required under the *Subordinate Legislation Act 1994 (SLA)* and in accordance with the Commissioner for Better Regulation’s *Victorian Guide to Regulation*. Section 5 of the *SLA* prescribes the automatic revocation of regulations on the tenth anniversary of their making. This ensures that outdated and unnecessary regulation is automatically repealed.

The purpose of this RIS is to facilitate community consultation on the registration of motor vehicles and trailers described in the proposed Road Safety (Vehicles) Regulations 2021 (the proposed regulations). In addition to the proposed changes to the regulations the Government is also seeking to consult the community on policy issues for consultation not included the draft regulations.

The RIS also provides a framework for government to develop and explain policy and a basis for effective and efficient vehicle registration regulation.

**Regulatory framework**

The *RSA* and the current Regulations made under its enabling provisions set the regulatory framework for vehicle registration in Victoria and cover the following activities:

* providing a means of identifying vehicles and their operators
* setting eligibility criteria and conditions for vehicle registration
* prescribing registered operator responsibilities and obligations
* prescribing the collection of registration fees
* setting eligibility criteria and conditions for registration fee concessions
* setting eligibility criteria and conditions for operating unregistered vehicles on public roads
* prescribing roadworthiness requirements for vehicles
* prescribing the collection and recording of information relating to written-off vehicles
* enabling the recovery of expenses incurred in administering the registration system.

Vehicle safety regulation operate within the broader policy context, including the Victorian Government’s *Victorian Road Safety Strategy 2021–2030*. Significant parts of the proposed Regulations are guided by, and give effect to, national standards, frameworks, and guidelines. These include:

* *National Road Safety Strategy 2011-2020 (NRSS (2011-2020)*
* Australian Design Rules (ADRs)
* *Motor Vehicle Standards Act 1989* (Cwlth)
* *Road Vehicle Standards Act 2018* (Cwlth)
* International vehicle regulations made under the authority of the United Nations Economic Commission for Europe (UNECE)
* International vehicle importation regulations made under the authority of the World Trade Organisation (WTO) and Asia Pacific Economic Cooperation (APEC)
* *National Code of Practice for Light Vehicle Construction and Modification*
* *National Code of Practice for the Approval of Heavy Vehicle Modifications*
* National Exchange of Vehicle and Driver Information System (NEVDIS) requirements
* National *Damage Assessment Criteria for the Classification of Statutory Write-offs*
* Written-Off Vehicle Register (WOVR) requirements

In addition to the importance of compliance with national standards and frameworks, many provisions of the RSA and other Victorian legislation require certain details to be prescribed by regulation to enable the vehicle registration system in Victoria to operate effectively.

Victoria, like other states and territories, does sometimes vary a national standard for application to this jurisdiction. These variations are minor and designed to ensure they align with local agencies. For example, there is a minor change to standards on vehicle exhaust emissions that relate to the Victorian Environment Protection Agency (EPA).

**Services and activities carried out by Registration & Licencing (VicRoads)**

VicRoads collects a range of fees for the Victorian government, enabled by the *Road Safety Act 1986*. Some of the revenue collected via these fees cover the costs of operating VicRoads whilst other revenues are returned to the Government and form part of consolidated revenue. Regulated fees, for the purposes of discussion and analysis, are divided in this RIS into three categories: the Services groups, the Permissions groups and the Servicing Agreements groups.

**Services Groups**

Section 97A(1) of the *RSA* enables the Department to charge administrative fees for services it provides in connection with the licensing of drivers and the registration of vehicles. Section 97A(2) of the *RSA* provides that the fees for these services (other than a service provided in connection with the assignment of registration numbers) must not exceed the costs of delivering the service. The services authorised by this section include services, such as, licence testing, licence conversion, vehicle inspections, registration transfers, exemption applications, and refund processing.

**Permissions Groups**

There are other regulated fees charged to customers that relate to the granting of a permission (rather than a service) under Section 95(6) of the *RSA*. With regards to registration, Section 95(6) of the *RSA* provides that, “a fee that may be imposed by regulation in relation the registration of motor vehicles or trailers is not limited to an amount that is related to the cost of providing a service”. These clusters of related permissions are referred to as a Permissions groups.

**Servicing Agreement Groups**

There are regulated fees charged to service providers which authorises them to provide exclusive services under a servicing agreement with VicRoads under Section 95(6) of the RSA. This cluster of authorisations are referred to as Servicing Agreements Groups. As with the Permissions groups, these fees are not a charge for a service but for the authority to perform a service on behalf of VicRoads.

**Service delivery costs for VicRoads**

During the FY16/17 the total cost of delivering registration and licence renewal services through VicRoads and a number of third-party service providers and agencies was *$208.50 million*. For the purposes of this RIS, costs and other data related to costs are only presented up to the FY16/17 for the following reasons:

* 2019/20 data is not comparable due to COVID-19, whereas activity is expected to revert to levels more similar to 2018/19 in future.
* For 2017/18 and 2018/2019 there have been limitations to replicating financial data. On 1 July 2019, VicRoads and Public Transport Victoria came together with the Department of Transport to create a properly integrated transport department. This operational integration brought corporate service functions from all three entities together including finance. These machinery of government changes included the transitioning of the financial budgetary system away from VicRoads to a centralised model in DoT. Hence, there are difficulties associated with the extraction of data and information on VicRoads’ specific functions (given the ongoing organisational transition) in order to update the original budgetary forecast historically undertaken for FY16/17. DoT researched the possibility of re-engineering existing budgetary data with the goal of producing a sample of more accurate data for the purpose of allocating cost. This investigatory exercise identified that re-engineering the existing data would be too costly from both a time and resource perspective. Moreover, the goal was determined as being unachievable and therefore the exercise did not proceed past initial planning.

**‘High level’ cost allocation limitations for the purposes of cost recovery as per Department of Treasury and Finance Policy and Guidelines**

Over many years the Victorian government has increasingly been recovering some or all the cost of various activities from consumers of its services to improve efficiency and equity outcomes. Working with the Department of Treasury and Finance’s *Cost Recovery Guidelines*, this has been achieved through fees that reflect the costs of services or activities that, at least in part, provide private benefits to individuals, entities or groups, or reflect the costs their actions impose.

However, VicRoads has not yet established its systems and processes to capture costs at a level of granularity or in a fashion that facilitates adherence to the cost recovery guidelines. For example, with regards to fees charged to Services Groups – the cost allocation at the high-level business unit ‘Registration Administration – General’, is estimated to be $4.44 million for FY2019/20. However, the current business system does not provide for the allocation of costs to *unique outputs* as represented by regulated fees.

DoT will develop an activity based costing (ABC) model in consultation with VicRoads and DTF – to be completed by the fourth quarter of 2026. The ABC model would have the following characteristics:

* identification of unique outputs and their activities;
* directly attributable costs of each activity can be estimated;
* direct overheads associated with a group of activities can be distributed to those activities;
* sum of each directly attributable and overhead attribution for each activity sums to total cost for each group of activities;
* fees for each group of activity (i.e. unique output) reflect the costs of producing that output;
* fees can be calculated in a systematic and consistent way; and
* instances where fees do not reflect costs will be transparent and will need to be justified on another basis (e.g. equity).

**Base case**

Regulatory impact analysis for sunsetting regulations involves assessing options to achieve specific objectives against the ‘base case’. The base case consists of the scenario that allows the current Regulations to sunset without replacement. Under this scenario, the *RSA*, other Victorian and national road safety legislation and regulations, and applicable national standards, guidelines and frameworks would apply, potentially leaving vehicle registration regulation gaps that, under the *RSA*, are intended to be filled by regulation.

Where deviations from the existing Regulations were considered, the current interim Regulations are used as the reference case to compare options. This is due to the analytical difficulty of using the true base case of no regulations, where there are large, well-established and long-running schemes. A base case of ‘no regulations’ would be difficult to construct with accuracy and would result in less clarity for stakeholders.

**Nature and Extent of Overarching and Specific Problems**

**Nature and extent of overarching residual problems of having no regulations**

In the past 50 years the annual road toll Victoria fell by 80% from a high of 1,061 lives in 1970 to its lowest level of 211 in 2020. The significant downward trend in lives lost since 1970 in Victoria is remarkable, given the steep upward trend in the population and the fleet of registered vehicles. From 1970 to 2020 Victoria’s population increased by 97% from 3.4 million to 6.7 million and its fleet of registered motor vehicles expanded by 369% from 1.3 million to 6.1 million. While the record low road deaths in 2020 highlights that Victoria is moving in the right direction with its approach to road safety, there is still room for more improvement.

The Victorian Government’s position is that the current level of road deaths and injuries is still too high. To that end, the *Victorian Road Safety Strategy 2021–2030*, which aims to halve road deaths and reduce serious injuries by 2030 and put us on the path to eliminating road deaths by 2050, will seek to continue making significant reductions in the economic costs of road fatalities and serious injuries.

In financial terms, the estimated cost of the 211 fatalities and 6,388 hospitalised injuries in 2020 in Victoria, at an average cost of $8.56 million per fatality and $0.18 million per hospitalised injury, approached $3.3 billion.

Should it not be possible to identify vehicles and vehicle operators to enforce road safety, the economic cost of additional road trauma in 2020 is estimated to be approximately 3.6 billion dollars per year in 2020 dollars, over and above what it would be under the 2020 current interim Regulations. The estimated additional 229 road deaths and 6,942 serious injuries are based only on the hypothetical absence of a vehicle registration system that enables vehicles and vehicle operators to be identified, so that operators can be held responsible for road incidents and offences involving their vehicles. It does not estimate a full ‘base case’ scenario whereby the current Regulations are allowed to sunset without being re-made as the proposed Regulations. The effect of allowing other regulations, such as those relating to roadworthiness, to sunset would add to the above estimate, as safety inspections would no longer be mandated on transfer or re-registration of a vehicle.

**Nature and extent of specific residual problems in relation to current interim regulations**

***Repairable write offs (RWOs)***

A number of problems have been identified with regards to current interim regulations in relation to repairable write offs including:

* an over-representation of older vehicles with fewer safety features to prevent and survive crashes;
* inadequate damage assessment and potentially unsafe repairs;
* a very high likelihood of being written off a second or subsequent time (since 2013, 15.6% of repaired written-off vehicles have been written off a second or subsequent time, compared to less than 1% of the broader fleet being written off a first time); and
* these vehicles being three times more likely to be involved in serious injury crashes, and 47% more likely to be involved in fatal crashes.

***Accident damaged light vehicles over 15 years of age***

As only accident damaged vehicles 15 years of age or less must be recorded on the Written-off Vehicles Register (WOVR) under the current interim Regulations, there is currently no obligation for sellers of second-hand cars to inform consumers if a vehicle is accident damaged where the age of the vehicle was over 15 years of age. This reduces transparency and generates asymmetric information problems where consumers pay more for accident damaged vehicles or buy more of these vehicles than otherwise would be the case or purchase vehicles with serious structural damage.

There are potential significant safety issues with older vehicles not being able to be recorded on WOVR, and being repaired and on-sold to consumers, and them being none the wiser. There is, for example, the risk of a fatality or serious injury with an airbag failing to deploy in the case of accident damaged vehicles that had not been inspected (i.e. potentially those not on the WOVR which do not require inspection). The Value of Statistical Life (VSL) of just one death on the road has been estimated to be $8.56 million in 2020 dollars.

Victoria has the highest profit motivated theft rate per 1,000 registrations compared to other states and territories in Australia in 2019/20. Moreover, it is likely that some percentage of these accident damaged vehicles over the age of 15 years, fall into the category of re-birthing. It is estimated that there were only a few vehicles in 2019/20 which were manufactured in the 1990s or earlier and were ‘potentially’ rebirthed.

***Roadworthiness Certification requirements on transfer***

Between December 2019 and November 2020, 802,514 RWC inspections were carried out for fee-based vehicle transfers and re-registration in Victoria, at an estimated total cost to vehicle sellers of *$168.28 million*, including time costs – for vehicles less than 3 years of age. A recent sample of 67,242 RWC inspections found that of the 15,884 motor vehicles that were less than three years old, only 364, or 2.3%, did not meet the minimum safety requirements of the Victorian roadworthiness standard when submitted for inspection. The failure rate for motor vehicles aged three years and older was 13,378 out of the remaining 51,358 vehicles sampled, or 26.1%. Vehicles under three years of age are still under manufacturers’ warranties and are more likely to be serviced regularly to keep their warranties intact. In turn, vehicles that are serviced regularly are less likely to have any roadworthiness issues, such as worn tyres and brake pads.

***Requirements for gas compliance certificates/ plates***

LP Gas Installations in caravans and boats for *non-propulsive* purposes are checked under Australian and New Zealand Standards AS/NZS5601.2. Fitted gas installations must also comply with the *Gas Safety Act* *1997*. Under the current interim Regulations, gas compliance certificates (in accordance with the *Gas Safety Act 1997*) or gas compliance plates (in accordance with AS/NZS5601.2) are currently not required by the Secretary for an application of registration for a vehicle which is a *light trailer* and has a *non-propulsion-based* gas fitting. With regards to all other vehicles (including heavy vehicles) with fitted gas installations, these are covered under the VASS certificates scheme for modifications.

There are concerns - associated with the lack of testing of gas installations fitted on vehicles such as light trailers (e.g. Caravans) that do not get assessed, tested, and certified or fitting and conversion being undertaken by un-authorised providers. Energy Safe Victoria (ESV) raised that they had identified many vehicles (mainly caravans) that have non-compliant fixed gas fittings. ESV data from FY14/15 identified nine separate incidents associated with Caravans had non-compliant fixed gas fittings.

Registration is the first and usually the only time a regulatory body engages with these types of vehicles however under the current interim Regulations there is currently no requirement that they comply with the standards or *Gas Safety Act 1997*. As at 3 February 2021, there were 868,852 trailers currently registered (i.e. between 200kg and up to and including 4.5 tonnes). Whilst the number of light trailers currently exempt from registration (for private use and under 200kg) remains unknown - as of January 2021 there were 58,131 registered trailers under 200kg.

***Administration of Schemes and certificates***

A number of problems have been identified with regards to current interim regulations in relation to schemes and certificates including:

* By not providing for electronic forms for DNCCs, the current interim Regulations place a regulatory burden on consumers with respect to clearing defect notices by not allowing them to be cleared by authorised officers or Licensed Testers. Based on 6,419 defect notices that could have been cleared by an LVT when undertaking a RWC – the estimated cost of this burden, assuming 2 hours for travel and attendance time at a CSC – is $420,188 in the twelve months to 2020.
* The current interim Regulations do not define the function of the Vehicle Assessment Signatory Scheme (VASS) as definitively as other vehicle safety schemes. Specifically, there are issues to be addressed around authorised vehicle inspectors, inspection provisions and a desire to improve forms used by signatories. Out of 14,370 certificates sold to VASS signatories in 2020, it is estimated that only 40% are received back by VicRoads and lodged with VicRoads post certification of the vehicle. VASS Signatories are either failing to inform customers to lodge the Certificate with VicRoads or customers are not following the instruction given by the VASS Signatories to lodge the Certificate with VicRoads.
* Under the current interim Regulations there is currently no requirement that light trailers fitted with non-propulsion-based gas installations (e.g. Caravans) comply with the Australian and New Zealand Standards AS/NZS5601.2 or the *Gas Safety Act 1997*. As at 3 February 2021, there were 868,852 trailers currently registered (i.e. between 200kg and up to and including 4.5 tonnes. Of these, 175,153 are Caravans, 8 Semi Caravan and 1,919 are Campervans. Energy Safe Victoria (ESV) data from FY14/15 identified nine separate incidents including injuries and explosions associated with Caravans had non-compliant fixed gas fittings.
* The current interim Regulations do not provide a way to electronically record the inspection of a vehicle to confirm that faults identified by a defect notice have been suitably rectified, as conducted by an approved Licenced Vehicle Tester. There is no way under the current interim Regulations to audit or provide vigilance to the remaining 60% of the VASS certificates issued. There is also no way to audit or provide vigilance to the remaining balance of paper-based certificates issued under the Alternate Fuel System Assessment and Certification Scheme (AFSACS). The Department wishes to avoid inappropriate certification over installation, modification or servicing or removing of tanks by Third party providers in a timely manner thereby avoiding safety issues with potentially fatal consequences

***Vehicle identification and identification of their operators***

A number of problems have been identified with regards to current interim regulations in relation to vehicle identification and identification of their operators including:

* As of August 2016, 916 operators of 14,169 vehicles have claimed to be charitable bodies and have claimed the 100% charitable body concession on their registration fee, at a cost of approximately $4 million in foregone registration revenue. A review of these 916 operators found that 244 operators (27%) were not registered with the Commission established by the *Australian Charities and Not-for-Profits Commission Act 2012 (ACNC)*. Therefore, they were not recognised by the Commonwealth Government as charitable bodies. Moreover, based on extrapolation of FY19/20 data, half of this 27% were benevolent organisations and not required to be on *ACNC*. A review of the definition of benevolent organisations is required to make sure that only those who are eligible for a concession on their registration receive such a concession.
* Currently it is not an offence to alter, copy, deface, remove, substitute or tamper with a VIN or chassis number of an *unregistered* vehicle, and therefore, not an offence for people to use VINs or chassis numbers from unregistered vehicles to re-birth stolen or re identify any vehicles.
* The current interim Regulations do not establish beyond doubt the obligation to not apply or fix substances or objects to the number plate in an attempt to prevent the production of a clear photograph of the number plate by a photographic or electronic detection device. In the FY19/20, 1,165 infringement notices were issued for Obscuring/ Altering/ Defacing Number Plate and 1,640 infringement notices were issued for No Number Plate/ Incorrectly Affixed. However, the number of vehicle operators fixing a substance or objects to number plates is unknown.

***Registration of motor trikes***

As at 31 December 2021 there were around 1,502 three-wheeled vehicles registered in Victoria. Currently, owners of motor trikes (who hold motorcycle licences) must register their motor trikes as ‘light motor vehicles’. This means that motor trikes owners must pay additional registration fees and charges. The net additional registration including TAC charges paid by motor trikes, as a result of having to register their motor trike as a light motor vehicle, is estimated to be $157,735 per annum or, in other words, $105 per motor trike on average.

***Light trailers***

For light trailers up to and including 750Kg, an inspection is not required upon registration. This means that any safety issues remain unknown. With respect to light trailer registration (751kg to 4.5 tonnes) VicRoads CSC staff do not have checking procedures for inspecting trailers for safety. Only 20 out of the 38 VicRoads CSCs across Victoria have facilities to conduct trailer inspections. In the CSCs that do have facilities to conduct trailer inspections, not all staff are sufficiently trained to conduct some of the more technical aspects of light trailer inspections, such as checking brakes and ensuring the tyre sizes are compliant for the trailer size and mass. This has implications for safety issues such as break failure.

With regards to trailers under 200Kg – not only is their safety unknown as no inspection is required but also who is operating them. There is the potential for such registration-exempt light trailers to obscure the identity of the vehicle towing them such that there are enforceability issues with road safety cameras and tolls.

***Golf carts***

In some country towns and the Murray River region, golf carts are being used in 80 to 100km zones with no lights and no seat belts or other safety features but within 2km of the golf course. Towns like Avoca are becoming golf cart communities and driving their carts on major roads. Moroever, provided that golf carts meet the criteria for exemption from registration, operators are not subject to drink driving obligations.

There have been approximately 290 reported injuries resulting for the use of Golf Carts across the period 2010-2020, with 2 reported fatalities in Victoria in the last 5 years. The community is being placed at risk and Victoria Police is being hindered in terms of its ability to apply and enforce laws and obligations with the intent of the gazette and exemptions form registration being exploited by those wishing to take advantage of the current system.

***Club Permit Scheme (CPS)***

As at January 2021, there are 95,053 vehicles on the CPS. A number of problems have been identified with regards to current interim regulations in relation to the CPS:

* There are a number of problems in relation to the CPS being used inappropriately. According to VicRoads, there is a small portion of club permit holders who are using their vintage, veteran, historic, and classic vehicles for commercial purposes (e.g. carrying tools as part of a landscaping or gardening business or as wedding cars for hire or for tours). Some club permit holders drive their vehicles a greater number of days than permitted by their permit (e.g. more than 45-days or 90-days). However, the extent of this is unknown. Moreover, current interim Regulation 154 requires that there is an entry for each day the vehicle is used. However, there are currently breaches in log book obligations. VicRoads advises that it does not record information on breaches in log book obligations.
* Whilst there is no intergovernmental agreement, Victoria seeks to align with other states and territories in relation to the age of vehicles and the CPS. Under the current interim Regulations in Victoria vehicles must be 25 years or older to be eligible for the CPS, whereas in other jurisdictions there is an approach that vehicles be 30 years or older. Currently, there is only anecdotal evidence around risks to safety for vehicles 25 to 30 years old.
* CPS fees (currently in fee units) were supposed to be pro rata to registration fees but became uncoupled over time. This has resulted in lower registration fees for CPS permits. The loss of registration fee revenue due to the uncoupled CPS fees is estimated to be around *$10.3 million* between 2013 and January 2021.
* The current interim Regulations do not recognise the expectations of changing demographics when it comes to the CPS scheme and the convenience of using electronic documents in place of printed documents. This is not withstanding that older permit holders still prefer paper-based log books. Moreover, network black spots in regional areas such as Beechworth and Yackandandah, where there are upcoming events in August 2021, would make the use of electronic documents difficult at times and Victoria Police would struggle to enforce log book obligations.
* Current interim Regulation 152 does not provide for all paper-work to be completed correctly when applying for a 45-day or 90-day club permit. Some clubs have only 2 members who self-approve the entry of application form details before signing off and then sending the form to VicRoads and some ‘clubs’ are ‘one person’ entities. As at January 2021, 1,057 clubs have vehicles currently registered on the CPS, with 462 clubs with ten or fewer vehicles currently registered, and 72 clubs with only one vehicle registered.
* The current interim Regulations do not specifically define replica for the purpose of eligibility for the Club Permit Scheme. Replica vehicles are permitted to be entered onto the CPS to provide an avenue for limited access to the road network. However, there are light motor vehicles which are not individually constructed vehicles and do not resemble, as close as practicable, the appearance and dimensions of an equivalent production vehicle – which are being registered through the CPS for the purpose of obtaining cheaper registration.

***Hazardous roads***

Current interim Regulations cover hazardous areas (alpine roads subject to snow and ice cover during snow season) and special requirements for bus drivers in these hazardous areas, and safety / recovery equipment required to be fitted to or carried in buses in hazardous areas. However, the Department has reviewed the hazardous area regulations and considers that the regulations should be remade under the Victorian Bus Safety scheme. The reason is that the requirements substantially relate to bus operators and drivers rather than apply generally to the Victorian public. The Transport Legislation Miscellaneous Amendment Bill 2021, which is currently before the Parliament, would enable equivalent regulations to be made under the *Bus Safety Act 2009*. Until this Bill passes both Houses of Parliament and corresponding regulations are made, it is proposed that the current arrangements for the Hazardous Area Authority continue under the proposed draft Regulations.

**The case for government intervention**

The ‘threshold’ or preliminary question to be addressed in an RIS is: Is there a sufficient case for government intervention to assist in solving the problems? The economic grounds for intervention relate to the existence of market failure. Market failure occurs when markets fail allocate resources to their best uses. The result is a loss of economic and social welfare. Market forces alone would not be expected to solve the problems identified and some form of government intervention is necessary.

The most important reason justifying government intervention in road safety is the significant impact and cost on the community resulting from motor vehicle collisions causing fatalities and serious injuries. The awful consequences of such crashes consist of both quantifiable costs, such as loss in productivity, and non-quantifiable effects, particularly the personal grief, pain, and suffering experienced by the surviving crash victims and their families and friends. Medical treatment of injuries and disability also withdraws scarce medical resources from other community uses, and a significant part of the costs of these treatments falls on the public through increased taxes.

**Regulatory Fees**

Without cost recovery, there would be a greater need for government appropriations to fund VicRoads operations. These additional appropriations would be sourced from general revenues, which are funded by the entire tax paying community. Thus, no cost recovery means that all taxpayers would subsidise the individuals who are consuming the services provided. An estimated $63.4 million a year in costs would need to be covered from taxpayers (i.e. approximately $254 million over 4 years) if the regulations were not remade.

Furthermore, providing services for Services Groups, Permissions groups and Service agreements groups, free of charge may result in customer behaviours which diminish the value of the service to the customer, create excessive demand, and result in greater delivery costs. Such behaviours would compromise the efficient delivery of services.

**Proposed Regulations**

The proposed Regulations will re-make the current interim Regulations, with the following main legislative reform, including fee proposals – summarised as follows:

* Amendment to definitions of ‘benevolent organisation’ and ‘charitable body’;
* Removal of the term ‘registered’ in relation to vehicle identification;
* Expanding provisions in relation to the use of authorised vehicle inspectors, inspection and approved forms including new definitions/provisions to allow for the future use of e-Certificates including: *eAFSAC*; *gas compliance certificate*; *eVASS*; *eDNCC*; *eVIV*; *eVIC*; and *eRWC*;
* New provisions with regards to the Club Permit Scheme (CPS) including:
  + increasing the age of vehicles required to be on the CPS from 25 to 30 years;
  + requiring evidence to accompany applications for Club Permits as requested by the Secretary;
  + providing for new penalties for offences of general conditions and operating conditions of club book permit and new penalties for specific offences for log book obligations for club permit; and
  + introducing a definition for a replica for the purpose of vehicle eligibility for the CPS to mean a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle.
* Removing the provision that restricts vehicles over 15 years of age from being recorded on WOVR;
* Requiring a gas compliance certificate or gas compliance plate upon initial registration of all vehicles , and amendment to current provision of exemption from registration for trailers under 200kg to exclude those with fixed gas fittings;
* Introducing a new requirement to not *affix a substance or object* to a plate that would prevent successful reading of number for enforcement purposes to put obligations beyond doubt; and

It is anticipated that the proposed regulatory reforms will be introduced progressively, via the amendments to the Regulations, over 12 to 24 months from the commencement of the Regulations in October 2021. The progressive implementation of the reforms will allow for transition within the industry and the public after the finalisation of the reforms following the public consultation phase. Some reforms will require changes to DoT and business partner systems and processes to support their introduction.

**Objectives of the proposed regulations**

To address the problems identified the primary and secondary policy objectives of the proposed Regulations which build on the objectives of the *RSA*, may be summarised as:

**Objectives:**

1. to improve road safety and reduce damage to property;
2. to enable effective and equitable achievement of other policy goals, including:
   * 1. ease of access to the road network;
     2. ease of adherence to rules; and
     3. timely delivery of services; and

to achieve the above goals at least cost to Government and the community with those costs allocated equitably and appropriately.

**Options analysis – proposals**

**Methodology for analysis of proposals – Multi-criteria Analysis (MCA)**

The methodology applied to compare potential options involved the use of multi-criteria analysis (MCA), as it was not feasible to quantify all the impacts of the options considered. This approach requires making judgements about how proposed options will contribute to a series of criteria that are chosen to reflect the benefits and costs associated with the proposals. The Department of Transport considered it appropriate to use the MCA as a decision tool because, in many instances, the available data did not allow the costs and benefits of the specific effects of the proposal to be isolated. Where policy changes from the existing interim Regulations are identified, options are compared against the current interim Regulations.

The following criteria are selected, with ***safety*** being the most important one:

* **Safety** – The degree to which a proposal supports and enables reductions in road deaths, and human and infrastructure damage.
* **Effectiveness** – The degree to which a proposal is likely to succeed in addressing the identified problems (e.g. ease of access to facilities, ease of adherence to rules, and speed of delivery).
* **Equity** – The degree to which a proposal does not unfairly disadvantage a lower socio-economic group or section of the public.
* **Cost to government** – The cost of a proposal to Government in terms of net administration costs for the provision of services.
* **Cost to community** – The cost of a proposal to the community in terms of financial and time cost to VicRoads customers and other regulated parties.
* **Complexity –** The degree to which a proposal is difficult to understand, implement, and operate, and complicated in form and design.

On the benefits side, *Safety* was considered to be the paramount criterion and assigned the highest weighting (40%). *Effectiveness* and *Equity* were assigned the remaining 10% which was split equally between them.

On the costs side, *Cost to Government* and *Cost to Community*, were deemed to be the paramount criteria and assigned a combined weighting of 40%, split equally between them in order to balance the cost of administering the proposed Regulations with the burden of compliance to be borne by the community. The remaining 10% was assigned to *Complexity*.

A qualitative score is assigned, depending on the impact of the option on each of the criteria measured relative to the base case. A symmetric criterion rating scale from -10 to +10 is applied against each criterion listed above. This scale range facilitates the inclusion of more information on the choices made, and results in a greater understanding of the proposal. The base case is given a zero score on all criteria.

The following proposals and policy issues for consultation not included in the draft Regulations were assessed given that an appreciable impact/cost impact has been identified. Their presented order is reflective of their significance and extent of impact - however *proposals* and *policy issues for consultation* have been grouped reflecting whether or not they are been included in the draft Regulations.

Table (i) Options analysis approach for proposals and policy issues for consultation

| Proposal/policy issues for consultation | Imposes or *has the potential to impose* an appreciable cost burden or impact on any sector of the public | Options identified | Relative costs and benefits of options compared (analysis) | Action from analysis |
| --- | --- | --- | --- | --- |
| **Proposals** |  |  |  |  |
| Remaking of sunsetting Regulations | Yes | No | **Qualitative assessment of proposal only** | **Preferred option** |
| Requiring written-off vehicles that are over 15 years old to be recorded and registered on the WOVR | Yes | No | **Yes** | **Preferred option selected and effects assessed** |
| Requiring gas compliance certificates/plates for vehicles which have gas fittings upon registration | Yes | Yes | **Yes** | **Preferred option selected and effects assessed** |
| Expanding definitions to allow for the future use of e-Certificates | Yes | Yes | **Yes** | **Preferred option selected and effects assessed** |
| Increasing the age of vehicles on the Club Permit Scheme to those 30 years or older | Yes | No | **Yes** | **Preferred option selected and effects assessed** |
| Introducing a definition for a replica for the purpose of vehicle eligibility for the CPS | Yes | Yes | **Yes** | **Preferred option selected and effects assessed** |
| **Policy issues for consultation** |  |  |  |  |
| Policy issue for consultation in relation to RWOs | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation in relation to roadworthiness certification | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation in relation to licencing and registration of motor trikes | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation for registration of all light trailers | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation in relation to the introduction of electronic Log books for the CPS | Yes | Yes | **Yes** | **Consultation questions provided** |

**Summary of analysis of option for accident damaged vehicles over 15 years of age to be recorded on the WOVR**

A breakeven analysis revealed that the preferred and only option with regards to dealing with safety, consumer protection and re-birthing problems around accident damaged and repaired light motor vehicles over 15 years of age, is ***Option 1*** (the proposed regulatory reform option) would which require *written-off light motor vehicles regardless of age to be recorded and registered on the WOVR*.

The incremental cost of Option 1 on the community and government would include the additional need for VIV inspections and insurance assessments for around 2,000 vehicles with an estimated cost of *$12.3 million over 10 years* in present value dollars.

In order to breakeven with the $12.3 million of costs generated by this proposal, over 10 years, Option 1 would have to prevent the risk of death by approximately 1.44 lives over this period. Given that there are around 2,000 vehicles affected per annum or 20,000 vehicles over 10 years, it is assumed that potential to reduce risk of death by just 1.44 lives over this time period and for this category of accident damaged vehicles is reasonable.

The extent of effectiveness around consumer protection would be limited to the extent that consumers can currently undertake a Personal Property Securities Register (PPSR) check which provides the potential buyer with the vehicle’s history. Finally, Option 1 would also help to identify/uncover an estimated two vehicles a year manufactured in the 1990s or earlier which are potentially rebirthed.

Whilst Option 1 would reduce the number of accident damaged vehicles available (where vehicles are declared as Statutory Write offs (SWOs)), consultation with the VACC has indicated that this would have a negligible to no impact on the used car market. Option 1 would therefore not create any additional inequity (in terms of used car prices) as compared to the base case.

**Summary of analysis of options for requiring gas compliance certificates/plates for vehicles which have gas fittings upon registration**

Options, including the proposed option, that were considered for requiring compliance certificates/plate for vehicles are summarised as:

|  |  |
| --- | --- |
| **Option 1** | Require all registered vehicles (which excludes unregistered trailers under 200kg) and fitted with gas installations to provide gas compliance certificates/plates upon initial registration. |
| **Option 2 (proposed option)** | Require all vehicles fitted with gas installations to provide gas compliance certificates/plates upon initial registration |

Option 2 would provide the greatest level of additional safety benefit and effectiveness as it requires registration for all vehicles including all light trailers fitted with gas installations. However, Option 2 would be slightly less equitable than Option 1 as compared to the base case as previously exempt trailers under 200kg would now need to be registered. Additional costs to government would be insignificant under both options however Option 2 would result in additional ‘moderate’ registration revenue. Both options 1 and 2 would result in an additional time cost for the community of $0.44 million over 10 years in present value dollars. Option 2 would involve ‘significant’ additional complexity in relation to the base case, as compared to Option 1 in having to identified previously exempt trailers and would require a communications campaign.

**Option 2 (the proposed option)** which requires gas compliance certificates/plates to be provided upon initial registration for all vehicles - provides the highest weighted score of ***2.19*** and is therefore, the **preferred option**.

**Summary of analysis of options around forms of certificates**

Options, including the proposed option, that were considered for forms of certificates are summarised as:

|  |  |
| --- | --- |
| **Option 1** | Require either paper-based or electronic certificates to be supplied to the Secretary with a phased transition to electronic by 1 July 2022 |
| **Option 2**  **(proposed)** | Require only electronic certificates to be supplied to the Secretary (to be phased in by 1 July 2022) and *only* allow paper-based certificates to be supplied to the Secretary as a back-up |

Option 2 would provide the greatest safety benefit and effectiveness by allowing for greater desktop audits, and more timely identification of safety issues (i.e. what was the level of failed inspections and why?). Allowing for only electronic certificates under Option 2 would provide savings to government of around $71,000 more per annum in terms of stationary/storage costs and greater than Option 1. However, cost savings to the government would be somewhat offset under Option 2 in having to determine when paper certificates would be allowed as a back-up only, with some additional complexity. Option 2 would provide a savings to the community in terms of reduced burden with respect to Defect Notice Clearance Certificates in not having to attend a CSCs – of around $3.54 million over 10 years in present value dollars. This savings would be greater than those under Option 1. **Option 2** which mandates the use of electronic certificates and with paper-based certificates used as a backup only - provides the highest weighted score of ***2.53*** and is therefore the **preferred option**.

**Summary of analysis of option around increasing the age threshold for eligibility for the Club Permit Scheme (CPS)**

The only option with regards to dealing with national harmonisation of vehicle age eligibility under the CPS, is **Option 1** (the proposed regulatory reform option) which would Increase the age of vehicles on the Club Permit Scheme to those 30 years or older, excluding vehicles classified as decommissioned buses and greater than 20 years of age or decommissioned ex-military and greater than 25 years of age. Option 1 provides a positive weighted score of ***0.4***, and is therefore a **preferred option**.

Whilst safety is not a primary consideration with respect to the eligibility for the scheme, Option 1 would be effective and equitable in terms of bringing about national harmonisation. This would also provide a benefit to government by way of additional annual revenue (including TAC charges) of *$10.65 million over 10 years* in present value dollars – with a one-off additional increase in revenue from standard plates of $0.3 million dollars. Option 1 is simple in form and would not require any significant systems changes apart from the need to determine and classify vehicles as classic/historic vehicle for the purpose of restricting their eligibility for the CPS based on their age or a bus (greater than 20 years)/ex-military vehicle (greater than 25 years) for the purpose of exempting them from this restricted age eligibility.

**Summary of analysis of options for replicas on the CPS**

Options considered for replicas on the CPS are summarised as:

|  |  |
| --- | --- |
| **Option 1 (proposed)** | Introduce a definition of replica in relation to a club eligible vehicle to mean “a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle.” |
| **Option 2** | Remove all replicas from the Club Permit Scheme |

Option 1 is expected to provide limited improvements to safety as the maximum number of vehicles issued with permits as ‘replicas’ and at potential risk is quite low (a proportion of 121 replicas).

By removing the eligibility for all 283 replicas from being on the CPS, Option 2 is likely to provide ‘small’ additional safety benefits with respect to 167 vehicles built on or before 1991 (i.e. 30 years of age or more). However, any additional safety benefits under Option 2 will be offset by the balance of 116 vehicles (older replicas over the age of 30) now no longer having limited accesses to public roads.

Options 1 and 2 would both be as effective in reducing challenges and undermining the CPS by having vehicles, that should be adhering to the ADR standards - doing so. In this way potential safety risks are managed similarly under both options and this mirrors the impacts of options on safety.

Option 1 is not expected to result in any change to equity, as compared to the current Regulations (the base case). However, Option 2 would result in national harmonisation by removing the eligibility of replicas for club permits.

Option 1 (Option 2) would result in a loss of 121 (283) club permits and an increase in government revenue including TAC charges of *$0.71 ($1.67) million over 10 years* in present value dollars – with an additional one-off revenue from standard plates of $4,598 and $10,754 under Options 1 and 2, respectively. Under Option 1, any benefits to government in terms of additional revenue will be somewhat offset by ongoing increased administrative costs in determining whether a replica is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle.

Finally, by removing replicas from the CPS, Option 2 is the simplest in form and Option 1 is a more complex option given the need to determine eligibility for replicas based on the proposed definition.

**Option 1** – which introduces a definition of replica for the purpose of determining eligibility for the CPS - provides the highest weighted score of ***0.54***, and is therefore the **preferred option**. Additionally, the Department provides the following consultation questions:

**Consultation question 5a:** Should Individually Constructed Vehicles that are not 30 years old, but replicate the appearance of an original recognised production vehicle that is over 30 years old, be eligible for the Club Permit Scheme? For example, should an Individually Constructed Vehicle built in 2020 that replicates the appearance of a 1962 Shelby Cobra be permitted access to the Club Permit Scheme?

**Consultation question 5b:** Is the proposed definition for a replica vehicle for the purposes of CPS eligibility clear?

**Consultation questions – policy issues for consultation**

The Department is seeking a response to the following consultation questions to help inform policy issues that have not been included in the draft Regulations.

**Consultation questions with respect to the policy issue for consultation around written-off vehicles**

**Consultation question 6a:** If there is an over-representation of older vehicles in accidents in Victoria, should regulation be developed to remove these accident damaged vehicles from the road?

**Consultation question 6b:** Are there other factors that should be considered when remaking regulations relating to the written-off vehicles scheme? For example, should vehicles that are accident damaged and on the club permit scheme be exempt from requirements in relation to being repaired and re-registered?

**Consultation question 6c:** Are there any other categories of vehicle registration that need to be considered for exemption from the written-off vehicles scheme in the same way?

**Consultation question 7:** Should repairable write-off criteria be amended to re-classify some categories of damaged vehicles to statutory write-off?

**Consultation question 8a:** What level of qualifications/experience should VIV inspectors have and what training should they undertake upon joining the scheme?

**Consultation question 8b:** Should a VIV inspector be involved in the end-to-end repair process? What would the key elements be?

**Consultation question 8c:** Should VIV inspectors be licenced for the purpose of inspecting repairs of written-off vehicles that have been in an accident and are requiring re-registration?

**Consultation question 9a:** Are you aware of information or protection provided to consumers regarding vehicles that have been written-off and requiring re-registration?

**Consultation question 9b:** What and how is information or protection provided to consumers regarding vehicles that have been written-off and are wanting to be re-registered?

**Consultation question 9c:** Should repairable write-offs only be sold to a certain class of person/entities (e.g. LMCT dealer?)

**Consultation questions with regards to the policy issue for consultation around roadworthiness certification**

**Consultation question 10:** When should a roadworthy check be required?

**Consultation question 11:** What are the important factors to consider in determining when a roadworthy check should be required?

**Consultation question 12**: At what age of vehicle should roadworthy checks apply?

**Consultation question 13:** After completion of initial roadworthy check, are there proxies for a roadworthy during the life of the vehicle?

**Consultation question 14:** Is there a threshold number of Kms under which a vehicle can be exempt from a roadworthy check? Pease explain the key factors for your determination of this threshold.

**Consultation questions with regards to the policy issue for consultation around motor trike registration**

**Consultation question 15:** Should motor trikes be registered as motorcycles in Victoria and why or why not?

**Consultation question 16:** Should motor trikes registration fees be the same as 2-wheel motorcycle registration fees and why or why not?

**Consultation question 17:** Should motor trikes be permitted to display 6-character number plates or should they be restricted to the current 5-character limit that applies to motorcycles?

**Consultation questions with regards to the policy issue for consultation around light trailer registration**

**Consultation question 18:** Do you have confidence that Victoria’s light trailer fleet is safe and is it any less safe than other jurisdictions where third party inspection is mandatory?

**Consultation questions with regards to policy issue for consultation around form of CPS Log Books**

**Consultation question 19:** Do you believe that an electronic log book will help to promote better compliance with regards to conditions of the CPS and help to promote safety in a timelier way?

**Proposal for fees under services Groups and projected cost recovery**

The Registration and Licensing (VicRoads) division of VicRoads endeavours to achieve an equitable distribution of the costs of services to the community in accordance with the purpose statements in the *RSA* s1(d). The total proposed fees are projected to recover 97.55% of the costs to deliver the Services Groups activities. The shortfall of $1.05 million is the result of the provision of administrative services supporting vehicle registration renewal and reissue, for which no fee is charged to recover the cost. The shortfall is mostly offset by the recovery on registration transfer services, which exceed the costs to delivery those services. Table (ii) shows a summarised cost recovery estimate based on the proposed fees.

***Table (ii) – Annual Cost Recovery: FY19/20 to FY22/23 Average[[1]](#footnote-1)***

| Business Unit | Costs  $m (PV) | Revenue  $m (PV) | Variance  $m (PV) |
| --- | --- | --- | --- |
| ***Services Groups*** | | | |
| Registration Administration - Renewal and Re-Issue | 20.73 | - | - 20.73 |
| Registration Administration - General | 4.34 | 4.67 | 0.33 |
| Registration Transfer | 10.30 | 29.53 | 19.23 |
| Vehicle Inspection | 6.80 | 6.90 | 0.1 |
| Information Extracts and Reports | 0.33 | 0.35 | 0.02 |
| **Total Services** | **42.49** | **41.45** | **- 1.05** |
| *Cost Recovery* |  | *97.55%* | *2.45%* |
| ***Permissions groups*** | | | |
| Registration Permits – Limited Use | 3.67 | 11.82 |  |
| Registration Identifiers | 11.21 | 23.48 |  |
| **Total (Permissions)** | **14.89** | **35.30** | NA |
| ***Servicing Agreements Groups*** | | | |
| Inspection and Testing | 6.01 | 16.87 |  |
| **Total (Servicing Agreements)** | **6.01** | **16.87** | NA |

This outcome does not fully meet the objective of full cost recovery for the services delivered as revenue is $1.05 million less than the cost incurred.

Registration services groups recover most of their costs by charging fees for transfers. Moreover, while vehicle operators pay a transfer fee on acquisition of the vehicle, they pay no administrative fees for registration renewal for the length of time they have that vehicle.

Where a fee is not charged (or charged at less than full recovery), the costs incurred by VicRoads are, in effect, spread across the entire Victorian tax paying population, as government appropriations are required to fund the shortfall in order to continue the provision of services.

Applying the DTF principles of cost recovery, the total costs to deliver services would be borne by those who consume the service on a user pays basis. However, until an activity-based costing model is developed and subsequent fee review is provided in order to capture costs for unique outputs associated with each of the regulated fees - it is not possible to determine fees which are efficient, equitable, simple and encourages customer behaviour which aligns with road safety objectives. That is to say, it is not possible to determine fees on a user-pays basis as current costs are allocated at the high-level business unit rather than for unique outputs associated with regulated fees. Therefore, in relation to Services Groups:

**the proposal is to maintain the status quo in relation to FEES charged for these services in the proposed Regulations.**

**Consultation question 20:** Should an alternative approach to fees be considered with regards to services provided under the Services Groups business units and if so why?

**Proposals for fees under permissions groups and projected fee revenue**

Permissions groups do not relate to a service but to a permission granted to a customer. Section 95(6) of the RSA enables Secretary to *charge a fee that is not limited to the cost of the service*. UVPs are set at levels that bear a relationship to the registration fees set in the *RSA*.

**Registration permits**

The annual cost of providing the administrative services supporting Registration Permits is $3.67 million as shown in Table (ii) above. As shown in Table (ii) above the total proposed fees for registration permits are projected to recover $11.82 million per annum.

With regards to registration permits, most of the current fees align on a pro-rata basis with the vehicle registration fee stipulated in the *RSA*. Fees are charged on an individual transaction basis to ensure customers understand that the consumption of the services create incremental demand on VicRoads resources. Individual customers will have infrequent need for the services and, accordingly, there is no value in creating other pricing structures.

**There are no proposed changes for registration fees. However, the Department wishes to receive feedback on a future policy issue for consultation in relation to the pro rata club permit fees relative to light vehicle registration fees.**

**Consultation question 21a:** Should Club Permit fees be indexed so they align with standard light vehicle registration fees as was the original intent of the CPS before they became uncoupled ?

**Consultation question 21b:** If CPS permit fees are to be aligned with light vehicle registration fees is it fair and equitable that this increase be implemented incrementally over a four year period ?

**Registration identifiers**

This Permissions Group supports the issue of approximately 440,000 new and replacement plates and the assignment of approximately 34,000 number plates from one vehicle to another. The annual cost of providing the administrative services supporting Registration Identifiers is $11.21 million as shown in Table (ii) above. As shown in Table (ii), the total proposed fees for registration identifiers are projected to recover $23.48 million per annum.

Fees are charged on an individual transaction basis to ensure customers understand that the consumption of the services create incremental demand on VicRoads resources. Individual customers will have infrequent need for the services and as such there is no value in creating other pricing structures. The fees charged are based on the user pays principle. There are no exemptions or concessions.

**The proposal is for there to be NO CHANGE to existing fees for registration identifiers under the proposed Regulations.**

**Consultation question 22:** Should an alternative approach to fees be considered with regards to services provided for registration identifiers and if so why?

**Proposal for fees under Servicing Agreement Groups and projected fee revenue**

The annual cost of providing the administrative services supporting Servicing Agreement Groups is $6.01 million as shown in Table (ii) above. As shown in Table (ii) above the total proposed fees relating to inspection and testing are projected to recover $16.87 million per annum.

Fees are charged on an individual transaction basis to ensure the approved service providers understand that the consumption of the services create incremental demand on VicRoads resources. Dealers are likely to process many RWCs and, as such, the fees are structured so the LVT will purchase a “book” of certificates to reduce administration effort. The fees charged are based on the user pays principle. There are no exemptions or concessions.

There are no comparable fees applicable for these services as other jurisdictions have a different model for the management of these services

The approved service providers are charged at the time of the transaction.

**The proposal is that there are only minor adjustments to fees for Servicing Agreement Groups in the proposed Regulations**

**Impact of proposed regulatory reforms on small business and competition**

Regulatory reform proposals in this RIS have been deemed not to provide either any impacts on small business or competition.

**Implementation**

The proposed changes will not introduce fundamental changes that have far-reaching impacts on the entire Victorian vehicle operator population. The changes impact relatively small and specific groups of vehicle operators. The implementation of these changes will include a series of activities that involve direct engagement of the impacted industry groups and/or their representatives, as well as communication to the broader community for awareness.

Following the public consultation period, the Department of Transport will consider all submissions and comments made by stakeholders on the proposed Regulations. After this, the Department of Transport will submit its final recommendations to the Minister for Roads and Road Safety for approval. The Minister will publish a notice of decision in the Government Gazette and in newspapers. This notice will outline the changes from the exposure draft of the proposed Regulations.

The proposed Regulations, are substantively the same as the registration-related components of the Road Safety (Vehicles) Interim Regulations 2020 but include the proposals considered in this RIS. The broad existing regulatory approach will not change. A detailed implementation plan will be developed, particularly for Phase 2 of the implementation in October 2022.

**Enforcement**

The Department has engaged agencies including Victoria Police, Sheriff’s Office Victoria, Fines Victoria, and Infringement Management and Enforcement Services (IMES), to ensure that any new or amended regulations can be enforced in a practical manner.

VicRoads provides these agencies with online access to its driver licence and vehicle registration administration systems to enable the identification of and to provide current and historical information relating to vehicles, registered operators, and drivers.

**Evaluation**

The success of the proposed Regulations will be evaluated on an ongoing basis until they sunset in ten years’ time. The evaluation will be conducted by the Department of Transport.

The Department of Transport also intends to undertake a mid-term review of the proposed Regulations to assess how these are operating, approximately five years after the commencement of the proposed Regulations. This mid-term review is planned to commence in 2023/24. In line with the Victorian Guide to Regulation advice that mid-term reviews should take place within 3-5 years of the commencement of high burden Regulations. As part of the mid-term review, the Department of Transport will commission additional research to fill in data gaps to support the analysis.

Whilst the fees are to be set for the full regulatory period (10 years), the Department will conduct a mid-term re-evaluation of the regulated fees. This mid-term fees re-evaluation will include the development of an activity-based cost (ABC) model that will enable a full review of the regulated fees to be completed by the fourth quarter of 2026. This review will consider a range of factors when looking at fees, including changes in technology, as well as, customer behaviours and demand. Given the inadequacies of the business system for allocating costs against regulated fees and the failure to undertake the full fees review during the previous period between remaking regulations it is of the greatest importance that the review does happen this time. The Department commits to developing an activity-based cost model which will capture the direct and indirect costs of unique outputs associated with each of the regulatory fees being charged.

**Communication and consultation**

Following the commencement of the interim Regulations in 2020, targeted consultation occurred between October and December 2020 with the following stakeholders:

* Department of Treasury and Finance
* Department of Justice and Community Safety
* Energy Safe Victoria
* Infringement Management and Enforcement Services
* Office of the Minister for Roads and Road Safety
* Victoria Police
* Targeted stakeholder consultation
* Royal Automobile Club of Victoria
* Victorian Automotive Chamber of Commerce
* Insurance Council of Australia
* Motorcycle Council of Victoria
* Association of Motoring Clubs
* Australian Street Rod Federation
* Federation of Vintage Car Clubs

This RIS and exposure draft of the proposed new Regulations is released for further consultation with the community. The RIS consultation process will provide another mechanism by means of which any stakeholders will be able to submit their views on the key issues discussed in this RIS.

# Background

## Introduction to the *Road Safety Act 1986* and the current Regulations

The registration of motor vehicles and trailers in Victoria is regulated by the *Road Safety Act 1986[[2]](#footnote-2)* (*RSA*) and the Road Safety (Vehicles) Interim Regulations 2020[[3]](#footnote-3) (the current interim Regulations) made under Section 95 of the *RSA*. This Regulatory Impact Statement (RIS) provides an assessment of the economic, social, administration, and compliance costs and the benefits of re-making the Road Safety (Vehicles) Interim Regulations 2020 (the current Regulations) as the proposed Road Safety (Vehicles) Regulations 2021 (the proposed Regulations). Whilst the RIS is solely concerned with the proposed Regulations, background information on the relevant provisions of the *RSA* and Government policies helps to provide a better understanding the proposed regulations within their legislative, economic and social context.

The Current Regulations give effect to the *RSA*, the enabling legislation for regulations covering the registration of motor vehicles and trailers in Victoria.

### The Road Safety Act 1986

Section 1of the *RSA* defines its purposes, which are to:

(a) provide for safe, efficient and equitable road use; and

(ab) set out the general obligations of road users in relation to responsible road use; and

(b) improve and simplify procedures for the registration of motor vehicles and the licensing of drivers; and

(c) prevent the rebirthing of stolen vehicles; and

(d) ensure the equitable distribution within the community of the costs of road use.

Section 5AA of the *RSA* defines the functions of Secretary, as a registration authority, which are to:

(a) administer the registration system *established by the regulations*; and

(b) maintain a register of motor vehicles and trailers in accordance with the regulations; and

(ba) maintain a register of written-off vehicles in accordance with the regulations;

(c) collect registration and permit fees in accordance with this Act; and

(ca) sell registration number rights, and issue non-standard number plates and replacement number plates, in accordance with section 5AC or 5AE (as the case requires) and the regulations; and

(d) provide information about motor vehicles, trailers and registered operators in accordance with this Act.

Section 5 of the *RSA* defines the purposes of registration as:

(a) to ensure that the design, construction and equipment of motor vehicles and trailers which are used on a highway meet safety and environmental standards; and

(b) to enable the use of motor vehicles and trailers on highways to be regulated for reasons of safety, protection of the environment and law enforcement; and

(c) to provide a method of establishing the identity of each motor vehicle or trailer which is used on a highway and of the person who is responsible for it.

Section 9(1) of the *RSA* states that “Registration, renewal of registration and transfer of registration may be applied for and granted or refused only in accordance with the regulations”. Therefore, regulations are the only legislative instrument that enables Victoria to operate a vehicle registration system.

Section 16A of the *RSA* defines the purposes of the division on written-off vehicles as:

(a) to curtail trade in stolen motor vehicles by preventing vehicle information about written-off vehicles, particularly vehicle identifiers, being used to register stolen motor vehicles;

(b) to facilitate inspections of written off vehicles that have been repaired;

(c) to make information available to prospective purchasers about whether a motor vehicle has previously been written off.

### The current Road Safety (Vehicles) Interim Regulations 2020

Section 1 specifies the objectives of the current Regulations as:

(a) to establish a registration and permit system for motor vehicles and trailers used on highways that—

(i) ensures that motor vehicles and trailers are appropriately registered having regard to whether they meet standards for registration; and

(ii) records the identification details of registered vehicles and trailers and the names and addresses of the persons responsible for them; and

(iii) provides for the collection of associated fees; and

(b) to ensure that when motor vehicles and trailers are used on highways they are safe for use and are used in a safe way; and

(c) to provide the general mass and dimension limits and other requirements for light motor vehicles and trailers; and

(d) to provide for uniform conditions under which light motor vehicles and trailers may safely exceed general mass and dimension limits; and

(e) to improve road safety; and

(f) to minimise the wear and damage caused by vehicles to roads and road infrastructure.

The current Regulations form part of a wider set of interrelated subordinate legislation under the *RSA*, which also include the following:

* Road Safety Road Amendment Rules 2017
* Road Safety (Drivers) Regulations 2019
* Road Safety (Traffic Management) Regulations 2019
* Road Safety (General) Regulations 2019
* Road Safety (Driving Instructors) Regulations 2020

### The Proposed Road Safety (Vehicles) Regulations 2021

Section 5 of the *Subordinate Legislation Act 1994[[4]](#footnote-4)* prescribes the automatic revocation of regulations on the tenth anniversary of their making. The current interim Regulations came into operation on 4 October 2020, replacing the Road Safety (Vehicles) Regulations 2009. The 2009 Regulations were originally due to be revoked (sunset) on 7 October 2019 but were extended for 12 months. The current interim Regulations s are due to be replaced before 3 October 2021. The objective of the mandated ten-year sunsetting provision is to ensure that the regulations are reviewed periodically to confirm whether the current level of regulation is still justified. Where the analysis suggests that government intervention may still be warranted, the analysis must then consider the most appropriate design and implementation of any intervention.

As discussed in Section 1.1 in this RIS, the proposed Regulations will re-make the Current Regulations, with the following main legislative reform, including fee proposals – summarised as follows:

* Amendment to definitions of ‘benevolent organisation’ and ‘charitable body’;
* Removal of the term ‘registered’ in relation to vehicle identification;
* Expanding provisions in relation to the use of authorised vehicle inspector, inspection and approved forms including new definitions/provisions to allow for the future use of e-Certificates including: *eAFSAC*; *gas compliance certificate*; *eVASS*; *eDNCC*; *eVIV*; *eVIC*; and *eRWC*;
* Providing for new provisions with regards to the Club Permit Scheme (CPS) including:
  + increasing the age of vehicles required to be on the CPS from 25 to 30 years;
  + requiring evidence to accompany applications for Club Permits as requested by the Secretary;
  + providing for new penalties for offences of general conditions[[5]](#footnote-5) and operating conditions[[6]](#footnote-6) of club book permit and new penalties for specific offences for log book obligations for club permit; and
  + introducing a definition for a replica for the purpose of vehicle eligibility for the CPS to mean a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle.
* Removing the provision that restricts vehicles over 15 years of age from being recorded on WOVR;
* Requiring a gas compliance certificate or gas compliance plate upon initial registration of all vehicles, and amendment to current provision of exemption from registration for trailers under 200kg to exclude those with fixed gas fittings;
* Introducing a new requirement to not *affix a substance or object* to a plate that would prevent successful reading of number for enforcement purposes to put obligations beyond doubt; and

A more detailed summary description of the main proposed changes to the interim Regulations is provided in Appendix 1.

It is anticipated that the proposed regulatory reforms will be introduced progressively, via the amendments to the Regulations, over 12 to 24 months from the commencement of the Regulations in October 2021. The progressive implementation of the reforms will allow for transition within the industry and the public after the finalisation of the reforms following the public consultation phase. Some reforms will require changes to DoT and business partner systems and processes to support their introduction.

## The broader road safety policy environment and schemes

### Broader road safety policy environment

In line with the United Nations *Decade of Action for Road Safety (2011-2020) Global Plan of Action[[7]](#footnote-7)*, the Australian Commonwealth, state and territory governments developed and adopted the *National Road Safety Strategy 2011–2020 (NRSS (2011-2020))[[8]](#footnote-8)*, aimed at raising Australia’s road safety ambitions through this decade and beyond. It was firmly based on ‘Safe System’ principles[[9]](#footnote-9) and adopted the guiding vision that no person should be killed or seriously injured on Australia’s roads.

This strategy presented a ten-year plan to reduce the annual numbers of deaths and serious injuries on Australian roads by at least 30% - setting out a range of high-level directions and interventions to drive national road safety performance to the end of 2020[[10]](#footnote-10). The NRSS (2011-2020) represented a commitment of Commonwealth, state and territory governments to an agreed set of national road safety goals, objectives and action priorities. It was supported by a comprehensive performance monitoring and reporting regime.

In 2017 an independent Inquiry was launched into the effectiveness of the NRSS (2011-2020), to examine how to further reduce deaths and serious injuries on our roads[[11]](#footnote-11). The findings were presented to the Commonwealth Government and to the Transport Infrastructure Council in 2018 and will help inform the development of the national strategic approach to improving road safety from 2021 onwards. The 12 recommendations of the inquiry included[[12]](#footnote-12):

1. Create strong national leadership by appointing a Cabinet minister with specific multi-agency responsibility to address the hidden epidemic of road trauma including its impact on the health system.
2. Establish a national road safety entity reporting to the Cabinet minister with responsibility for road safety.
3. Commit to a minimum $3 billion a year road safety fund.
4. Set a vision zero target for 2050 with an interim target of vision zero for all major capital city CBD areas, and high-volume highways by 2030.
5. Establish and commit to key performance indicators in time for the next strategy that measure and report how harm can be eliminated in the system, and that are published annually.
6. Undertake a National Road Safety Governance Review by March 2019.
7. Implement rapid deployment and accelerated uptake of proven vehicle safety technologies and innovation.
8. Accelerate the adoption of speed management initiatives that support harm elimination.
9. Invest in road safety focused infrastructure, safe system and mobility partnerships with state, territory and local governments that accelerate the elimination of high-risk roads.
10. Make road safety a genuine part of business as usual within Commonwealth, state, territory and local government.
11. Resource key road safety enablers and road safety innovation initiatives.
12. Implement life-saving partnerships with countries in the Indo-Pacific and globally as appropriate to reduce road trauma.

As part of this inquiry it was agreed that the Office of Road Safety (ORS) was to be established as the lead agency into the development of the next NRRS.[[13]](#footnote-13) A new *National Road Safety Strategy for 2021-2030* *(NRSS (2021-2030))* and a National Action Plan (2021-2023) are currently being developed and are to be finalised in early 2021[[14]](#footnote-14). The new Strategy will include an expanded set of performance measures and priorities developed under the National Action Plan, with a particular focus on how to accelerate Australia's progress towards zero deaths and serious injuries from road crashes[[15]](#footnote-15).

The *National Road Safety Governance Review* in March 2019 found that: “The results focus in Australia requires an improved focus on Safe System strategy and goals, and their implementation and embedding at all levels of government and in the private sector.”[[16]](#footnote-16)

In line with the NRSS (2021-2030) objectives, in 2020 the Victorian Government developed the *Victorian Road Safety Strategy 2021–2030* which aims to “halve road deaths and reduce serious injuries by 2030 and put us on the path to eliminating road deaths by 2050”.[[17]](#footnote-17)

This new strategy extends on Victoria’s former *Towards Zero strategy and Action Plan 2016-2020* which was in line with the NRSS (2011-2020) objectives. The *Towards Zero* strategy was aimed at reducing the number of lives lost on Victorian roads to below 200 by the end of 2020 and based on the philosophy that human health is paramount and that no one should die or be seriously injured when using the road.

*Towards Zero* acknowledged that people will always make mistakes and that people are vulnerable. As humans, we have a limited physical tolerance to impact speeds above 30 km/h. To achieve zero deaths and serious injuries on the roads, we need to build a road system consisting of safe roads, vehicles, speeds, and people that can protect vulnerable motor vehicle occupants and other road users from human errors. Everyone in the community shares this responsibility. This philosophy is based on Sweden’s *Vision Zero* road safety strategy[[18]](#footnote-18).

Sweden’s *Vision Zero* road safety strategy has been regarded as a world leader in road safety strategy for two decades. *Vision Zero* was established in 1997 as an Act of Parliament in Sweden calling for an end to deaths and serious injuries on Swedish roads. In the absence of ‘passive’ explanations (e.g. vehicles per person, kilometres travelled per vehicle), *Vision Zero* is credited for Sweden’s success in reducing road fatalities from seven people per 100,000 population in 1997 to less than three people per 100,000 population in 2015. A number of Australian states and territories, including Victoria, have based their road safety strategies (a number of which are called Towards Zero[[19]](#footnote-19)) on *Vision Zero*. The *Towards Zero* Strategy Continues to be reviewed and the outcomes are informing strategic initiatives to achieve future goals.

### Road safety initiatives in planning

The Victorian government is currently developing initiatives to increase road safety but with full details yet to be released. As older cars are over-represented in crash and fatality statistics the proposal seeks to get older cars off the road and aims to replace 1,000 older vehicles with safer replacements. There will be two pilot programs with one providing grants to help young people in regional areas replace their older vehicles and a second program to support regional Victorians over 65 on lower incomes with short-term, affordable leases on newer/safer vehicles.[[20]](#footnote-20)

### Registration discount for electric powered passenger vehicles and hybrid vehicles

The current Regulations provide a $100 discount through concessional registration for the registration and renewal of registration of electric powered passenger vehicles and hybrid vehicles. However, this is an area that is changing rapidly and is expected to develop an enormous amount over the remaking period. The Victorian Government is developing an Electric Vehicle roadmap across government to encourage the uptake of Electric Vehicles given the expected availability of vehicles over the next 10 years. This concessional registration remains a useful incentive alongside the other measures the Victorian Government has put in place. The Government has reviewed concessional registration and the intention is that as of 1 July 2021[[21]](#footnote-21) only electric, other zero emission vehicles, hydrogen vehicles and plug-in hybrid electrical vehicles will be eligible[[22]](#footnote-22) for this concession.

## Other relevant legislation, regulations and agreements

In terms of giving effect to Victorian and Commonwealth legislation, there are many provisions of the *RSA*, other laws, and national and international standards that require certain details to be prescribed by regulation to enable the vehicle registration system in Victoria to operate effectively. The lack of such regulations would severely restrict the operation of the *RSA* and the vehicle registration system. For a more detailed description of these other laws, and national and international standards see Appendix 7 of this RIS.

Victorian Government road safety policy is to follow national standards and guidelines unless there is a compelling reason to deviate, based on factors that are unique to Victoria.

### Incorporation of policies and standards into the regulatory framework

Incorporating the policies and other rules into the regulations (as shown in Table 1 below) provides primarily for the mandated minimum safety and environmental standards for vehicles into Victorian law among other things.

Schedule 2 of the proposed regulations sets out the Vehicle Standards that form the standards for registration for light vehicles under the *Road Safety Act 1986* and heavy vehicles under the Heavy Vehicle National Law.

The bulk of remaining vehicle standards are comprised by the Australian Design Rules (ADRs) which are made by the Commonwealth and administered under the *Motor Vehicle Standards Act 1989* (Cwlth) *and Road Vehicle Standards Act 2018* (Cwlth).

Table 1 – Incorporation of polices and standards into the proposed Regulations

| **Policy / Standard / framework / guideline / other law or treaty** | **Description/relationship to proposed Regulations** | **Can policy /standard be varied** |
| --- | --- | --- |
| Victorian Road Safety Strategy 2021-2030[[23]](#footnote-23) | Background policy document as adopted by Victorian Government of the day. | No, it would be superseded by additional policy statements of the Victorian Government of the Day |
| National Road Safety Strategy 2011-2020 (NRSS (2011-2020))[[24]](#footnote-24) | Background policy document as adopted by Victorian Government of the day. | No, it would be superseded by additional policy statements of the Road Transport Council |
| Australian Design Rules (ADRs)[[25]](#footnote-25) | These are the bulk of standards for vehicle safety, anti-theft measures, occupant protection, structures, lighting, noise, engine exhaust emissions, braking, and a range of other items under the draft regulations and are administered under the Commonwealth *Motor Vehicle Standards Act 1989* (Cwlth) *and Road Vehicle Standards Act 2018.* Implements and maintains a national scheme. | Yes |
| *Motor Vehicle Standards Act 1989[[26]](#footnote-26)* | An Act of the Commonwealth of Australia under which the ADR's are administered for vehicles supplied to market or manufactured *prior to 1st*  *July 2021.* | Yes |
| *Road Vehicle Standards Act 2018* (Cwlth)*[[27]](#footnote-27)* | An Act of the Commonwealth of Australia under which the ADR's are administered for vehicles supplied to market/manufactured *on or after 1st of July 2021.* | Yes |
| International vehicle regulations made under the authority of the United Nations Economic Commission for Europe (UNECE)[[28]](#footnote-28) | Some of these may be adopted in Schedule 2 as standards under the regulations. | Yes – standards may be amended from time to time by the entity controlling the particular standard. |
| International vehicle importation regulations made under the authority of the World Trade Organisation (WTO) and Asia Pacific Economic Cooperation (APEC) | These regulations do not influence amendments to ADR's made under the *Motor Vehicle Standards Act 1989* *(Cwlth)* and the *Road Vehicle Standards Act 2018 (Cwlth).* | Yes |
| National Code of Practice for Light Vehicle Construction and Modification[[29]](#footnote-29) | The National Code of Practice for Light Vehicle Construction and Modification (Vehicle Standards Bulletin 14) has been prepared by members of the Australian Motor Vehicle Certification Board Working Party in consultation with industry, user groups, government agencies and individuals with an interest in modifying light vehicles and/or building individually constructed light vehicles (ICVs). Assists to implement a national scheme. Vehicles are checked in Victoria under the Vehicle Assessment Signatory Scheme (VASS). | Yes, VSB 14 is revised and updated by the Commonwealth. |
| National Code of Practice for the Approval of Heavy Vehicle Modifications[[30]](#footnote-30) | Standards picked up from Heavy Vehicle National Law (Victoria). Assists to implement a national scheme. Vehicles are checked in Victoria or by interstate equivalents under the under the Vehicle Assessment Signatory Scheme (VASS). | Yes |
| National Exchange of Vehicle and Driver Information System (NEVDIS) requirements[[31]](#footnote-31) | NEVDIS is a national system for sharing State and Territory vehicle registration (including registered operator) and driver licence information and is represented by an agreement entered into by the State of Victoria | Yes, among member states according to the agreement |
| National Damage Assessment Criteria for the Classification of Statutory Write-offs[[32]](#footnote-32) | This is a national standard for determining the level of damage required for light vehicles to be classified as statutory write-offs. Controlling law under the section 16BA and Schedule 6 of the *Road Safety Act 1986* | Yes, as approved by Austroads |

One of the fundamental objectives of the regulations is to ensure that vehicles and trailers meet appropriate standards when they are registered in Victoria. The purpose of this is to ensure registered vehicles are fundamentally safe for use in our community to reduce harm to people and the environment and improve road safety. This is accomplished by the requiring conformance to these nationally agreed upon standards.

Standards may be formulated initially by policy documents by various public and private entities and taken up nationally and internationally. Standards are made legally enforceable rules in Victoria by their incorporation into the Victorian regulations.

In 1989, safety and environment standards for new vehicles including heavy vehicles were enacted in the Motor Vehicle Standards Act. Since that time, Victoria has participated along with the other States and Territories in the maintenance and updating of these standards.

In December 2008, the Australia Government published a consultation RIS for the National Framework for Regulation, Registration and Licensing of Heavy Vehicles setting out a framework for one national system of heavy vehicle regulation, registration and licensing consisting, among other things, of a:

* single regulation entity (a National Heavy Vehicle Regulator) to administer the national heavy vehicle laws
* national heavy vehicle registration scheme established under Commonwealth legislation
* consistent approach to heavy vehicle driver competency and testing standards and heavy vehicle driver training school recognition
* single physical national heavy vehicle driver licence
* body of national heavy vehicle laws encompassing current heavy vehicle regulation, registration, vehicle standards, mass and loading, over-size and over-mass vehicle standards, restricted access vehicles, higher mass limits, licensing, driver fatigue management, speeding and associated compliance and enforcement activities, with the laws making provision for variations to enhance local productivity and over time (and with COAG/Australian Transport Council agreement), pricing and/or network access.

The Heavy Vehicle National Law as passed by the Queensland Parliament, as host jurisdiction of the Law is adopted in Victoria as part of the Heavy Vehicle National Law Application Act 2013. This Law is currently being reviewed by the National Transport Commission.

The Vehicle Standards of the proposed regulations incorporate the Australian Light Vehicle Standards Rules 2015. As mentioned above, those rules are a national model law and are intended to provide the basis for nationally consistent transport law and do not, by themselves, have any legal effect.

## Governance, funding arrangements and activities of VicRoads

### Background to VicRoads Registration and Licencing

VicRoads’ functions under the *RSA* are aimed at achieving the purposes defined in Sections 1(a), 1(ab), 1(b) and 1(c) of the *RSA*, which include:

(a) provide for safe, efficient and equitable road use;

(ab) set out the general obligations of road users in relation to responsible road use;

(b) improve and simplify procedures for the registration of motor vehicles and the licensing of drivers; and

(c) prevent the rebirthing of stolen vehicles.

The Registration and Licensing (VicRoads) division of VicRoads has a management system that is focussed on good governance, efficient service delivery and continuous improvement to optimise resources and processes in accordance with the purpose statements in the *RSA* section 1(b). The ongoing pursuit of improvements to systems and processes, with customer needs at the core of all considerations, ensures continued delivery of effective and efficient outcomes.

On 1 July 2019, VicRoads and Public Transport Victoria came together with the Department of Transport to create a properly integrated transport department. The Victorian Government is reliant on VicRoads to deliver driver licensing and vehicle registration products and services for Victoria. This includes the collection of regulated fees, non-regulated fees and revenue from partner agencies for all licensing and registration activities.

### Governance

VicRoads employs a governance system that utilises organisational, cultural and financial control mechanisms to ensure efficiency, optimal service delivery and integrity.

#### Organisational mechanisms

The key customer interaction points are the Customer Service Centres (CSCs) (in person), Call Centres (by telephone) and digital channels (online transactions). These interaction points are integrated to provide a seamless experience for the customer, irrespective of which channel they use. These channels are enabled and supported by dedicated management and technology. The back-office support functions of finance, strategy, and general management are managed separately from customer facing functions. This allows the delivery of services to the customer to be focussed and efficient.

#### Financial Control Mechanisms

Financial oversight is managed through a budgetary process, which allocates budgets to business areas, categorised by cost type (e.g. capital expenditure, expense category). Cost performance against budget is reported and reviewed monthly across the Department of Transport. Ultimately, financial governance is overseen by the DoT Finance Committee.

The DoT Finance Committee’s membership includes the Secretary of the Department, a number of Deputy Secretaries as well as the Chief Financial Officer (CFO) and other senior Finance personnel. The committee provides oversight on organisational financial activities. The responsibilities of Finance Governance Committee include budget management, reporting and monitoring, financial sustainability, financial compliance, policy and authorisations.

The customer facing business functions (Customer Service Centres, Call Centres, Medical Review etc.) use the Quality Management System (QMS) and the ShiftTrack system to capture the effort (number of transactions and transaction service times) to deliver customer services. The workforce optimisation attributes of these systems track staff capacity and customer demand to efficiently deploy staff to respond to customer demand, ensuring that downtime in minimised.

Procurement is closely managed through policy, systems and procedures, ensuring that budgetary and probity controls are adhered to. Functions are outsourced where the third party can deliver the service more efficiently than VicRoads due to their scale and/or specialisation. All major contracts are exposed to competitive tendering processes and due diligence assessments.

An annual audit program is conducted to ensure compliance with procedures.

#### Services and activities carried out by VicRoads

VicRoads provides a range of licensing and registration services and annually processed approximately 33.65 million customer transactions, including 6.09 million vehicle registrations and 4.81 million licence renewals in 2019/20.[[33]](#footnote-33) These customer transactions are undertaken by external agencies, such as Australia Post (for driver licence photos) or some Councils (for basic VicRoads transactions), with both mail and counter services, as well as, through VicRoads through 38 Customer Service Centres (CSC), Call Centres, specialist business units and online channels. VicRoads also has, authorised service providers (as summarised in Table 4 of this RIS), and driver licence testing providers (motorcycles and heavy vehicles and alcohol interlock etc) and medical review services (occupational testing).

VicRoads collects a range of fees for the Victorian government, enabled by the *Road Safety Act 1986*. Some of the revenue collected via these fees cover the costs of operating VicRoads whilst other revenues are returned to the Government and forms part of consolidated revenue. Regulated fees are divided into three categories: the Services groups, the Permissions groups and the Servicing Agreements groups.

Whilst there are a number of licencing services provided in relation to driver regulations, such as driver licensing related regulations, such as driver behaviour management or medical reviews, these are not covered by the current interim or proposed Regulations and are therefore not summarised.

The following summarises the services provided in relation to vehicle registration activities.

**Services groups**

Section 97A(1) of the *RSA* enables the Department to charge administrative fees for services it provides in connection with the licensing of drivers and the registration of vehicles. Section 97A(2) of the *RSA* provides that the fees for these services (other than a service provided in connection with the assignment of registration numbers) must not exceed the costs of delivering the service. The services authorised by this section include services, such as, licence testing, licence conversion, vehicle inspections, registration transfers, exemption applications, and refund processing.

The relevant services authorised by this section with regards to registration activities include:

* registration administration including the renewal and re-issue of vehicle registrations;
* registration transfers;
* vehicle inspections; and
* information extracts and reports.

This cluster of related services is referred to as a *Services Group* for the purposes of assessing the applicability and appropriateness of fees against the costs of providing the component services in this RIS. An example of activities for registration administration in general include:

* first registration at CSCs (trailers, modified vehicles, second-hand unregistered vehicles and privately imported vehicles);
* concession application assessment and periodic review of concession eligibility;
* management of sanctions imposed by Fines Victoria and Hoon Legislation which prevent renewal and reissue of registration;
* provision of replacement registration certificates;
* provision to make an appointment for verification or change the time or place of an appointment for verification of supporting evidence provided in relation to the application for the issue of a club permit;
* ability to make an appointment for verification or change the time or place of an appointment for verification of supporting evidence provided in relation to an application for vehicle registration if inspection of vehicle is not required;
* updating name and address; and
* refund management, application of written-off vehicle notifications, suspensions and cancellations.

As a more detailed illustrative example, a Light Vehicle Inspection service for a trailer requires customers to contact VicRoads to make an appointment where they learn of all the rules and information required at inspection. They then attend the CSC at the allotted time to have their documentation assessed, followed by the physical inspection of their trailer. If the requirements are met, they pay the registration and plate fees before being issued with a certificate of registration and the plates for the trailer. If the requirements are not met, the customer will need to obtain an unregistered vehicle permit (UVP) before recommencing the process (refer Appendix 2).

**Permissions groups**

There are other regulated fees charged to customers that relate to the granting of a permission (rather than a service) under Section 95(6) of the *RSA[[34]](#footnote-34)*. With regards to registration, Section 95(6) of the *RSA* provides that, “a fee that may be imposed by regulation in relation the registration of motor vehicles or trailers is not limited to an amount that is related to the cost of providing a service[[35]](#footnote-35)”. These clusters of related permissions are referred to in this RIS as *Permissions groups*. Examples of these fees include permissions:

* for a vehicle to be used on the road without registration for a limited time – Unregistered Vehicle Permits (UVP); and
* to operate vehicles without standard registration on public roads with limited use.

The fees for these permissions are often set at amounts that bear a relationship to the registration fees prescribed in the *RSA* as they are a form of registration, albeit with constraints.

For example, with regards to registration permits for Limited Use activities include:

* Permission for a vehicle to be used on the road without registration for a limited time – Unregistered Vehicle Permits (UVP).
* Permission to operate vehicles without standard registration on public roads with limited use.
  + Trade plates (e.g. Dealers, Motor Vehicle Repairers) including General Identification Mark
  + General Identification Mark
  + Club Permits (45 or 90-days) including issue or replacement of a log book.
  + Class O (oversize and overmass light vehicles) registration
* Registration or renewal of recreation motor cycle registration

**Servicing agreements groups**

There are regulated fees charged to service providers which authorises them to provide exclusive services under a servicing agreement with VicRoads under Section 95(6) of the *RSA*. This cluster of authorisations are referred to as *Servicing Agreements Groups*. As with the Permissions groups, these fees are not a charge for a service but for the authority to perform a service on behalf of VicRoads. For example:

* vehicle inspection and registration services provided by Dealers who are also known as Licensed Motor Car Traders (LMCTs).

The fees set for these groups are set at levels comparable to similar services provided by VicRoads, such as vehicle inspections. With regards to inspection and testing an example of an authority is for Licensed Testers to examine, test, and inspect vehicles for their roadworthiness, and issue certificates of roadworthiness (i.e. RWC).

#### Summary of fees and projected annual government revenue

Fees prescribed in the current interim Regulations (and specified in schedules) include the administrative service fees that the Department charges. These fees are:

* indexed automatically when the fee amount is not less than a single fee unit;[[36]](#footnote-36)
* subject to RIS assessment requirements; and
* typically charged to the public and are made transparent in the regulations.

The funds from these fees are paid into either a Trust Fund, called the Roads Fund, or the Victorian State Government Consolidated Fund. There are currently 44 regulated fees (as summarised in Appendix 3 of this RIS).

There are other administrative service fees that the Department charges, which are not prescribed in regulations. These fees:

* do not have automatic fee indexation. Unlike the fees set out in the regulations, these administrative fees are not subject to automatic indexation through the procedure established in the *Monetary Units Act 2004*; and
* are not subject to the *Subordinate Legislation Act 1994* requirements, including the requirement to prepare a RIS.

They include:

* merchant fees, which are passed through to the customer, when payment for licensing and registration fees is made by credit card. These fees are based on a percentage of the payment made. This fee is published on the VicRoads website as it applies to licence and learner permit holders and vehicle operators;
* a service fee of $2.45 (effective 1/1/2018) in relation to quarterly and half yearly registration fee payments (note: holders of concession cards are exempt from this fee). This fee is published on the VicRoads website as it applies to vehicle operators but is not available for light trailers, caravans, or vessels;
* fees charged to toll road operators for providing the details of registered vehicle operators, who have used the toll roads and have yet to make payment;
* fees charged to local councils for providing the details of registered operators of vehicles that have incurred local government penalty notices, such as, parking fines;
* fee charged for services calculated at 2.25% (inclusive of GST) of Gross Revenue remitted to the TAC each month during the Term of the agreement;
* fees charged to Marine Safety Victoria for taking photographs for marine licences and collecting licensing revenue on their behalf;
* fees charged to Victoria Police for taking photographs for firearms licences;
* fees charged to Victoria Police for support of the interface between Victoria Police and VicRoads’ systems; and
* charges for booklets and publications (e.g. Road to Solo Driving) that provide information and assistance to customers in relation to obtaining a driver’s licence and registering a vehicle. This fee is published on the VicRoads website, as it applies to licence and learner permit holders and vehicle operators.

The funds from these fees are paid into the Roads Fund unless otherwise specified in the Regulations.

#### Service delivery costs including direct and indirect costs and projected costs

During the FY16/17 the total cost of delivering registration and licence renewal services through VicRoads and a number of third party service providers and agencies was $208.50 million, as shown in Table 2 below. For the purposes of this RIS, costs and other data related to costs are only presented up to the FY16/17 for the following reasons:

* 2019/20 data is not comparable due to COVID-19, whereas activity is expected to revert to levels more similar to 2018/19 in future.
* For 2017/18 and 2018/2019 there have been limitations to replicating financial data. As discussed in Section 1.4.1 of this RIS, on 1 July 2019, VicRoads and Public Transport Victoria came together with the Department of Transport to create a properly integrated transport department. This operational integration brought corporate service functions from all three entities together[[37]](#footnote-37) including finance. These machinery of government changes included the transitioning of the financial budgetary system away from VicRoads to a centralised model in DoT. Hence, there are difficulties associated with the extraction of data and information on VicRoads’ specific functions (given the ongoing organisational transition) in order to update the original budgetary forecast historically undertaken for FY16/17. DoT researched the possibility of re-engineering existing budgetary data with the goal of producing a sample of more accurate data for the purpose of allocating cost. This investigatory exercise identified that re-engineering the existing data would be too costly from both a time and resource perspective. Moreover, the goal was determined as being unachievable and therefore the exercise did not proceed past initial planning.

Table 2 – VicRoads Costs FY16/17 (including overhead allocations)

| Cost Item | $m |
| --- | --- |
| **Direct Costs** | |
| Management and Strategy | 7.44 |
| Customer Facing Services | 76.65 |
| Customer Support Services | 37.84 |
| Business Systems Support | 22.31 |
| Payment Services | 9.15 |
| CSC Office Depreciation | 0.22 |
| Business Improvement | 5.00 |
| **Total Direct Costs** | **158.62** |
| **Indirect Costs** | |
| Corporate Overheads | 11.85 |
| Systems Depreciation | 27.99 |
| Systems Upkeep | 10.04 |
| **Total Indirect Costs** | **49.88** |
| **Total Costs** | **208.50** |

*Source: VicRoads*

The details of direct and indirect cost are outlined in the following sub-sections.

**Direct Costs**

Direct costs encompass all costs charged to the VicRoads business to perform their functions. It includes direct costs from internal and external suppliers for services provided specifically to VicRoads to support its operations. It excludes any share of corporate overheads. Floor space and desktop facilities are included in staffing costs as part of VicRoads’s Direct Costs. Table 3 provides a list of direct costs groups and a summary of the scope of each group.

Table 3 – VicRoads direct cost groups descriptions

| Cost Group | Description |
| --- | --- |
| **Management and Strategy** | * VicRoads Business management, business and process strategy, program management, investment overview, process optimisation. * Workforce optimisation/management. |
| **Customer Facing Services** | * 38 Customer Service Centres (CSCs) (not including new Licence Testing Centres) and 2 Call Centres provide over-the-counter and telephone services to the Victorian public. These services include responding to enquiries, conducting drive tests, issuing permits, exemptions management, vehicle inspections, and vehicle transfers. |
| **Customer Support Services** | * Management of third-party service providers - Motor vehicle dealers, Licensed Testers, point of sale agencies (e.g. Australia Post). * Contract management of suppliers who provide services to VicRoads – including print, mail, licence cards, and number plates. * Provision of specialist customer services:   + Medical review services   + Alcohol interlock management services   + Subject Matter Expert (SME) support to the CSCs   + Customer reporting   + Offence management     - Demerit point and other sanction (suspensions & cancellations) processing     - Appeal outcome processing * Finance support – customer billing, dishonours, TAC and partner processing support. |
| **Business Systems Support** | * Policy planning. * Development and maintenance of business rules. * Production of customer communications material - brochures, website, notices etc. * Conduct of internal reviews. * Systems management, data analysis, reporting, and support. |
| **Payment Services** | * Processing of charges for credit card transactions and Australia Post, Agents and BPAY fees. |
| **CSC Office Depreciation** | * CSC related depreciation costs. |
| **Business Improvement** | * Non-system business improvement projects/initiatives, such as document controls, work instructions, process re-engineering, culture development |

**Indirect Costs**

Indirect costs encompass costs not directly incurred by VicRoads, including:

* a portion of the annual costs of corporate management. The functions that are shared across VicRoads include management accounting, legal services, and human resources
* the estimated annual cost to provide VicRoads’s Information Technology business systems (i.e. excluding desktop applications) based on the expected long-term costs to build and maintain those systems to support the delivery of the projected services required over the next 10 years.

Table 4 provides a list of indirect cost groups, the portion allocated to VicRoads, and a summary of the scope of each group.

Table 4 – VicRoads Overhead Cost descriptions

| Cost Group | Description |
| --- | --- |
| **Corporate Overheads** | A share of corporate overheads is allocated to VicRoads, using either EFT numbers or total divisional expenditure, as there is no staff activity recording for these corporate cost areas that would enable a more accurate allocation of cost.   * EFT proportion (VicRoads is 23.5% of total VicRoads) has been used to apportion costs from functions that include Corporate Management, People and Culture, Marketing and Business Transformation costs; and * Expenditure (VicRoads is 8.2% of total VicRoads) has been used to apportion costs from functions that include Finance, Legal, Risk and Purchasing function costs. |
| **Systems Depreciation** | The investments in system development is not a fixed sum year on year. There are peaks and troughs in expenditure depending on the suite of initiatives, available funds and requirements for change. A ‘total cost of ownership’ approach has been applied to assess, over the long term (10 years and more), the costs of provisioning an Information Technology environment that meets the needs of the day. This approach then enables the application of a standard annual Information Technology infrastructure cost when determining the total cost to deliver the registration and licensing services.  The systems investment has been broken into two groups:   1. **Core systems**, including the bespoke legacy Vehicle Registration Identification System (VRIS) and the Driver Licensing Systems (DLS), enable the technology functions to run the VicRoads business. There has been extensive investment and development in both modern contemporary digital systems and in the ability to abstract service development away from the mainframe legacy systems. Whilst existing legacy technology still remains an important repository of data and older workflows, new service delivery such as eTransfers have been deleveraged from this older technology – and in doing so reducing the cost of delivery. The current digital technology stack under Sitecore utilises the best global technologies for scaled transactions through AWS smart workflows, customer notifications, elastic hosting services and optimisation. Sitecore is also a leading enterprise grade digital experience platform, eCommerce capability and content hub providing the user interface. 2. **Supplementary systems** (i.e. telephony applications, productivity/workforce management applications, web applications, tactical customer management applications, standard business applications etc.), which have a typical life of 4-6 years before a major overhaul or replacement is required. |
| **Systems Upkeep** | All systems (core and supplementary) require ongoing investment to maintain currency of the systems to meet the demands of the market. Examples of this include system version upgrades (vendor updates), configuration updates, new service or product offerings, catering for organisational change and customer demands, and compliance requirements to meet changes in legislation and regulations.  DLS and VRIS are bespoke applications built on legacy technology. Changes to these systems are significantly more expensive than modern ERP applications as much of the current functionality is hard coded. It is expected that during the new regulatory period, a core systems replacement will occur after which time the systems upkeep costs will lower.  Recent system updates include online capability enhancements, customer and case management applications, payment option enhancements, short-term registration introduction, and various process improvements. These developments cost $14.46m in FY15/16 and $18.18m in FY16/17. |

**Projected costs**

Table 5 shows the projected VicRoads cost of services in Present Value terms for the first four financial years of the next regulatory period.

Table 5 – Projected VicRoads Costs (Present Value)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Cost Item | Actual | Projected | | | |
| **FY16/17 $m** | **FY20/21 $m (PV)** | **FY21/22 $m (PV)** | **FY22/23 $m (PV)** | **FY23/24 $m (PV)** |
| **Direct Costs** | | | | | |
| Management and Strategy | 7.44 | 9.00 | 9.00 | 9.00 | 9.00 |
| Customer Facing Services | 76.65 | 91.81 | 93.59 | 95.40 | 97.26 |
| Customer Support Services | 37.84 | 60.13 | 61.13 | 62.17 | 63.23 |
| Business Systems Support | 22.31 | 21.38 | 21.21 | 21.04 | 20.88 |
| Payment Services | 9.15 | 15.29 | 15.68 | 16.07 | 16.47 |
| CSC Office Depreciation | 0.22 | 0.22 | 0.22 | 0.21 | 0.21 |
| Business Improvement | 5.00 | 5.15 | 5.10 | 5.05 | 5.00 |
| **Total Direct Costs** | **158.62** | **202.99** | **205.93** | **208.94** | **212.04** |
| **Indirect Costs** | | | | | |
| Corporate Overheads | 11.85 | 29.05 | 28.70 | 28.35 | 28.00 |
| Systems Depreciation | 27.99 | 10.43 | 10.30 | 10.17 | 10.05 |
| Systems Upkeep | 10.04 | 12.76 | 12.76 | 12.76 | 12.76 |
| **Total Indirect Costs** | **49.88** | **52.24** | **51.76** | **51.28** | **50.81** |
| **Total Costs** | **208.50** | **255.22[[38]](#footnote-38)** | **257.68** | **260.22** | **262.85** |
| ***Total Costs per Customer[[39]](#footnote-39)*** | ***$49.04[[40]](#footnote-40)*** | ***57.25*** | ***56.90*** | ***56.56*** | ***56.24*** |

*Source: VicRoads*

The 4-year period from FY20/21 to FY23/24 (inclusive) was chosen for the evaluation as it is a period where there is a reasonable level of confidence about the forecast assumptions (see Appendix 4). A longer period (e.g. through to the end of the regulatory period FY29/30) would be subject to excessive uncertainty given the likely development of automated vehicles and the consumption of vehicles-as-a-service, which are expected to produce a step change in market fundamentals. The timing for these developments and degree of impact at this stage cannot be reliably predicted for the purpose of forecasting cost and revenue. Whilst the fees are to be set for the full regulatory period (10 years), the Department will conduct a mid-term re-evaluation of the regulated fees. This mid-term fees re-evaluation will include the development of an activity-based cost (ABC) model that will enable a full review of the regulated fees to be completed by the fourth quarter of 2026. This review will examine whether there has been substantive divergence from the forecast assumptions or there is an imminent change that warrants a change to fees.

#### Allocation of costs to ‘higher level’ services including a description of the current business system rules employed by the VicRoads division of VicRoads.

Over many years the Victorian government has increasingly been recovering some or all the cost of various activities from consumers of its services to improve efficiency and equity outcomes. This has been achieved through fees that reflect the costs of services or activities that, at least in part, provide private benefits to individuals, entities or groups, or reflect the costs their actions impose.[[41]](#footnote-41)

VicRoads has not yet established its systems and processes to capture costs at a level of granularity or in a fashion that facilitates adherence to the cost recovery guidelines. DoT will develop an activity based costing (ABC) model in consultation with VicRoads and DTF – to be completed by the fourth quarter of 2026.

**Allocation of cost to services at a ‘high level’**

Customer Services Centres (CSCs) track transaction types, volumes and handling times for each transaction through an application called Quality Management Systems (QMS). This application enables the allocation of costs to services *at a high level* based on the effort recorded per transaction.

QMS is the system used to manage the queue of customers at the CSC by allocating tasks to available staff based on the requested service and matching it to the skillset of the customer centre operators on the counter. The system records the transaction type and time taken to process and close out each transaction. When a customer seeks multiple services (e.g. name and/or address change plus registration transfer plus replacement licence) the customer service centre operator records when the first transaction type ends, and the next transaction type begins. Whilst individual transactions may vary in length, this system calculates the average time taken for each transaction to enable the costs of the business unit to be apportioned to the services delivered based on the relative effort applied to that service.

Other specialist customer support business units (Alcohol Interlocks, Medical Review, and Licensing and Registration Services) adopt a similar approach to capturing effort *but with less detail*. Still the costs of these functions are able to be allocated to the specific tasks performed at a ‘high level’.

The Call Centres use the ShiftTrack system to perform call management, workforce management and IVR management functions to achieve similar outcomes to QMS.

The costs associated with the VicRoads support business units, which support the customer facing operations (e.g. VicRoads management, strategy, business systems), and corporate overheads are allocated to each activity based on the customer facing effort derived from QMS and ShiftTrack.

Major third-party contracts (e.g. licence cards, plates, mail receipt and processing, print and post, agency fees, merchant fees) are allocated directly to the applicable service.

Information technology related costs (e.g. systems depreciation, operational support, and systems upkeep) are allocated to each service based on a combination of transaction volumes and transaction complexity (e.g. look-up transactions have a lower weight than transactions that involve processing, updating and calculating) to reflect the impost a transaction places on the technology environment.

**Limitations to the cost allocation system**

However, there are limitations with the aforementioned system of allocating costs (i.e. the categories of transactions used in QMS and/or ShiftTrack do not match with the categories of transactions used for setting fees). For example, with regards to fees charged to Services Groups as discussed in Section 5.4 of this RIS – the cost allocation at the high-level business unit ‘Registration Administration – General’, is estimated to be $4.44 million for FY2019/20. However, the current business system does not provide for the allocation of costs to *unique outputs* as represented by regulated fees. In other words, the costs of the following unique outputs remain unknown:

* Fee to make an appointment for verification or change the time or place of an appointment for verification of supporting evidence provided in relation to an application for vehicle registration if inspection of vehicle is not required (r.28)
* Fee to make an appointment for verification or change the time or place of an appointment for verification of supporting evidence provided in relation to the application for the issue of a club permit (r.161)
* Issue of a replacement certificate of registration (rr.39 and 52); and
* Processing a refund relating to cancellation or change of vehicle registration (r.106(3))

Therefore, any primary allocation of costs cannot be used to meet DTF cost recovery guidelines to ensure fees reflect the costs of services or activities (i.e. the allocation is not fit for purpose).

#### Constraint for VicRoads to utilise an adequate cost model for the identification of costs on a per fee basis

Cost data is estimated on the basis of the VicRoads budgeting system (constructed around five years ago) to assist in decision-making. However, as discussed above, the high level outputs captured by the VicRoads budgeting system is not sufficient to form the basis of an activities-based costing model of regulated fees and is the subject of a planned review. The review will be conducted to develop an ABC model which could be used to estimate fully attributed costs of each unique output and hence the fees that, on a cost-reflective basis, could be charged for those services. Notwithstanding that the organisation is in a state of change it, nonetheless, maintains a commitment to develop an activity-based costing (ABC) model by quarter four 2026.

## The Base Case

Where a statutory rule is made to replace an existing statutory rule that is automatically being revoked in accordance with section 5 of the *Subordinate Legislation Act 1994* (i.e. ‘sunsetting’), the appropriate base case is no regulation.[[42]](#footnote-42)

The base case provides the benchmark for estimating incremental costs and benefits of the proposed Regulations. In the case of sunsetting regulations, the term ‘base case’ refers to the situation that would exist, if the existing regulations were allowed to expire without being replaced.

The base case components include:

* relevant market forces, that is, what stakeholders would normally do in the absence of Vehicle Registration Regulations;
* the relevant provisions of the *RSA*;
* the relevant provisions of other legislation and regulations, e.g. *Motor Vehicles Standards Act 1989*,[[43]](#footnote-43) *Crimes Act 1958*,[[44]](#footnote-44)etc; and
* the relevant national and international standards and frameworks, e.g. *Heavy Vehicle (Vehicle Standards) National Regulation 2013*,[[45]](#footnote-45) *National Code of Practice for Light Vehicle Construction and Modification*,[[46]](#footnote-46) ISO 3779[[47]](#footnote-47) etc

Where deviations from the existing Regulations were considered, the current interim Regulations are used as the reference case to compare options. This is due to the analytical difficulty of using the true base case of no regulations, where there are large, well-established and long-running schemes. A base case of ‘no regulations’ would be difficult to construct with accuracy and would result in less clarity for stakeholders.

# Nature and Extent of Overarching and Specific Problems

This section of the RIS discusses the residual overarching problems of allowing the interim current Regulations to sunset without making the proposed Regulations, and therefore, with the residual problem considered from a ‘reference-point’ of having no regulations (as discussed in Section 1.5 of this RIS).

Section 2 of this RIS also covers residual specific problems to be addressed in *order of impact or significance* either through:

* amendments to the current interim Regulations via ***regulatory proposals*** or
* ***policy issues for consultation that we are seeking feedback on*** which have not been drafted into the proposed Regulations but are important issues for the Victorian community in relation to safety, cost and efficient administration of related schemes.

In the case of the discussion of residual *specific* problems, such problems are considered from a ‘reference-point’ of the current interim Regulations.

A separate discussion of fee related problems is discussed in Section 2.4 of this RIS.

## Nature and extent of overarching problems of having no Road Safety (Vehicles) Regulations

### Nature of the overarching residual problems of having no regulations

The operation of motor vehicles poses road safety risks that require appropriate regulation to minimise their potential adverse impact on the number of lives lost on Victorian roads.

The key risks are:

* that vehicles and their operators cannot be identified, so the operators of these vehicles cannot be held responsible for the safety of the vehicle and offences and incidents involving the vehicle; and
* that vehicles are not maintained adequately, so that deterioration with use and age result in the vehicles becoming unsafe for use on public roads.

The proposed Regulations address these risks by ensuring that:

* vehicles and operators are easily identifiable to facilitate the application and enforcement of road safety laws and obligations
* vehicles remain safe with proper maintenance, despite their deterioration with use and age.

If the proposed Regulations are not made, much of the intent of the *RSA* would not be put into effect, especially those provisions that specify measures being established “by the regulations” or “in accordance with the regulations”[[48]](#footnote-48).

### Extent of the overarching problems of having no regulations

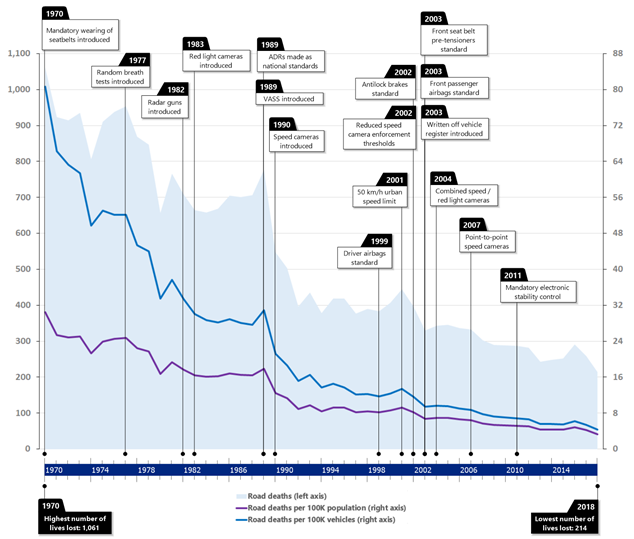
The data on lives lost on Victorian roads since 1970 shows a significant improvement in road safety. The number of lives lost each year decreased from 1,061 in 1970[[49]](#footnote-49) to 211 in 2020.[[50]](#footnote-50) In the same time that the number of lives lost decreased by 80%, the Victorian population increased by 97% (from 3.4 million[[51]](#footnote-51) to 6.7 million[[52]](#footnote-52)) and the number of motor vehicles registered in Victoria increased by 369% (from 1.3 to 6.1 million[[53]](#footnote-53)).

Figure 1 illustrates the reduction in lives lost on Victorian roads between 1970 and 2018, not only in terms of the number of lives lost each year, but also in terms of the number of lives lost per 100,000 population (from (89% reduction) and per 100,000 registered motor vehicles (95% reduction). It also maps key developments in motor vehicle safety design and engineering (including when key safety devices became fitted as standard in best-selling vehicles), and regulatory interventions, such as, mandatory seat belt laws, road safety cameras, and vehicle standards.

The dramatic reduction in road deaths in absolute terms, and the even more dramatic reductions in road deaths relative to Victoria’s growing human and vehicle populations, cannot be attributed to any single factor. Contributing factors include developments in roads and road infrastructure, vehicle design and engineering, driver training and education, public culture and attitudes, and laws and law enforcement measures. Emeritus Professor and former head of the Centre for Automotive Safety Research at the University of Adelaide Jack McLean[[54]](#footnote-54) stated that car design and regulations have “had a huge effect… there’s no doubt that as changes come about it limits the increases in the road toll.”

The *Victorian Road Safety Strategy 2021–2030* and accompanying policies are aimed at continuing to minimise road deaths and serious injuries. Some degree of risk has to be accepted. For example, road trauma could be almost eliminated by banning all motor vehicles from public roads, but the cost of doing so would be unacceptable to the community.

Figure 1 – The number of road deaths in Victoria 2018



*Source: Department of Transport 2020*

#### Value of Statistical Life

At an emotional and a moral level, human life is priceless. The cost of road deaths and serious injuries to families and loved ones goes beyond that which can be measured in economic terms. At an economic and public policy level, however, road deaths and serious injuries have very significant costs that can be measured in economic terms. Such costs directly include medical treatment, insurance claims, loss of income, ongoing care etc., and indirectly include loss of economic activity, such as working, caring for others, paying tax, consuming goods and services, saving and investing etc. These costs need to be estimated so that an objective cost of road trauma can be established.

This objective cost provides a basis for evaluating public policy proposals aimed at reducing road trauma and its costs. A balance needs to be found whereby the cost of a proposed intervention can be assessed against the reduction in the cost of road trauma, not only to decide whether it is worth doing at all, but also to assess whether there are better ways of achieving the same effect.

Public policy seeks to quantify the cost of road deaths using the ‘Value of Statistical Life’ (VSL) concept. The VSL captures the lost potential of an individual to society in economic and social terms. It is an estimate of the financial value society places on reducing the number of deaths by one. Several empirical studies have derived estimates for VSL. In reviewing the studies relevant to Australia, the estimates of VSL range from $3m to $15m. In June 2013, Australian Transport Assessment and Planning, issued willingness to pay parameter values for crash costs including $7.43 million and $7.34 million (2013 dollars) for the value of statistical life for urban and non-urban areas, respectively.[[55]](#footnote-55) In 2020, the Value of statistical life is estimated to be an average of around $8.56 million[[56]](#footnote-56).

#### The cost of road trauma

The costs of road trauma in Victoria in 2006 and 2020 are compared in Table 6 below.

Table 6 – In 2020, road trauma cost almost $3.3 billion in Victoria

| **Item** | **2006 (2020 dollars)** | **2020 (2020 dollars)** | **Change (%)** |
| --- | --- | --- | --- |
| **Road fatalities** | 337[[57]](#footnote-57) | 211[[58]](#footnote-58) | 🡫 37.39% |
| **Hospitalised injuries** | 8,225[[59]](#footnote-59) | 6,388[[60]](#footnote-60) | 🡫 22.3% |
| **Average cost per fatality (VSL)** | $8.56 million | $8.56 million[[61]](#footnote-61) | - |
| **Average cost per hospitalised injury[[62]](#footnote-62)** | $110,154 | $236,934 | 🡩 115.1% |
| **Total cost of road fatalities (VSL)[[63]](#footnote-63)** | $2,885 million | $1,807 million | 🡫 37.4% |
| **Total cost of hospitalised injuries – TAC claims** | $906 million[[64]](#footnote-64) | $1,513 million[[65]](#footnote-65) | 🡩 67.1% |
| **Total cost of road trauma** | **$3,791 million** | **$3,320 million[[66]](#footnote-66)** | **🡫 12.43%** |

Costs estimates in Table 6 around hospitalised injury relate specifically to medical care and are likely to be low estimates as they do not include the costs of losses to wellbeing and productivity.

The year 2006 was selected as the baseline year for this comparison because the Commonwealth Government Bureau of Infrastructure, Transport and Regional Economics (BITRE) published an authoritative study of the cost of road crashes in Australia using data from that year.[[67]](#footnote-67) The dollar costs for both years are expressed in 2020 dollars, i.e. the 2006 dollar costs have been adjusted for inflation between 2006 and 2020.[[68]](#footnote-68)

Between 2006 and 2020, the numbers of road deaths and hospitalisations decreased by 36.8% and 22.3%, respectively. The total 2020-dollar costs of road deaths and hospitalisations also decreased but by a lower rate of 12.46% during that time, due to the increasing costs of more advanced medical care.

In real terms, Transport Accident Commission (TAC) claims for hospitalised injuries increased by 67.1% between 2006 and 2020. However, because there were *fewer* hospitalised injuries in 2020 than there were in 2006, the real cost *per hospitalised injury* increased by 115.1%.

The Victorian Government *Towards Zero 2016-2020[[69]](#footnote-69)*road safety strategy has a short-term goal of reducing annual road deaths in Victoria to below 200 by the end of 2020. Road deaths in Victoria fell to their lowest levels in 2020 to 211 and close to the *Towards Zero* target. Beyond 2020, more significant reductions will be required to significantly reduce the economic cost of road trauma in Victoria, which approached $3.3 billion in 2020. To that end, the *Victorian Road Safety Strategy 2021–2030* which aims to “halve road deaths and reduce serious injuries by 2030 and put us on the path to eliminating road deaths by 2050”[[70]](#footnote-70) will continue making significant reductions in the economic costs of road fatalities and serious injuries.

#### Cost of road trauma – hypothetical estimate

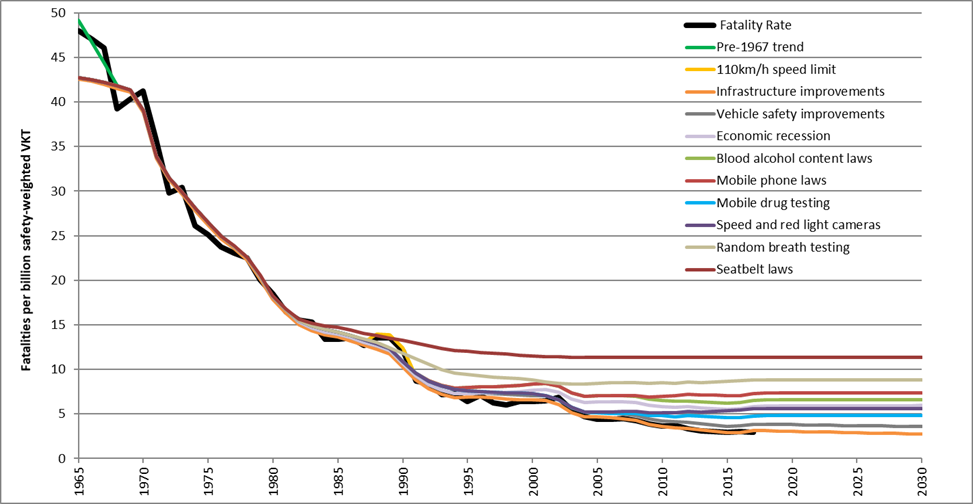
The most fundamental functions of a vehicle registration system are to identify vehicles and their operators, so that operators can be held responsible for the safety of their vehicles, and road incidents and offences involving their vehicles.

Without the ability to identify vehicles and their operators, 1.08 million speeding and traffic light offences, totalling $288.49 million in road safety camera fines[[71]](#footnote-71) and approximately 0.57 million demerit points*[[72]](#footnote-72)* would not have been able to be enforced in the 2019/20 financial year because the vehicles detected by road safety cameras would not have been able to be identified. This would have risked a very significant, if not total, reduction in the ability of road safety cameras to enforce road safety speed and traffic light laws, which would remove a major incentive to comply with these laws. As a result, deterrence and detection of traffic offences such as speeding and disobeying traffic lights would rely entirely on police being present when the offence is committed and being able to intercept the vehicle before it gets out of their sight.

In 1990, when mobile speed cameras were introduced across Victoria, the number of road fatalities fell by 30%, from 17.8 per 100,000 population in 1989 to 12.5 per 100,000 population in 1990 (i.e. by 5.3 fatalities per 100,000 population in one year).[[73]](#footnote-73) This was one of the most significant and sustained decline in road fatalities per 100,000 population in Victorian history, and was another element complementing the significant initial and sustained effects of the introduction of compulsory seat belts in 1970 and random breath testing in 1977.

BITRE recently modelled the impact that various road safety developments and regulatory interventions have had on state and territory road fatality rates since 1965.[[74]](#footnote-74) Figure 2 below shows the effects of the various factors that contributed to fewer deaths on Australian roads since 1965.

Figure 2 – Reduction in Road Deaths



*Source: Bureau of Infrastructure, Transport and Regional Economics*

Alongside regulations and law, the Victorian Government, through agencies such as Transport Accident Commission (TAC)[[75]](#footnote-75) and Victoria Police[[76]](#footnote-76) implement various, and sometimes concurrent, education campaigns associated with initiatives to reduce road toll by highlighting the importance of safety measures to the community. These are often promoted through the media and internal initiatives to target specific aspects of road safety. Examples of campaigns include the “When you’re on your phone, you’re driving blind” and “Think of us before you drive” campaigns Over time the combination of the education campaigns[[77]](#footnote-77) has driven learning in the community about how they individually contribute to safety on the road. It is a suite of initiatives and education campaigns that work together to create awareness and behavioural change to reduce the road toll.

The additional reduction in billion safety-weighted vehicle kilometres travelled (SWkt) fatalities attributable to road safety cameras is around -3.2 to -3.3.[[78]](#footnote-78) The Safety-Weighting (SW) for vehicle kilometres travelled (vkt) takes into account the inherent differences in safety between different classes of vehicle and the safety effects in the time-series of shifts in fleet composition[[79]](#footnote-79). To derive SWvkt, -truck vkt is multiplied by 2.0, bus vkt by 1.5, motorcycle vkt by a country‑specific risk weight and mopeds by half the motorcycle weight. Without the ability to identify vehicles and their operatorsestablished by the regulations, this reduction in fatalities could be reversed from 2021, at a potential cost of an additional 229 fatalities (based on the 108.7% increase from 3.0 to 6.25 fatalities per SWvkt), and an estimated additional 6,918 serious injuries.

Table 7 provides an illustrative estimate of the economic cost of this additional road trauma in 2020 at approximately 3.6 billion dollars per year in 2020 dollars, over and above what it would be under the existing 2020 interim Regulations, should it not be possible to identify vehicles and vehicle operators to enforce road safety.

Table 7 – The absence of a vehicle registration system would have cost an extra estimated $3.6 billion in 2020

|  | **2020** **(current interim regulations)[[80]](#footnote-80)**  **+** | **Additional road trauma (without vehicle registration system)**  **=** | **Revised 2020 estimate** |
| --- | --- | --- | --- |
| **Road fatalities** | 211 | 229 | 440 |
| **Cost per fatality (VSL)** | $8.56 million | $8.56 million | $8.56 million |
| **Hospitalised injuries** | 6,388[[81]](#footnote-81) | 6,942 | 13,330 |
| **Cost per hospitalised injury** | $236,934 | $236,934 | $236,934 |
| **Cost of road fatalities (VSL)** | $1,807 million | $1,963 million | $3,770million |
| **Cost of hospitalised injuries – TAC claims** | $1,513 million | $1,645 million | $3,158 million |
| **Total cost of road trauma (2020 dollars)** | **$3,320 million** | **$3,608 million** | **$6,928 million** |

The estimated additional road deaths and serious injuries are based only on the hypothetical absence of a vehicle registration system that enables vehicles and vehicle operators to be identified, so that operators can be held responsible for road incidents and offences involving their vehicles. It does not estimate a full ‘base case’ scenario whereby the current Regulations are allowed to sunset without being re-made as the proposed Regulations. The effect of allowing other regulations, such as those relating to roadworthiness, to sunset would add to the above estimate, as safety inspections would no longer be mandated on transfer or re-registration of a vehicle.

## Nature and extent of specific problems with respect to current interim Regulations

The following discussion of specific problems associated with the current interim Regulations are provided in order of significance and impact on Victoria. That is to say, the current interim Regulations serves as the ‘reference point’ for the discussion for problems and issues presented in this section.

### Nature and extent of the problem in relation to the Written Off Vehicles

#### Background to written off vehicles

The *RSA* requires that all light vehicles that are written off in Victoria are to be recorded in the Victorian Written Off Vehicle Register (WOVR)[[82]](#footnote-82), and cannot be re-registered, except as permitted by the Regulations[[83]](#footnote-83). Written-off vehicles can be classified as either a Repairable Write-Off (RWO)[[84]](#footnote-84), eligible for repair and re-registration, or a Statutory Write-Off (SWO), deemed only for parts or scrap metal. As a point of comparison, the current approach to written-off vehicles in NSW is summarised in Appendix 5. In NSW all written off vehicles that do not meet exemption requirements are classified as SWOs. NSW does not allow written-off vehicles to be re-registered, except for the circumstances where:

* there is no non-repairable damage which includes excessive fire, stripping, water or structural damage or excessive structural damage to three or more identified areas; and
* the vehicle fits one of the exempt categories[[85]](#footnote-85)

Furthermore, as confirmed by a media statement on the 19th of March 2021, Queensland are looking to adopt a similar approach to NSW such that “Light vehicles, which are considered uneconomical to repair, will be categorised as statutory written-off vehicles and become ineligible for re-registration...[and]…Vehicles will then only be permitted to be repaired where they meet specific exemption criteria.”[[86]](#footnote-86)

Table 8 summarises the volume of SWOs and RWOs in the last 5 years in Victoria.

Table 8 – The number of SWOs and RWOs 2016 to 2020 - Victoria

| **Year** | SW0 | RWO | Total | SWO % | RWO % |
| --- | --- | --- | --- | --- | --- |
| 2016 | 14,862 | 34,649 | 49,511 | 30.0% | 70.0% |
| 2017 | 14,909 | 35,749 | 50,658 | 29.4% | 70.6% |
| 2018 | 15,321 | 52,700 | 68,021 | 22.5% | 77.5% |
| 2019 | 14,634 | 45,385 | 60,019 | 24.4% | 75.6% |
| 2020 | 14,191 | 35,361 | 49,552 | 28.6% | 71.4% |
| **TOTAL** | 73,917 | 203,844 | 277,761 | 26.6% | 73.4% |

*Source: VicRoads*

The ability to repair and re-register vehicles that have previously been written off has historically been justified as providing the community with a source of cheap late model used cars. Between 2009-2010 and 2018-2019, there was a significant decrease in the price of new cars, in both nominal and inflation-adjusted terms. This real deflation in new car prices flowed through to used car prices. In 2019 there were a relatively small number of written-off vehicles that have been repaired and re-registered (i.e. 5,179 written-off vehicles inspected and 2,606 certified for registration[[87]](#footnote-87)) – which seemed to have no significant effect on used car prices, or the availability of safe and affordable used cars, in a used car market comprising around 595,000 vehicles each year[[88]](#footnote-88).

However, during 2020 and arising mainly from COVID-19 and despite only 4,225 written-off vehicles inspected in 2020 with 1,903[[89]](#footnote-89) certified for registration, used car sales prices have been increasing due to:

* individuals feeling less inclined to utilise public transport therefore needing a personal mode of transportation (demand side pressures); and
* vehicle importation constraints (Supply side pressures)[[90]](#footnote-90).

It is unknown at this stage how long this new price trend will continue for used cars and whether or not written-off vehicles that have been repaired and re-registered might play a bigger role in used car affordability in the near future.

The current Regulations restrict light vehicles over fifteen years old from being reported to the WOVR when they are written off, and allow vehicles assessed as RWOs to be re-registered in Victoria provided they undertake a Vehicle Identity Validation (VIV) inspection and a VIV certificate and Certificate of Roadworthiness is provided at registration

#### Safety issues in relation to repairable write-offs

RWOs have a number of safety-related issues including:

* an over-representation of older vehicles with fewer safety features to prevent and survive crashes;
* inadequate damage assessment[[91]](#footnote-91) and potentially unsafe repairs[[92]](#footnote-92);
* a very high likelihood of being written off a second or subsequent time (since 2013, 15.6% of repaired written-off vehicles have been written off a second or subsequent time, compared to less than 1% of the broader fleet being written off a first time)[[93]](#footnote-93); and
* these vehicles being three times more likely to be involved in serious injury crashes, and 47% more likely to be involved in fatal crashes[[94]](#footnote-94).

Individuals or Licenced Motor Car Traders (LMCTs) purchase repairable write-offs cheaply and repair them either for the purpose of keeping the vehicle or selling the vehicle on. An illustration of the RWO lifecycle is illustrated in Figure 3 below.

Figure 3 – RWO vehicle lifecycle

Registered vehicle is involved in accident and taken to insurer/panel repairer for assessment

Assessor’s assessment of cost to repair and salvage value provided to insurer.

Insurer assesses vehicle as repairable write-off

Insurer provides vehicle to auction house for sale, or sells it back to previous owner

Individual, panel repairer, motor wrecker, LMCT buy RWO vehicle and undertake repairs, or dependent on damage, may dismantle the vehicle and use for spare parts 

When repaired, vehicle is inspected by VicRoads VIV inspector to ascertain damage has been repaired and complies with manufacturers standards 

Repaired RWO vehicle is presented for registration with VIV and RWC certificate and is registered

Insurers, self insurers, auction houses (LMCTs) advise DoT/VicRoads of vehicles assessed as RWO or SWO, via the WOVR Online system

Motor vehicle wreckers advise DoT/VicRoads of vehicles assessed as RWO or SWO by sending in WOVR forms for processing.

*Source: Rivers Economic Consulting*

*Source: Rivers Economic Consulting*

VicRoads has advised it is current practice for Insurers to use their own in-house assessors or outsource the assessment of damaged vehicles to panel repairers who assess the vehicle as an RWO. The panel repairers may then buy the RWOs cheaply through auction for repair. Booking rates by individuals to have RWOs inspected for 2019 were:

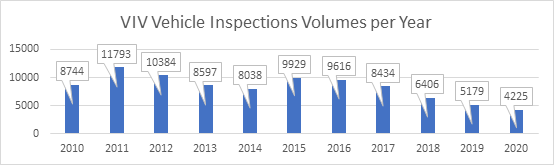
* 1 individual booked 109 vehicles and was not an LMCT;
* 100 individuals each booked more than eight vehicles;
* 528 individuals booked more than one vehicle; and
* 1,411 individuals booked one vehicle[[95]](#footnote-95).

The issue here lies primarily with the type of damage that vehicle owners want to fix as there may be structural integrity issues. Moreover, apart from the type of damange to be repaired there is the question of who is undertaking the repairs. Repairs to RWOs can be undertaken by individuals themselves or third party repairers. There is a possibility that third party/self-repairers may attempt to cut corners to reduce the cost of a repair. This adds further risk to safety with regards to RWOs. VicRoads advises that VIV appointment data indicates that only 45% of vehicles that are inspected pass – indicating that customers/repairers attempt to cut corners to try pass the inspection. Despite a rigorous inspection regime, it is unknown how much non-repaired damage may not get picked up at inspection.

The Vehicle Identity Validation (VIV) scheme was set up to detect stolen vehicles however the emphasis has shifted over time also include whether or not RWO vehicles have repaired properly. There were 50 centres originally selected by the VACC in conjunction with VicRoads as suitable to be on the VIV scheme. There are now only ten VIV centres currently active falling from 27 in 2015 due to authorisation revocation or surrender, or retirement. From 2015 12 centres were removed due to poor performance and/or certifying vehicles which were not suitable for certification. Prior to this date a number of other centres were removed for similar breaches or have closed/retired/elected to cease doing VIV inspections. There are no known issues currently with remaining VIV centres, however VicRoads continues to monitor for compliance.

Figure 4 illustrates the roughly 52% reduction in VIV inspection volumes over the last 10 years as inspector numbers have decreased. However, the average number of vehicles tested per inspector has increased from around 368 to per annum in 2015 to around 423 per annum in 2020.

Figure 4 – VIV vehicle inspection volumes per year



*Source: VicRoads*

#### Nature and extent of the problem in relation to written-off vehicles over 15 years of age

The Written-off Vehicles Register (WOVR) was established to better identify all types of written-off vehicles, so that buyers could make an informed decision on a potential vehicle purchase and prevent re-birthing of cars. Under the current interim Regulations, as discussed above, vehicles 15 years and under which have been deemed to be repairable write-offs are required to be recorded on the Written-off Vehicles Register (WOVR). Regulation 91 of the current interim Regulations states “*vehicles that must be included on the register of written-off vehicles are light motor vehicles that are not more than 15 years old*”.

**Safety and consumer protection concerns**

As only accident damaged vehicles 15 years of age or less must be recorded on the WOVR under the current interim Regulations, there is currently no obligation for sellers of second-hand cars to inform consumers if a vehicle was accident damaged (and met the criteria of a repairable write-off) – where the age of the vehicle was over 15 years of age. This negates the original intent of the WOVR which was to allow prospective buyers of motor vehicles to make better informed decisions. This reduces transparency and generates asymmetric information problems where consumers pay more for accident damaged vehicles or buy more of these vehicles than otherwise would be the case or purchase vehicles with serious structural damage.

Vehicles over the age of 15 years with structural damage or component damage (e.g. brakes, suspension, air-bags, etc) are more likely to be repaired and re-registered as under the current interim Regulations, there is no requirement for them to be recorded on WOVR and therefore no way to classify them as SWOs. There are potential significant safety issues with older vehicles not being able to be recorded on WOVR, and being repaired and on-sold to consumers, and them being none the wiser. There is, for example, the risk of a fatality or serious injury with an airbag failing to deploy[[96]](#footnote-96) in the case of accident damaged vehicles that had not been inspected (i.e. potentially those not on the WOVR which do not require inspection). The VSL of just one death on the road has been estimated to be $8.56 million in 2020 dollars as discussed in 2.1.2.1 of this RIS.

Due to uncertainty around the extent of damage and repairs to an RWO vehicle (including those over 15 years of age) such a vehicle will generally have a lower market value than a comparable car of the same make and model[[97]](#footnote-97). For example, a vehicle assessed as RWO due to minor water and structural damage can be repaired to ADR standards and re-registered, however over time water corrosion damage to electrical and other components may develop and only show up as a problem later on. Moreover, the inability to get insurance or being able to register the repaired write-off in another state will also affect the vehicle’s value.

VicRoads advises that there is no data or means to ascertain the extent of accident damaged cars being purchased over the age of 15 years in the market for second hand cars where consumers were unaware and therefore unable to make informed decisions. However, it remains that under the interim Regulations, a vehicle over 20 years old can be accident damaged and the owner would not be able to record it in the WOVR. They could repair it in their backyard and sell it online without any need for a VIV inspection to detect any structural damage and without the need to disclose that the vehicle had previously been written off. Even if where the buyer chose to order a WOVR check – there would be no record of the car having been written off.

**Rebirthing concerns**

Only light motor vehicles 15 years age or less must be recorded *on the WOVR* under the current interim Regulations[[98]](#footnote-98). Section 16C of the *RSA* specifies subject matter for regulations including the “Requirements to be complied with before a vehicle may be entered on the register of written-off vehicles and procedures for making or refusing to make entries on that register”. However, vehicles over fifteen years old remain at some risk of being re-birthed and re-registered.

Motor vehicle re-birthing occurs when the identity of one vehicle (typically a wreck that has been written off) is assumed by a similar vehicle (make, model, year etc.) that has been stolen. This usually involves grinding down or removing the stamped or engraved vehicle identifier[[99]](#footnote-99) on the stolen vehicle, and re-stamping or re-engraving the stolen vehicle with the vehicle identifier from the written-off vehicle. Other vehicle identifiers, such as, identification plates are also removed from the written-off vehicle and re-attached to the stolen vehicle. The stolen vehicle is then reintroduced, having assumed the identity of the wrecked vehicle, to the used vehicle market in Victoria or elsewhere (including other countries).

The intent of VicRoads and other service providers confirming a vehicle’s identity and inspecting vehicles prior to registration is to ensure that a stolen or re-birthed stolen vehicle is not registered. However, VicRoads advises that it does not have data in relation to the number of cars over 15 years of age that are re-birthed and re-registered. Nonetheless, as shown in Table 9 below, there were 65 vehicles in FY19/20 which were suspect (i.e. vehicles that were identified by VicRoads at point of registration where the vehicle identification could not be confirmed) however these were not necessarily re-birthed vehicles.

Table 9 – Total Vehicles referred as Suspect 2017/18 to 2019/20

| **Financial year** | **2017/18** | **2018/19** | **2019/20** |
| --- | --- | --- | --- |
| **Total Vehicles referred as suspect by failed ID type** |  |  |  |
| Failed ID Type- VIN/Chassis | 29 | 28 | 42 |
| Failed ID Type-Engine | 8 | 5 | 12 |
| Failed ID Type-Combination of Identifiers | 8 | 3 | 11 |
| Total | **45** | **36** | **65** |
| **Total Vehicles referred as Suspect by status** |  |  |  |
| Suspects Closed | 30 | 24 | 21 |
| Suspects Open[[100]](#footnote-100) | 15 | 12 | 44 |
| Total | **45** | **36** | **65** |

*Source: VicRoads data*

The National Motor Vehicle Theft Reduction Council (NMVTRC) classifies motor vehicles that are stolen and not recovered as ‘profit-motivated vehicle thefts’[[101]](#footnote-101). Table 10 below shows that the rate of profit-motivated vehicle thefts in Victoria increased by 5.4% in the seven financial years to 2019/20, even after adjusting for the increase in the Victorian registered vehicle fleet in that time. This indicates that profit-motivated vehicle theft remains a problem.

Table 10 – Profit-motivated vehicle thefts in Victoria

| **Financial year** | **2013/14** | **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **% change since 2013/14** |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Registered vehicles[[102]](#footnote-102)** | 4,483,098 | 4,567,314 | 4,681,337 | 4,798,097 | 4,923,032 | 5,985,370 | 6,086,486 | ↑ 35.8% |  |
| **Profit-motivated vehicle thefts[[103]](#footnote-103)** | 3,931 | 3,859 | 4,737 | 4,850 | 4,670 | 4,725 | 4,615 | ­↑ 17.4% |  |
| **Theft rate per 1,000 registrations[[104]](#footnote-104)** | 0.88 | 0.84 | 1.01 | 1.01 | 0.95 | 0.88 | 0.93 | ­ ↑ 5.4% |  |

Moreover, according to Table 11 below, Victoria has the highest profit motivated theft rate per 1,000 registrations compared to other states and territories in Australia in 2019/20.

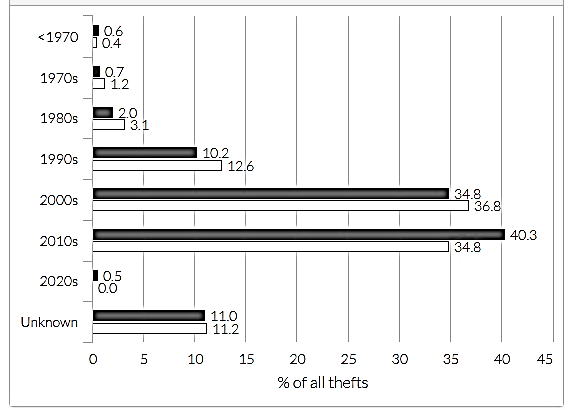
Table 11 – Profit-motivated vehicle theft rate all states and territories compared – 2019/20

| **Financial year** | **ACT** | **NSW** | **NT** | **QLD** | **SA** | **TAS** | **VIC** | **WA** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Theft rate per 1,000 registrations[[105]](#footnote-105)** | 0.64 | 0.64 | 0.52 | 0.67 | 0.68 | 0.58 | 0.93 | ­ 0.84 |

The NMVTRC *Strategic Plan 2018-2020* estimates that 5% of unrecovered stolen vehicles are re-birthed (in Australia)[[106]](#footnote-106) This equates to around 231 stolen vehicles being re-birthed in Victoria in the 2019/20 financial year.

Whilst it is unknown what percentage of these re-birthed were written-off vehicles over the age of 15 years, it is likely that some would fall into the category of re-birthing. Figure 5 shows the age of vehicles involved in *profit-motivated thefts* in Victoria of which 13.5% (or 31 vehicles) were manufactured in the 1990s or earlier. Using the assumption of unrecovered stolen vehicles that are re-birthed of 5% - this would result in an estimated 2 vehicles in 2019/20 which were manufactured in the 1990s or earlier and were ‘potentially’ rebirthed.

Figure 5 – Victoria – Profit motivated vehicle thefts by year of manufacture[[107]](#footnote-107)



*\*2019 to 2020 is denoted by a solid colour and 2018 to 2019 is denoted by an outline*

### Nature and extent of the problem in relation to the roadworthiness certification (RWC)

#### Background to roadworthiness certification and defect notices

Vehicles registered in Victoria are currently required to be maintained in a safe and roadworthy condition.[[108]](#footnote-108) (i.e. to continue being in a suitable operating condition or meeting acceptable standards for safe driving and transport of people and goods on public roads).

In Victoria, the primary mechanism for detecting if vehicles are not roadworthy is a mandatory roadworthiness certification inspection before Transfer of registered vehicles, and re-registration of vehicles from motor vehicle dealers or private sellers to private (i.e. non-dealer) buyers and when a second-hand vehicle is presented for registration. However, Section 95(8)(b) of the *RSA* specifically prohibits regulations made under the Act from requiring annual tests of roadworthiness.[[109]](#footnote-109)

There is no national roadworthiness standard for light vehicles. At the state level, Victorian roadworthiness standards for light vehicles are set in the VicRoads Vehicle Standards Information sheet *VSI 26 – Roadworthiness Requirements*.[[110]](#footnote-110) This document constitutes the written directions to Licensed Testers given by the Department under Regulation 212(1) of the Road Safety (Vehicles) Interim Regulations 2020. Licensed Testers must ensure that a vehicle meets these standards before a Certificate of Roadworthiness is issued.

The only other mechanism for detecting if vehicles are not roadworthy is the power of Victoria Police, the Department, National Heavy Vehicle Regulator (NHVR) officers, Environmental Protection Authority (EPA) officers and authorised officers of Commercial Passenger Vehicles Victoria, to intercept vehicles and issue *defect notices* if these vehicles are considered to be unroadworthy. Depending on the nature of the defect, an RWC may be required before the defect notice can be cleared. The circumstances in which officers of these Victorian Government agencies can issue defect notices are:

* Vehicles that do not meet minimum roadworthiness requirements and registration standards can be issued with defect notices under Section 14 of the *RSA*[[111]](#footnote-111) by the Department or Victoria Police, and under Section 43A of the *Environment Protection Act 1970*[[112]](#footnote-112) by Environmental Protection Authority (EPA) officers.
* The Department officers may intercept and issue defect notices to light vehicles.
* NHVR can issue defect notices to both heavy vehicles and light vehicles (under delegation).
* Victoria Police may intercept and issue defect notices to vehicles that they currently inspect either at random or when they form a reasonable belief that the vehicle may not be roadworthy.
* EPA officers may issue defect notices when they investigate complaints that are made regarding a vehicle’s exhaust emissions.

Approximately one million light motor vehicle RWC are submitted per year, comprising approximately:

* 802,514 fee-based transfers[[113]](#footnote-113);
* 6,419 defect notices requiring RWC to clear[[114]](#footnote-114); and
* 225,076 second hand registrations including all previously registered vehicles in Victoria and interstate registered changeovers, as well as, repairable write-offs[[115]](#footnote-115).

#### Issues with current roadworthiness certification requirements on transfer

Vehicles registered in Victoria are required to be inspected and certified for roadworthiness when they are registered, re-registered, and transferred from one operator to another. These inspections must be carried out by Licensed Testers who typically charge around $180[[116]](#footnote-116), including a $3.18 administration fee per certificate paid by the Licensed Vehicle Tester to the Department.

The purpose of the roadworthy certification is to ensure that a second-hand vehicle is safe for the buyer to operate at the time of the registration transfer. Wear and tear on components like tyres are highly visible and readily identified by the prospective buyer. Wear and tear on other components, such as brakes and suspension, require closer mechanical inspection to be detected. Close inspection, preferably by an experienced mechanic, is also required to detect evidence of structural damage or corrosion.

Table 12 summarises the sample of RWC inspections by the age of the vehicle and the outcome of the inspection. Three years was chosen as an age threshold for the purposes of comparing ‘younger’ and ‘older’ vehicles as three years is the typical lifespan of a new vehicle’s first set of tyres and brake pads[[117]](#footnote-117).

Table 12 – Roadworthiness inspections sample

| **Vehicle age** | **No. vehicles inspected** | **No. vehicles failed** | **RWC fail rate[[118]](#footnote-118)** |
| --- | --- | --- | --- |
| Less than 1 year | 4,550 | 16 | 0.4% ± 0.2% |
| 2-3 years | 11,334 | 348 | 3.1% ± 0.3% |
| **Under 3 years (subtotal)** | **15,884** | **364** | **2.3% ± 0.2%** |
| 3 – 4 years | 10,650 | 1,269 | 11.9% ± 0.5% |
| 4 – 5 years | 8,587 | 1,458 | 17.0% ± 0.7% |
| Over 5 years | 32,121 | 10,651 | 33.2% ± 0.4% |
| **All vehicles (total)** | **67,242[[119]](#footnote-119)** | **13,742** | **20.4% ± 0.3%** |

*Source: VicRoads eCertificate application data*

As shown in Table 12, a recent sample of 67,242 roadworthiness certification (RWC) inspections found that 13,742 of the 67,242 vehicles inspected, or 20.4%, did not pass in the first instance, i.e. they did not meet the minimum safety requirements of the Victorian roadworthiness standard when submitted for inspection.[[120]](#footnote-120) The margin of error for this sample was ±0.3%, so the inference to be made from this sample is between 20.1% and 20.7%, or between 110,550 and 113,850, of the approximately 550,000 light vehicles submitted for RWC inspection each year are found to be not roadworthy and require remediation before being re-inspected.[[121]](#footnote-121) Considering that these vehicles are submitted for RWC inspection as part of their being prepared for sale, it is possible that an even higher percentage of the broader fleet of registered motor vehicles, that are not being prepared for sale, would be found unroadworthy if inspected.[[122]](#footnote-122)

Figure 6 shows the rate at which light vehicles in each yearly age group up to twenty years fail their initial RWC inspection, based on the 67,242 vehicles sampled above. Vehicles less than three years old failed their initial RWC inspection at a rate of 2.3%. Failure rates for vehicles aged three years and older rose to and remained at significantly higher levels. Vehicles that are older than 20 years have fewer safety features such as ‘lane assist’ but were ‘built to last’. Vehicle manufacture at this time involved less complicated technological systems and the focus was placed on structural robustness. Finally, more modern vehicles are designed to crumple[[123]](#footnote-123) on impact versus absorb the impact, as in the case of much older vehicles. Crumple zones, whilst causing more vehicle damage, absorb and redistribute as much of the crash energy as possible helping to protect passengers.

Figure 6 – Vehicles that are 3+ years old fail RWC inspections at significantly higher rates

*Source: VicRoads eCertificate application data*

Table 13 below summarises the estimated *cost* of RWC inspections each year by the type of seller and the age of the vehicle.

Table 13 – Estimated light vehicle RWC costs, 1 Dec 2019 – 30 Nov 2020[[124]](#footnote-124)

| **Type of seller** | **Vehicle > 3 years old** | **Vehicle < 3 years old** | **TOTAL** |
| --- | --- | --- | --- |
| Top 100 dealers | $7,074,791 | $6,157,688 | $13,232,479 |
| Remaining 1,509 dealers | $25,820,465 | $6,541,184 | $32,361,650 |
| Private sale | $75,051,485 | $4,819,820 | $79,871,305 |
| Time cost – private sellers | $40,229,858 | $2,583,569 | $42,813,427 |
| **TOTAL** | **$148,176,598** | **$20,102,262** | **$168,278,860** |

Between December 2019 and November 2020, 802,514 RWC inspections were carried out for fee-based vehicle transfers and re-registration in Victoria, at an estimated total cost to vehicle sellers of $168.28 million, including time costs.

Table 13 categorises vehicles as under or over three years of age as three years is the typical lifespan of a new vehicle’s first set of tyres and brake pads, as discussed inTable 12 above. Vehicles under three years of age are still under manufacturers’ warranties[[125]](#footnote-125) and are more likely to be serviced regularly to keep their warranties intact. In turn, vehicles that are serviced regularly are less likely to have any roadworthiness issues, such as worn tyres and brake pads.

Motor vehicles that are less than three years old comprise 18.4% of the Victorian registered light motor vehicle fleet but were involved in 12.6% of 48,936 serious crashes (i.e. which resulted in fatalities or hospitalisations) in the twelve years from 2006 to 2017 inclusive. Therefore, these younger vehicles were under-represented in serious crashes by 34.7%, in relation to their numbers on Victorian roads.[[126]](#footnote-126)[[127]](#footnote-127)

Motor vehicles that are less than three years old have also been found to fail RWC inspections at a significantly lower rate than those that are three or more years old. A recent sample of 67,242 RWC inspections included 15,884 motor vehicles that were less than three years old, or 23.6% of the sample.[[128]](#footnote-128)

Of the 15,884 motor vehicles that were less than three years old, 364, or 2.3%, did not pass their RWC inspection in the first instance, i.e. they did not meet the minimum safety requirements of the Victorian roadworthiness standard when submitted for inspection. The relevant figure for motor vehicles aged three years and older was 13,378 out of 51,358, or 26.1%.[[129]](#footnote-129)

### Nature and extent of the problem with the administration of schemes and certificates

#### Background to schemes and certificates

The current interim Regulations requires supporting evidence by way of certification to accompany the application for registration of a vehicle to the Secretary. In the past, all inspections and the issuing of certificates was undertaken by the Secretary (or VicRoads prior to being merged with the Department of Transport). However, under the current interim Regulations, VicRoads provides authorities to external service providers to provide the services of inspecting and certifying vehicles under a number of schemes for the purposes of VicRoads accepting those vehicles for registration.:

* *Licenced Vehicle Tester (LVT) scheme* – where roadworthiness inspection and certification is performed by an approved mechanic (LVT) under regulation, to ensure it meets the applicable roadworthy standards (VSI26 for light vehicles and motorcycles, and the National Heavy Vehicle Regulations for Heavy Vehicles);
* *Vehicle Assessment Signatory Scheme (VASS)* – where inspection and certification of a modified, imported or individually constructed vehicle, is performed by an authorised Signatory (VASS Signatory) under an Agreement;
* *Alternate Fuel System Assessment and Certification Scheme (AFSACS)* – where inspection and certification of a vehicle which has been fitted with an aftermarket *propulsion based* alternate fuel system (LPG, LNG and CNG), is performed by an authorised partner under an Agreement; and
* *Vehicle Identity Validation (VIV)* – where the inspection and certification of a vehicle classified as a Repairable Write-Off (RWO) is undertaken by an authorised provider under an Agreement to confirm that: the identity of the vehicle has not changed; repairs meet the specifications as required by the manufacturer or in the absence of such instructions existing - standards industry best practice; and the vehicle or parts used in repair are not stolen.

With regards to other certificates in development under the current interim Regulations – there are still aspects of inspection and or certification still undertaken by the Secretary including:

* *Defect Notice Clearance Certificate (DNCC)* – Vehicles issued with a defect notice can be either:
  + Inspected at a CSC, and if rectified, the customer is permitted to remove the defect notice and the registration database is updated to record the clearance, or
  + not inspected at a CSC and RWC provided, and the customer is permitted to remove the defect notice and the registration database is updated to record the clearance, or
  + Inspected by an approved LVT, and if rectified, the defect notice removed, and an advice provided to the Department (either electronically or in person at a CSC) for the registration database to be updated to record the clearance; and
* *Vehicle Identity Certificate (VIC)* – where particulars of a vehicle (Vehicle Identity Number or Chassis Number) and vehicle details as per Regulation 5 of the interim Regulations are inspected by an authorised officer or authorised partner (e.g. dealer on DCS) for the purpose of registration by VicRoads at a CSC or by an LMCT by an authorised officer[[130]](#footnote-130)

#### Nature and extent of problem in relation to administration schemes and certificates

The following sections discuss specific residual problems associated with the administration of particular schemes and certificates and highlights some issues that will need to be addressed in moving towards a universal system to certify and register vehicles in Victoria.

**Nature and extent of the problem of regulatory burden with defect notice clearance certificates**

Defect notices are the only mechanism for enforcing vehicle roadworthiness standards when vehicles are not being transferred or re-registered.

Of the 6.1 million vehicles that were registered or permitted to operate on Victorian roads as at December 2020, approximately 19,833 unroadworthy vehicles were subject to a defect notice in the twelve months to December 2020.[[131]](#footnote-131)

The current Regulations[[132]](#footnote-132) list the items of information that must be recorded on defect notices, such as the reasons why a vehicle has been deemed to be unroadworthy, the conditions and timeframe in which it may (if applicable) continue to be driven on public roads, and the timeframe in which it must be repaired and either certified for roadworthiness or inspected by the Department so that the defect notice may be lifted.

The majority of Vehicle defect notices are cleared at a VicRoads CSC by passing a visual inspection or presenting an RWC if the issuing officer determined that an RWC is required for clearance. A minor number of clearances are completed by authorised officers of interstate registration authorities, Of the 19,833 unroadworthy vehicles issued with a defect notice in the twelve months to December 2020, approximately 6,419 required an RWC[[133]](#footnote-133).

However, the current interim Regulations place a regulatory burden associated with respect to clearing defect notices by not allowing them to be cleared by authorised officers or Licensed Testers.

Currently when a vehicle requires a RWC a vehicle operator cannot obtain a RWC and have the defect notice cleared by the Licensed Tester (authorised officer) at the same time. This requires vehicle operators to expend time and cost by having to travel to a VicRoads office. This is not withstanding that LVTs do (in about 6% of cases), mistakenly declare vehicles to be roadworthy.

Based on 6,419 defect notices that could have been cleared by an LVT when undertaking a RWC – the estimated cost of this burden, assuming 2 hours for travel and attendance time at a CSC – is $420,188 in the twelve months to 2020.[[134]](#footnote-134)

**Nature and extent of the problem of needing to bring the VASS into alignment with other schemes**

Vehicles that are imported privately, individually constructed, or modified in Victoria are required to be checked and certified individually under the Vehicle Assessment Signatory Scheme (VASS) by VASS Signatories.

Modifications to vehicles are undertaken for a variety of reasons including, for example, improving access for disabled passengers. However, certain modifications to vehicles, if not made in an appropriate way and with consideration to the overall performance of the vehicle (e.g. modifying an engine for increased power without ensuring the performance of the braking and suspension systems are appropriately matched) increases the potential to put lives at risk. The primary intent of the VASS is to promote compliance to the applicable safety and environmental standards. The VASS encompasses[[135]](#footnote-135) over 90 individual certifiable modifications within the boundaries of the *Code of Practice for the Approval of Heavy Vehicle Modifications*[[136]](#footnote-136), and the *National Code of Practice for Light Vehicle Construction and Modification[[137]](#footnote-137)*.

The current interim Regulations specify the following clauses which govern the VASS:

1. (15) Compliance with standards for registration – that a Certificate issued by a qualified person can be accepted as evidence the vehicle complies to the standards for registration.
2. (22) The modification of vehicles – that vehicles must be modified in accordance with specified standards.
3. (252) Use of modified vehicles – a person must not use a modified vehicle unless it’s approved[[138]](#footnote-138).

There are four situations under which a VASS Signatory will be required to certify a vehicle:

* A commercially available vehicle will be modified away from the condition to which it was supplied to market by the Manufacturer;
* A new vehicle might be constructed by an individual for their own use and as such has no history of complying with ADRs;
* A vehicle might be imported and built to a standard but not necessarily to ADRs; and
* A vehicle does not comply with ADRs because it has been modified to meet the specific needs of the user but must still be deemed safe for use.

There are common safety and environmental concerns associated with the aforementioned scenarios including that a vehicle may not comply with:

* the applicable standard of occupant impact/crash protection due to not being fitted or equipped with the necessary hardware such as seat belts, seat head restraints, padded steering wheel crash pads, intrusion beams in doors;
* the necessary lighting requirements due to not being fitted with appropriate braking or indicator lamps or headlamps;
* the applicable engine emissions requirements or be fitted with the required anti-pollution and/or noise control features; and
* the permissible dimensional limits or operational layout required by the ADRs (vehicle may be a Left-Hand Drive vehicle or dual control vehicle, or vehicle may be over size over mass).[[139]](#footnote-139)

The current interim Regulations do not define the function of the VASS as definitively as other vehicle safety schemes. Specifically, there are issues to be addressed around authorised vehicle , inspection provisions and a desire to improve forms.

The qualified persons are referred to as Signatories and are authorised to perform the service of inspecting and certifying vehicles on behalf of the Secretary under a Service Agreement. The Service Agreement outlines the constraints and conditions under which they must perform their role as a Signatory. Each Signatory is authorised under their Agreement to certify vehicles and modifications based on their qualifications, knowledge and experience pertaining to that type of work.

There are currently 81 Signatories authorised under the VASS. VASS Signatories need to comply with the terms and conditions of their individual Agreement. A Signatory’s authorisation under the VASS can be adjusted by the Secretary in response to identified and confirmed non-conformances to the terms and conditions of their Agreement. This adjustment can range from a temporary or permanent restriction of authority, a total suspension of their authority or the permanent removal of their authority as a Signatory.

14,370 certificates were sold to VASS signatories in 2020[[140]](#footnote-140) at a charge of $53 per certificate to recover the costs of administering the scheme by Vehicle Safety and Compliance at VicRoads Services at VicRoads[[141]](#footnote-141). However, it is estimated that only 40% are received back by VicRoads and lodged with VicRoads post certification of the vehicle. The remaining 60% are either being stockpiled by VASS signatories (which is seen to be unlikely given that the cost to purchase VASS Certificate Numbers would be restrictive) or not being lodged with VicRoads because:

* VASS Signatories are failing to inform customers to lodge the Certificate with VicRoads; or
* Customers are not following the instruction given by the VASS Signatories to lodge the Certificate with VicRoads.

The percentage breakup of the aforementioned scenarios remains unknown.

**Nature and extent of the problem with lack of requirements for gas compliance certificates/ plates**

LP Gas Installations in caravans and boats for *non-propulsive* purposes are checked under Australian and New Zealand Standards AS/NZS5601.2[[142]](#footnote-142) . Fitted gas installations must also comply with the *Gas Safety Act* *1997[[143]](#footnote-143)*. Under the current interim Regulations, gas compliance certificates (in accordance with the *Gas Safety Act 1997*) or gas compliance plates (in accordance with AS/NZS5601.2) are currently not required by the Secretary for an application of registration for a vehicle which is a *light trailer* and has a *non-propulsion-based* gas fitting. With regards to all other vehicles (including heavy vehicles) with fitted gas installations, these are covered under the VASS certificates scheme for modifications.

There are concerns - associated with the lack of testing of gas installations fitted on vehicles such as light trailers (e.g. Caravans) that do not get assessed, tested, and certified or fitting and conversion being undertaken by un-authorised providers.

Energy Safe Victoria ESV raised that they had identified many vehicles (mainly caravans) that have non-compliant fixed gas fittings. ESV data from FY14/15 identified nine separate incidents associated with Caravans had non-compliant fixed gas fittings including:

* Gas cylinder explosion injuring a person in a caravan park. Possible faulty installation.
* A Swift 500 series LP gas cooker exploded in a Roadstar Caravan.
* Gas stove explosion in a caravan. Cabin exploded, no flame damage to van, no blackening. Windows exploded.
* Hose clamp used to connect a garden hose to an LP gas cooktop connection point on a camper trailer.
* A gas leak on a caravan. Oven supply tube had broken at the thermostat connection. The timber appliance support had broken.
* A gas leak in a Swift caravan cooker occurred as a result of a broken grill tube.
* Burnt out caravan. Gas bottle found inside the caravan.
* The owner of a Victorian caravan is unable to register it in Queensland. Needs a gas certificate and non-compliances corrected.
* Gas bottle fire. Caravan.

Registration is the first and usually the only time a regulatory body engages with these vehicles however under the current interim Regulations there is currently no requirement that they comply with the standards or *Gas Safety Act 1997*. As at 3 February 2021, there were 868,852 trailers currently registered (i.e. between 200kg and up to and including 4.5 tonnes[[144]](#footnote-144) (see Section 2.2.6.2 of this RIS). Of these, 175,153 are Caravans, 8 Semi Caravan and 1,919 are Campervans. These would relate to all light trailers above 200kg.

With regards to light trailers currently exempt[[145]](#footnote-145) from registration (for private use and under 200kg) - the number of light trailers is unknown. Notwithstanding, as of January 2021 there were 58,131 registered trailers under 200kg.

However, even if it were possible to identify the total number of exempt and non-exempt light trailers fitted with gas installations, the proportion that would be non-compliant remains unknown. Nonetheless, based on data from ESV above there is likely to be around a dozen known incidents involving non-compliance per annum. If one of these were to result in one death per annum this alone would result in a VSL of $8.56m in 2020 dollars[[146]](#footnote-146).

**Nature and extent of problems with paper-based certificates**

Hardcopy of forms do not recognise that people want to do things electronically in order to improve the efficiency and effectiveness of document exchange, including certificates. As such the current interim Regulations need to be modernised to allow for the creation and recording of electronic certificates. This would improve the integrity of the register.

With regards to RWC, used and new motor vehicle dealers with access to the Department’s Dealer Online system[[147]](#footnote-147) record the RWC number when entering transfer of registration details. However, used motor vehicle dealers who do not have access to Dealer Online, and private sellers of used motor vehicles, currently have to provide the buyer with a paper based RWC. Hard copy RWCs must also be provided when a used/second hand vehicle is being presented for registration.

Buyers take or post the RWC to the Department, along with the Transfer of Registration form and fee payment., or if they are a vehicle acquirer with a myVicRoads account submit the RWC information to the Department via their myVicRoads account. Paper-based RWCs are designed to record that all inspection items were passed, as well as any inspection items that were failed in the first instance, and subsequently addressed to pass the inspection. However, this information is not recorded consistently in paper based RWCs and is not captured electronically. The RWC serial number, tester number, and date of certificate issue is recorded when entering Transfer of Registration details.

The current problem of hardcopy RWCs only being available at the tester premises means that when RWC information is required, an auditor or authorised officer must physically visit the tester premises to access the information. There is also a lag between the completion of the roadworthy and provision of information (i.e. it is based on the actual transaction occurring and post the RWC event) to VicRoads, as well as, a cost to buying and storing hardcopy materials and privacy issues where hardcopy certificates go missing.

As shown in Table 14, from the 511,581 certificates processed between 01/01/20 and 31/12/20, the average number days between RWC issued and RWC presented was seven - with 85.8% of all RWC for transfers presented 14 days or less from RWC issue date. However, 72,745 certificates were presented to VicRoads within 14 days or more from the RWC issue date.

Table 14 – Delay of RWC being presented to VicRoads once issued 1 Jan to 31 December 2020

| **Days between RWC issued and presented** | **Volume of certificates** | **% of certificates** |
| --- | --- | --- |
| 0 | 186,010 | 36.4% |
| 1 | 46,449 | 9.1% |
| 2 | 25,801 | 5.0% |
| 3 | 24,641 | 4.8% |
| 4 | 20,447 | 4.0% |
| 5 | 19,040 | 3.7% |
| 6 | 21,602 | 4.2% |
| 7 | 22,655 | 4.4% |
| 8 | 15,382 | 3.0% |
| 9 | 10,345 | 2.0% |
| 10 | 9,562 | 1.9% |
| 11 | 8985 | 1.8% |
| 12 | 8566 | 1.7% |
| 13 | 9550 | 1.9% |
| 14 | 9801 | 1.9% |
| Over 14 | 72745 | 14.2% |

*Source: VicRoads*

The annual cost for VicRoads in terms of hardcopy stationary costs and storage for RWC is $70,000 and $650, respectively. An LVT is currently required to report any lost or stolen RWC books to VicRoads to prevent certificates being presented which are not authorised by the LVT. On average this may equate to reporting of about 1 book per year, and impacted certificates are cancelled from the database to prevent use.

Subsequently, the Department has no structured electronic data on defects identified when vehicles are initially inspected for roadworthiness and subsequently fixed before the roadworthiness certificate is issued. Such data could be stored and managed in a database and be queried and analysed to identify patterns and trends. There are approximately 760 LVTs currently enrolled and using the *eRWC* (*Roadworthy or Licenced Vehicle Tester Scheme e-Certificate*) application – covering just under 50,000 certificates affected per annum and the Department will be onboarding all LVTs between now and 1 July 2022.

Whilst the public is familiar with the ability to have a defect notice removed and cleared for a heavy vehicle by limited number of LVTs in regional Victoria, there is a need to take on board experts to inspect and clear defect notices for the remaining scenarios. There is a large and geographically dispersed group of licenced vehicle testers (LVTs) (currently approximately 2,000 testers– and the speed at which they can provide certification is important for VicRoads. As discussed above, vehicle operators are currently having to go back to VicRoads to confirm rectification in the case where an RWC was required (which is around 6,419 inspections per annum). The current interim Regulations do not provide a way to electronically record the inspection of a vehicle to confirm that faults identified by a defect notice have been suitably rectified, as conducted by an approved Licenced Vehicle Tester.

As discussed above, of the 14,370 paper-based VASS certificates that were sold to Signatories in 2020, it is estimated only 40% are lodged by the customer with VicRoads on certification of their vehicle. There is no way under the current interim Regulations to audit or provide vigilance to the remaining 60% of certificates issued. VicRoads piloted the *eVASS* (*Vehicle Assessment Signatory Scheme e-Certificate*) with 16 of the 81 Signatories towards the end of 2020 and in early 2021 commenced the use of *eVASS* by all VASS Signatories.

The Alternate Fuel System Assessment and Certification Scheme (AFSACS) has historically been run by the Alternative Automotive Fuels Registration Board (AAFRB) however since 1 January 2020 the scheme is managed by VicRoads under third party providers. When a propulsive-based gas tank is fitted (with a kit installer) a fitter will pressure test them. Within every 10 years, tanks must be pressure tested again before the fitter will approve the vehicle (see Australian Standards AS1425[[148]](#footnote-148)). However, under the current interim Regulations, low amounts of certificates are being returned to VicRoads by vehicle owners under the AFSACS.

Moreover, there is no way to audit or provide vigilance to the remaining balance of paper-based certificates issued and VicRoads wishes to avoid inappropriate certification over installation, modification or servicing or removing of tanks by Third party providers in a timely manner thereby avoiding safety issues with potentially fatal consequences. For example, on 6 June 1991 an LPG incident in at a residence in Victoria resulted in four people sustaining severe burns and requiring hospitalisation[[149]](#footnote-149). One of those injured, an Automotive Technician who was carrying out a LPG installation on a vehicle at the residence, later died from the injuries that he sustained.

There are also concerns - associated with the lack of testing by those undertaking a conversion of the fuel system of their vehicle from petrol to LPG that do not get assessed, tested, and certified or fitting and conversion being undertaken by un-authorised providers.

These aforementioned problems arise from pressures for creating cost effectiveness in installing and maintaining gas installations, given the upfront cost of around $5,000, as well as:

* a decline in the number of gas compliance plates provided per annum (from around 60,000 plates per annum in the 1990’s and 2000’s to only around 900 plates per annum in 2020);
* a rise in natural gas prices;
* a fall in petrol prices;
* no more subsidies for conversion;
* a shut down in local car manufacturing industry (Fords and Holdens); and
* taxis switching from LPG Ford Falcons to hybrid Toyota Camrys; and
* a change in community preferences in general towards hybrid or electric vehicles as opposed to gas powered vehicles.

An *eAFSACS* (*Alternate Fuel System Assessment and Certification Scheme – e-Certificate*) application is currently in pilot phase by VicRoads. A summary of the status of eCertificates is summarised in Table 15 below.

Table 15 – Status of eCertificates – March 2021

| **eCertificate Product Status** | **eRWC** | **eVASS** | **eAFSACS** | **eDNCC** | **eVIC** |
| --- | --- | --- | --- | --- | --- |
| Current Status | Live | Live | Pilot | In development | In development |
| Implementation Date | Jan-20 | Feb-21 | May-21 | Jul-21 | Sep-21 |
| Total numbers | 2068 (licence testing sites) | 81 persons | 174 sites | N/A | N/A |
| Number of partners currently using eCertificate product | 644 | 81 | 13 | - | - |
| eCertificates currently issued | 109485 | 100 | 16 | - | - |
| Estimated certificates per annum | 820,000 | 16,500 | 151,000 | 25,000 | 120,000 |
| Other information | E-RWC pilot commenced on 8 October 2018 with 54 licensed vehicle testing sites.  The pilot concluded on 28 April 2020. A phased rollout commenced on 30 April 2020, and as at 30 March 2021, the product is being used by 880 licensed vehicle testing sites and 110,000 E-RWC serial numbers have been issued. | E-VASS pilot commenced on 6 November 2020 with 16 persons. The pilot concluded on 21 January 2021. All VASS signatories are using this product since 1 February 2021 | EAFSACS pilot commenced on 18 March 2021 with 13 workshops. The pilot is scheduled to run until the end of April. The date for full rollout will be determined based on the review and success of the pilot. 126 of E-AFSA providers are also E-RWC / LVT workshops. | This product is currently in development. A definite date has not been confirmed for pilot stage. Use of this product will be via an expression of interest and invitation only methodology | This product is currently in development. A definite date has not been confirmed for pilot stage. Use of this product will be via an expression of interest and invitation only methodology |

*Source: VicRoads*

### Nature and extent of the problem with identification of vehicles and their operators.

#### Background to identification of vehicles and their operators.

Unidentifiable vehicles and operators inhibit the application and enforcement of road safety laws and obligations. Regulatory and law enforcement agencies must be able to verify that the vehicle meets safety standards and identify vehicles and the persons or entities legally responsible for their safe operation in the event it is involved in a road traffic incident or offence. The specific problems analysed are vehicle identification and vehicle operator identification and concessions.

The identification of vehicles and their operators is used primarily for enforcing road safety laws, identifying hazardous vehicles and operators involved in road crashes and collecting the compulsory Transport Accident Commission (TAC) third party insurance charge and Motor Vehicle Duty fee.

The identification of vehicles and their operators also has secondary uses, including assisting:

* local government authorities to enforce parking infringements
* tolling operators to enforce toll payment
* insurance companies to identify operators of vehicles involved in road incidents and crashes
* vehicle buyers to check if their prospective vehicle has been stolen or written off, is security for a loan or lease, or has been barred from registration because of unpaid fines.

The Victorian vehicle registration scheme complies with international and national standards relating to how vehicles are identified and linked to their operators.[[150]](#footnote-150)

**Victorian registered vehicle fleet profile**

Table 16 below summarises the number and the mean age of Victorian vehicles as at 31 December 2020.

Table 16 – Victorian registered vehicles, 31 Dec 2020

| **Vehicle type** | **Motor vehicles[[151]](#footnote-151)** | **Trailers** | **Total vehicles** |
| --- | --- | --- | --- |
| **Light** (mass ≤ 4.5 tonnes) | 5,026,383 (mean age 10 years) | 849,529 (mean age 13.6 years) | 5,875,912 (mean age 10.5 years) |
| **Heavy** (mass > 4.5 tonnes) | 184,789 (mean age 14.4 years) | 70,830 (mean age 14.7 years) | 255,619 (mean age 14.5 years) |
| **TOTAL** | **5,211,172** (mean age 10.2 years) | **920,359** (mean age 13.7 years) | **6,131,531** (mean age 10.7 years) |

*Source: VicRoads registration data*

As at 1 January 2020, there was an estimated 6.1 million vehicles (including motor vehicles and trailers) in the Victorian fleet, comprising approximately 5.8 million registered vehicles[[152]](#footnote-152) and approximately 0.3[[153]](#footnote-153) million unregistered vehicles (excluding exempt small trailers and agricultural machinery)Table 17 below summarises the number of new and second-hand motor vehicle registrations in Victoria in FY19/20.

Approximately 325,388 motor vehicles were registered for the first time in Victoria in FY19/20. While most of these vehicles were manufactured for the Australian market, 14,920 of these vehicles were individually constructed, modified, or imported privately.

Table 17 – Victorian motor vehicle registrations FY19/20

| **Types of registration** | **Number** |
| --- | --- |
| **New registrations** |  |
| Mass market imports | 310,468 |
| Private imports, individually constructed and modified vehicles | 14,920 |
| **Second-hand registrations** |  |
| All previously registered (Victorian, Interstate registered changeovers) and excluding repairable write-offs | 223,173 |
| Repairable write-offs | 1,903 |
| **TOTAL** | **550,464** |

*Source: VicRoads registration data*

In addition to the 325,388 vehicles registered for the first time in Victoria, 223,173 vehicles were second-hand registrations in FY19/20. Second-hand registration takes place when an unregistered vehicle, which had previously been registered in Victoria or coming from interstate, is registered again. Second-hand registrations in FY19/20 included 1,903 vehicles that have been economically written off and subsequently repaired and returned to the road.

As at 31 December 2020, the mean age across this fleet of vehicles was 10.7 years. Figures 7 and 8 below summarise the types and age profile of vehicles registered in Victoria on that date.[[154]](#footnote-154)

Figure 7 – Victorian registered light vehicles age profile, 31 Dec 2020

*Source: VicRoads registration data*

Figure 8 – Victorian registered heavy vehicles age profile, 31 Dec 2020

*Source: VicRoads registration data*

**Identification of vehicle operators**

Given the importance of the operator’s information and the nature of its use, national standards require prospective registered operators to provide evidence of identity (personal[[155]](#footnote-155) or corporate[[156]](#footnote-156)) and where the vehicle will be garaged[[157]](#footnote-157).

The ability to identify vehicle operators facilitates the collection of TAC no-fault compulsory third party insurance premiums from Victorian vehicle operators. In the 2019/20 financial year, VicRoads collected, on behalf of TAC, $1.95 billion in no-fault compulsory third party insurance premiums, and TAC paid out $1.51 billion to more than 59,000 injured Victorians to help them get their lives back on track after a crash.[[158]](#footnote-158)

The identity of the operator is also used to determine eligibility to be a registered operator, and entitlement to registration concessions.

**Charitable body registration concession**

The charitable body concession scheme recognises that vehicles used by charitable bodies serve society and provide a public good. To that end, charities are entitled to apply for a registration fee concession on the vehicles they operate in the course of their charitable activities.

**Identification of Chassis number**

Vehicles manufactured before January 1989 and special vehicles manufactured since January 1989 (e.g. road-going plant and machinery such as cranes) are identified with a permanent and unique chassis number that is stamped, engraved, or permanently marked on a visible location and on a permanent structure in the vehicle’s frame or body. Chassis numbers are serial numbers assigned by the vehicle manufacturer. Whilst they may be unique identifiers for vehicles made by the same manufacturer, they are not unique identifiers for vehicles made by different manufacturers. Chassis numbers have been replaced by Vehicle Identification Numbers (VIN) for compliant vehicles, which are based on an international standard.

**Vehicle Identification Number (VIN)**

Vehicles manufactured after January 1989 that are required to comply with ADRs are identified with a permanent and unique VIN that is stamped, engraved, or permanently marked on a visible location and on a permanent structure in the vehicle’s frame or body.

A VIN is composed of 17 characters (digits and capital letters) that act as a unique identifier for the vehicle. The 17 characters in a VIN include codes for the vehicle’s country of manufacture, model year, unique features, specifications and manufacturer. The VIN is an international standard[[159]](#footnote-159) and is effectively the vehicle’s fingerprint, as no two vehicles in operation anywhere in the world should have the same VIN. The VIN is used to track recalls, registrations, warranty claims, thefts and insurance coverage.

**Number plates**

Unique vehicle identifiers like the VIN and chassis number are not visible without conducting a close inspection of the vehicle. For this reason, registered vehicles are also identified by their number plates, which are affixed in visible locations at the front and rear of the vehicle, or just at the rear for some types of vehicles, such as motorcycles, trailers, and agricultural machinery.

Number plates provide a unique visual identifier for the vehicle, so that the vehicle, and by extension, its registered operator, can be identified by witnesses or road safety cameras in the event of a road traffic incident or offence involving the vehicle.

The Victorian number plate scheme is based on and complies with relevant national and international standards.[[160]](#footnote-160), [[161]](#footnote-161)

It is currently an offence to misuse number plates, namely fitting a:

* number plate or plates other than the plate(s) issued for the vehicle or trailer[[162]](#footnote-162)
* Victorian number plate or plates not issued by the Department[[163]](#footnote-163)
* representation of a number plate or plates other than the plate(s) issued for the vehicle or trailer.[[164]](#footnote-164)

#### Nature and extent of the problem with regards to Charitable body registration concession

As of August 2016, 916 operators of 14,169 vehicles claimed to be charitable bodies and claimed the 100% charitable body concession on their registration fee, at a cost of approximately $4 million in foregone registration revenue.

A review of these 916 operators found that 244 operators (27%) were not registered with the Commission established by the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC).[[165]](#footnote-165) Therefore, they were not recognised by the Commonwealth Government as charitable bodies. Moreover, based on extrapolation of FY19/20 data, half of this 27% were benevolent organisations and not required to be on ACNC. A review of the definition of benevolent organisations is required to make sure that only those who are eligible for a concession on their registration receive such a concession.

#### Nature and extent of the problem with regards to vehicle identity and re-birthing for ‘unregistered’ vehicles

Vehicle identification plates and VIN or chassis number details can be used to re-birth stolen vehicles. For this reason, it is an offence to alter, deface, remove, substitute or tamper with a VIN or chassis number of a *registered* vehicle other than with written permission from the Department. The current interim Regulations make no mention of *unregistered* vehicles in this context.

As it is not currently an offence to alter, copy, deface, remove, substitute or tamper with a VIN or chassis number of an *unregistered* vehicle, it is not an offence for people, including criminals to use VINs or chassis numbers from unregistered vehicles to re-birth stolen or re identify any vehicles. VicRoads advises that the percentage of unregistered re-birthed vehicles which have their VIN or Chassis number tampered with is unknown.

#### Nature and extent of the problem with regards to fixing substances or objects to number plates

The current interim Regulations requires that any cover on the number plate-

* is clear, clean, untinted and flat over its entire surface; and
* has no reflective or other characteristics that would prevent the successful operation of a device approved for use under a law relating to the detection of traffic offences.[[166]](#footnote-166)

‘Reflective’ is a reference to the addition of a spray that can be placed over the plate to prevent the number being read.

The current interim Regulations do not establish beyond doubt the obligation for vehicle operators to not apply or fix substances or objects to the number plate in an attempt to prevent the production of a clear photograph of the number plate by a photographic or electronic detection device.

In the FY19/20, 1,165 infringement notices were issued for Obscuring/ Altering/ Defacing Number Plate and 1,640 infringement notices were issued for No Number Plate/ Incorrectly Affixed.[[167]](#footnote-167)However, the number of vehicle operators fixing a substance or objects to number plates is unknown.

### Problems with inconsistent licencing and registration of motor trikes

Under the *Road Safety Act* and regulations made under the Act, there is an inconsistent treatment of motor trikes. Registration data[[168]](#footnote-168) in Table 18 shows that there are around 1,502 three-wheeled vehicles registered in Victoria.

Table 18 – No of motor trikes registered in Victoria – 31 December 2021

| **Plate type** | **No. Motor Trikes** |
| --- | --- |
| Standard (general issue) number plates | 1,089 |
| Non-standard (custom) plates\* including slimline black number plates | 413 |
| **TOTAL** | **1,502** |

*Source: VicRoads*: *\** Of all non-standard (custom) plates - 147 are 5 characters or less with 262 that are 6 characters

A ‘motor trike’ is defined under the *Road Safety Act 1986 (the Act)* as a three-wheeled motor vehicle that does not have a body type similar to that which is commonly found on a motor vehicle with four wheels. Specifically, a three wheeled motor vehicle has no floorpan ahead of the driver. Currently, a motor trike number plate displays on the Vehicle Registration Information System (VRIS) and the Law Enforcement Assistance Program (LEAP) database to indicate the vehicle is a ‘car’. Motor trikes range in price from $5,000 to $85,000 for a Harley Davidson.

On the other hand, under the Road Safety Road Rules 2017[[169]](#footnote-169) a motorcycle is defined as: motor bike means a motor vehicle with 2 wheels, and includes—

1. a two-wheeled motor vehicle with a sidecar attached to it that is supported by a third wheel; and
2. a motor vehicle with 3 wheels that is ridden in the same way as a motor vehicle with 2 wheels;

Motor trikes and motorcycles have similar handling provisions and require a similar driver skillset or attributes. However, in Victoria, all three-wheeled vehicles regardless of design are subject to the same registration fees as light motor vehicles being that the current Road Safety (Vehicles) Interim Regulations 2020 has only two categories in the relevant provisions:

* ‘Motorcycles’ as defined under the *Road Safety Act 1986* as motor vehicles with two wheels; and
* ‘Motor vehicles’ which covers all other vehicles.

Under the Road Safety (Drivers) Regulations 2019[[170]](#footnote-170), owners of motor trikes must obtain a motorcycle licence in order to operate their vehicle. Consequently, as owners of motor trikes (who hold motorcycle licences) must register their motor trikes as ‘light motor vehicles’ – they incur around between $30.25 and $241.00 of additional registration costs as compared to a motorcycle (not including TAC fees) as shown in Table 19 below. This constitutes inequitable treatment of motorcycle licence holders.

Table 19 – Registration charges – 31 December 2020[[171]](#footnote-171)

| **Registration by Rate Code[[172]](#footnote-172)** | **No. Motor Trikes** | **Current registration fee - car** | **Revised motor cycle registration fee** | **Additional registration fee per motor trike** | **Total cost of additional registration fees for motor trikes per annum** |
| --- | --- | --- | --- | --- | --- |
| EN | 4 | $0.00 | $0.00 | $0.00 | $0.00 |
| ER | 1 | $0.00 | $0.00 | $0.00 | $0.00 |
| EX | 1 | $0.00 | $0.00 | $0.00 | $0.00 |
| PH | 9 | $151.20 | $30.20 | $121.00 | $1,089.00 |
| PR | 79 | $151.20 | $30.20 | $121.00 | $9,559.00 |
| PT | 4 | $0.00 | $0.00 | $0.00 | $0.00 |
| PU | 16 | $37.80 | $7.55 | $30.25 | $484.00 |
| PV | 1 | $37.80 | $7.55 | $30.25 | $30.25 |
| PX | 18 | $75.60 | $15.10 | $60.50 | $1,089.00 |
| VJ | 172 | $75.60 | $15.13 | $60.47 | $10,400.84 |
| VK | 129 | $151.20 | $30.25 | $120.95 | $15,602.55 |
| VL | 1,068 | $302.40 | $60.50 | $241.90 | $258,349.20 |
| **TOTAL** | **1,502** |  |  |  | **$296,603.84** |

Finally, Table 20, shows the difference in TAC charges paid by motor trikes as ‘cars’ as opposed to motorcycles.

Table 20 – Transport Accident Commission (TAC) charges – 31 December 2020[[173]](#footnote-173)

| **TAC code[[174]](#footnote-174)** | **TAC Risk Zone** | **No. Motor Trikes** | **Current charge - car** | **Current charge - motorcycle >500cc[[175]](#footnote-175)** | **Difference in TAC per motor trike** | **Difference in Annual TAC charge** |
| --- | --- | --- | --- | --- | --- | --- |
| 10 | 1 | 545 | $532.40 | $635.80 | -$103.40 | -$56,353.00 |
| 10 | 2 | 280 | $477.40 | $566.50 | -$89.10 | -$24,948.00 |
| 10 | 3 | 655 | $413.60 | $496.10 | -$82.50 | -$54,037.50 |
| 20 | 3 | 9 | $279.40 | $496.10 | -$216.70 | -$1,950.30 |
| 14 | 3 | 1 | $1,758.90 | $635.80 | $1,123.10 | $1,123.10 |
| 41 | 1 | 1 | $402.60 | $635.80 | -$233.20 | -$233.20 |
| 41 | 2 | 2 | $319.00 | $566.50 | -$247.50 | -$495.00 |
| 41 | 3 | 5 | $101.20 | $496.10 | -$394.90 | -$1,974.50 |
| 43 | 1 | 1 | $89.10 | $89.10 | $0.00 | $0.00 |
| 43 | 2 | 1 | $89.10 | $89.10 | $0.00 | $0.00 |
| 43 | 3 | 2 | $89.10 | $89.10 | $0.00 | $0.00 |
| **TOTAL** |  | **1,502** |  |  |  | **-$138,868.40** |

The net additional plate registration and TAC charges paid by motor trikes is estimated to be $157,735 per annum or, in other words, $105 per motor trike ‘on average’.

Moreover, the inconsistent approaches to registering versus licencing motor trikes has caused some confusion for the Victorian community including, VicRoads staff. VicRoads has received twelve enquiries from the public since 2018 with respect to the confusion regarding driver licensing and vehicle registration requirements. However, overall data over trike enquiries is difficult to isolate through complaint logs and is unavailable.

All other Jurisdictions in Australia categorise motor trikes as motorcycles and, therefore, have consistent motorcycle registration and licencing requirements for these vehicles. Victoria is currently the last remaining jurisdiction where motor trikes are still registered as light vehicles.

The requirement to register motor trikes as light vehicles is expected to become a greater concern over time as more industries begin to use motor trikes for delivery/transport purposes (similar to the example in Figure 9) rather than motorcycles given their stability and lower centre of gravity. With respect to farming and agriculture, however, quad bikes and utility vehicles are more likely to be adopted than trikes as they are more suitable for the types of road use conditions.

Figure 9 – Example of motor trike



### Nature and extent of the problem with regulation of vehicles that make limited use of public roads

#### Background to regulation of vehicles that make limited use of public roads

The standard form of vehicle registration, may impose an inequitable regulatory burden on operators of vehicles that make limited use of public roads.

A range of unregistered vehicles in specific circumstances are permitted to operate in a limited capacity on Victorian roads. The specific circumstances were limited to:

* Historic, vintage, veteran and classic vehicles that were operated by vehicle club members (98,844 vehicles in FY19/20);
* vehicles that were being prepared for sale or registration by vehicle dealers and other businesses in the motor vehicle industry (9,318 trade plates issued to dealers and others at any one time in FY19/20);
* unregistered vehicles requiring access to public roads for either a limited period of time, such as preparing a vehicle for registration, or for single purpose use, such as moving a vehicle from auction in Victoria to a home address or interstate for registration (341,384 vehicles in FY19/20); and
* a range of other vehicles, such as those being towed, agricultural machinery and other vehicles crossing public roads, and vehicles registered in another jurisdiction and used temporarily in Victoria.

There are no national standards for unregistered and limited-use vehicles operating on public roads. However, there are a number of targeted solutions used by Australian jurisdictions whereby unregistered and limited-use vehicles are allowed to operate on public roads via a series of exceptions to, and exemptions from registration requirements, and use of special permits.[[176]](#footnote-176), [[177]](#footnote-177), [[178]](#footnote-178)

The vehicles, to which these targeted solutions apply, pose varying levels of risk to other road users, but these fall below the level of risk posed by a registered vehicle with unlimited access to public roads. These levels of risk can be described from lowest to highest, based on the duration of their use of public roads, as follows:

* unregistered vehicles making minimal use of public roads (e.g. only crosses public roads between private properties)
* unregistered vehicles making single direct journeys to be registered at the nearest VicRoads office
* vehicles that are registered or permitted to operate interstate or overseas visiting Victoria
* unregistered vehicles making single journeys from Victoria to be registered in another state or territory
* unregistered vehicles making multiple journeys while being prepared for registration in Victoria
* motor vehicles sales and repair businesses taking unregistered vehicles on short journeys, such as test drives
* motor vehicle enthusiasts driving their historic and classic motor vehicles for a limited number of days each year.

A series of existing measures have been designed to provide practical and equitable alternatives to registering vehicles that make limited use of public roads. They confer permissions that are subject to conditions relating to their limited use of and/or limited impact on public roads.

Repeated and/or serious breaches of these conditions can result in the withdrawal of these permissions. If these permissions are withdrawn, the relevant vehicles must be registered in accordance with the standard vehicle registration scheme, as prescribed by the *RSA*, if the vehicles are eligible for registration on public roads.

The range of exceptions, exemptions, and permits described below provide fair and equitable access to Victoria’s public roads and TAC third party insurance. The lower or removed cost of exemptions and exceptions reflects their lower or temporary access to roads, which in turn lowers cost to government and to the broader population. This is borne out in reduced externalities such as road and parking congestion, noise and air pollution, and road wear. TAC cover may be limited for vehicles used under these circumstances.  For this reason, it is recommended that vehicle operators purchase non-registered vehicle TAC cover to ensure the appropriate cover is provided in case of personal injuries as a result of a motor vehicle accident.

**Exemptions for defined types of vehicles**

The current interim Regulations allow a limited number of types of vehicles to be operated on Victorian roads without being registered. ‘Exemptions’ apply only to defined types of vehicle, and apply at all times.[[179]](#footnote-179) For example, some small trailers are exempt at all times and in all circumstances from having to be registered. These types of vehicles are either towed behind another vehicle, or moved across public roads to traverse from one farm paddock or field to another. The operator responsible for towed vehicles can be identified from the number plates on the towing vehicle.

These exempted vehicles are limited to:

* small trailers that weigh less than 200kg when empty, are less than three metres long, are not designed to carry boats, and are no wider than the motor vehicle towing them
* unregistered motor vehicles being towed
* agricultural machinery
* trailers used exclusively for carrying bulk grain bins and fruit bins
* unregistered trailers (excluding small trailers as described above) being towed by a tow truck.

**Exemptions for golf carts, golf buggies and ride-on lawn mowers**

Published in the Government Gazette G7 on 18 February 1993, the Governor in Council made the following order on the 8February pursuant to subsection 3(2)(b) of the *RSA* that:

A vehicle described as a golf cart, golf buggy or ride-on lawn mower, is not considered to be a motor vehicle for the purposes of the law provided the following conditions are met:

* it is designed mainly for use outside the road system
* it is only being used for the purpose for which it was manufactured
* it is not used to travel on roads or road related areas for more than two kilometres at a time in one direction.

As these vehicles are not considered “motor vehicles”, they are exempt from registration. Because golf carts, golf buggies and ride-on lawn mowers do not have the safety features of a regular vehicle, their access to road and road related areas is limited to:

* golf cart or golf buggy – for the purpose of playing golf.
* ride on lawn mower – limited to its use of mowing lawns;
* and, for going to or from the location for the activity (no more than a 2 km distance one way)[[180]](#footnote-180).

**Exceptions for defined circumstances**

‘Exceptions’ can apply to any vehicle, but only in defined circumstances. For example, any vehicle can be excepted from having to be registered, as long as they only cross a public road from one property to another and do not travel along that public road. The current interim Regulations provide exceptions for vehicles that are not registered in Victoria to be operated on Victorian roads under certain circumstances. These circumstances are limited to cases where:

* an unregistered vehicle that has a current roadworthy certificate is being driven by the most direct route to a VicRoads office where it can be registered
* an unregistered vehicle (other than an agricultural vehicle or machine) is only going to be used to cross public roads between one property and another
* a vehicle is registered or permitted to operate in another Australian state or territory, or another country,[[181]](#footnote-181) and is in Victoria temporarily.[[182]](#footnote-182)

Vehicles operated under these circumstances are considered to be low risk, as they have a current roadworthy certificate, make minimal use of public roads or are registered in another jurisdiction. The Department of Transport considers that the exceptions for circumstances described above are practical measures for vehicles that make minimal use of public roads or are registered elsewhere and visiting Victoria temporarily. The Department of Transport also acknowledges (albeit without supporting data) that it is possible for operators of vehicles in the first two of the three exceptions listed above to break road laws and not be identified but considers that the number of vehicles allowed these exceptions is sufficiently small and for sufficiently short duration that the risk is acceptable.

**Club permits**

The Department of Transport and the Victorian club permit scheme (CPS) continues to recognise the role motoring clubs play in preserving Victoria’s motoring heritage. It provides sufficient flexibility to allow members of vintage, veteran, historic, and classic vehicle clubs that are recognised by the Department to make limited use of club eligible vehicles on the road network. These vehicles are not registered but are permitted to operate on public roads for a maximum of 90-days per year from the date the club permit was issued. The CPS began in the early 1960s however it was substantially revised in 2011 when the log book obligations were introduced.

Club permit vehicles are identified through their unique club permit number plate and their operators are responsible for proper use of the vehicle in accordance with club permit conditions. These conditions include being a member of an approved car club and using a log book to record vehicle use, to ensure the vehicle does not exceed the maximum number of days on public roads permitted by the club permit.

The club permit scheme provides vehicle enthusiasts the flexibility to utilise their vehicles on the days of their choosing to pursue their hobby at a level of regulation and cost that is proportional with the vehicles’ use of public roads. 97,586 vehicles were registered on the CPS in 2019/20. Where fees are charged, as is the case for club permits, the amounts vary depending on the nature of the permit and the duration of public road use.

Compared to standard vehicle registration charges, the fees charged for club permits amounted to a saving for vehicle operators of approximately $72.21 million in 2019/20. These vehicle operators are not charged for a full year of standard registration[[183]](#footnote-183). Table 21 below details these savings further.

Table 21 – Registration costs saved by vehicle operators using club permits 2019/20[[184]](#footnote-184)

| **Permit type** | **Cost (inc. TAC)****[[185]](#footnote-185)** | **Standard registration (inc. TAC)[[186]](#footnote-186)** | **Saving per vehicle**  **(X-Y)** | **Number of vehicles**[[187]](#footnote-187) | **Total annual savings** |
| --- | --- | --- | --- | --- | --- |
| Club permit | $79.60 (45-days / year)  $153.90 (90-days / year) | $834.80 | $755.20 (45-days / year)  $680.90 (90-days / year) | 77,639 (45-days / year)  19,947 (90-days / year) | $72.21 million |

#### Safety and enforceability concerns with regards to light trailers

Under the current interim Regulations there are three classes of light trailer registration requirements in Victoria:

1. Light trailers, which are not boat trailers, and are not used for commercial purposes, and which weigh less than 200kg unladen, are less than 3.0m in overall length (including its draw bar and any load) and are narrower than the towing vehicle[[188]](#footnote-188) – are exempt from registration. As at 3 February 2021 there were 58,131 registered light trailers under 200kg[[189]](#footnote-189);
2. Light trailers between 200kg and up to and including 750kg are self-certified and registered through submission of a trailer pack via mail or in person at a CSC. This information includes a registration application form and other material to capture the dimensions of the trailer which is provided to VicRoads without the need for inspection. As at 3 February 2021 there were 358,363 registered light trailers between 200kg and up to 750kg[[190]](#footnote-190); and
3. Light trailers between 751Kg up to and including 4.5 tonnes (e.g. two axle trailers used to load cars) are required to be inspected through a customer service centre but don’t require RWCs. As at 3 February 2021 there were 452,358 registered light trailers between 750kg and up to and including 4.5 tonnes[[191]](#footnote-191)

This means that for the first two classes of light trailers up to and including 750Kg, an inspection is not required. This means that any safety issues remain unknown. However, VicRoads advises that there is no road safety data that shows that there is a risk with these light trailers up to and including 750Kg (i.e. no data on how many and what type have been in accidents).

With respect to the third class of light trailer registration (751kg to 4.5 tonnes) VicRoads CSC staff do not have checking procedures for inspecting trailers for safety. Only 20 out of the 38 VicRoads CSCs across Victoria have facilities to conduct trailer inspections. In the CSCs that do have facilities to conduct trailer inspections, not all staff are sufficiently trained to conduct some of the more technical aspects of light trailer inspections, such as checking brakes and ensuring the tyre sizes are compliant for the trailer size and mass. This has implications for safety issues such as brake failure.

For trailers under 200Kg – not only is their safety unknown as no inspection is required but also who is operating them. There are times when these registration exempt light trailers obscure the identity of the vehicle towing them such that there are enforceability issues with road safety cameras and tolls. However, the extent of this is unknown.

#### National harmonisation and safety and enforcement concerns with regards to golf carts

Golf carts being used for a purpose for which they were manfactured currently do not require an operator to have a licence and do not require regisitration, are increasingly used with second hand golf carts priced under $2,000. Since 1993 the use of Golf Carts has increased in popularity with numerous community estates being developed around a golf course such as: Sandhurst; Patterson Lakes; Eynesbury; Mandalay; Black Bull; Heritage; Moonah links; Cape Schanck; The Sands; Waterford Valley; Barwon Heads; Geelong – to name a few. In such estates golf carts are considerd to be a means of transportation even when not playing golf.

In some country towns and the Murray River region, golf carts are being used in 80 to 100km zones with no lights and no seat belts or other safety features but within 2km of the golf course. Towns like Avoca are becoming golf cart communities and driving their carts on major roads. Moroever, provided that golf carts meet the criteria for exemption from registration discussed in 2.3.6.1 of this RIS – operators are not subject to drink driving obligations.

There have been approximately 290 reported injuries resulting for the use of Golf Carts across the period 2010-2020, with 2 reported fatalities in Victoria in the last 5 years[[192]](#footnote-192). The community is being placed at risk and Victoria Police is being hindered in terms of its ability to apply and enforce laws and obligations with the intent of the gazette and exemptions form registration being exploited by those wishing to take advantage of the current system.

Moreover, there are townships across state and territory borders in close proximity that operate quite differently and there is the potential to move towards national harmonisation. For example in New South Wales, Queensland, and Tasmania there is ‘conditional registration’[[193]](#footnote-193) [[194]](#footnote-194) [[195]](#footnote-195), or, in the case of South Australia ‘restricted miscellaneous vehicle registraton’[[196]](#footnote-196) for golf carts.

#### Nature and extent of problem in relation to the Club Permit Scheme (CPS)

**Inappropriate use of the Club Permits**

As at January 2021, there are 95,053 vehicles on the CPS. There are a number of problems in relation to the CPS being used inappropriately. The intent of the CPS was for club permit vehicles to be used for recreational purposes and not for hire or reward, including carrying goods or passengers for hire or reward.[[197]](#footnote-197) VicRoads believes there is a small portion of club permit holders who are using their vintage, veteran, historic, and classic vehicles for commercial purposes (e.g. carrying tools as part of a landscaping or gardening business or as wedding cars for hire or for tours). VicRoads advises that it has implemented a tracking process for complaints about the potential use of club permit vehicles. However, since the process was instituted in 2020, there has been very few complaints and to date, none have been substantiated. It is important to note however, that 2020 was an outlier year given the COVID-19 pandemic.

These club permit holders would have to otherwise pay the full registration fee and TAC premium that would otherwise apply to a commercial vehicle.

There are also some club permit holders who drive their vehicles a greater number of days than permitted by their permit (e.g. more than 45-days or 90-days). However, the extent of this is unknown.

Current interim Regulation 154 requires that there is an entry for each day the vehicle is used[[198]](#footnote-198), however, there have been detected breaches in log book obligations. VicRoads advises that it does not record information on breaches in log book obligations.

**Nature and extent of problem of need for national harmonisation - age of vehicles on the CPS**

Whilst there is no intergovernmental agreement, Victoria seeks to align with the other states and territories in relation to the age of vehicles and the CPS. Under the current interim Regulations in Victoria vehicles must be 25 years or older to be eligible on the CPS, whereas in other jurisdictions there is an approach that vehicles be 30 years or older[[199]](#footnote-199) [[200]](#footnote-200) [[201]](#footnote-201) [[202]](#footnote-202) [[203]](#footnote-203) [[204]](#footnote-204) [[205]](#footnote-205). Currently, there is only anecdotal evidence around risks to safety for vehicles 25 to 30 years old.

**Nature and extent of problem of uncoupled CPS fees and registration fees**

CPS fees (currently in fee units) were supposed to be pro rata to registration fees but became uncoupled over time. This has resulted in lower registration fees for CPS permits.

Table 22 shows the loss of registration fee revenue due to the uncoupled CPS fees of around $10.3 million between 2013 and January 2021.

Table 22 – Amount of registration fee revenue lost due to uncoupled CPS fees and registration fees

| **Year** | No. 45-day permits | No. 90-day permits | Average registration fee 45-day permit | Average registration fee 90-day permit | Revenue 45-day permit | Revenue 90-day permit | **Full year base registration fee** | 45-day permit pro rata registration fee | 90-day permit pro rata  registration fee | Pro rata revenue 45-day permit | Pro rata revenue 90-day permit | 45-day permit variance in revenue | 90-day permit variance in revenue |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2013 | 21,627 | 11,383 | $19.99 | $40.07 | $432,324 | $456,117 | **$232.30** | $28.64 | $57.28 | $619,391 | $652,012 | -$187,068 | -$195,895 |
| 2014 | 35,048 | 14,225 | $20.50 | $41.09 | $718,484 | $584,505 | **$270.40** | $33.34 | $66.67 | $1,168,395 | $948,437 | -$449,911 | -$363,932 |
| 2015 | 49,838 | 17,155 | $21.19 | $42.34 | $1,056,067 | $726,343 | **$277.70** | $34.24 | $68.47 | $1,706,303 | $1,174,671 | -$650,236 | -$448,328 |
| 2016 | 56,100 | 17,538 | $21.80 | $43.50 | $1,222,980 | $762,903 | **$284.70** | $35.10 | $70.20 | $1,969,110 | $1,231,168 | -$746,130 | -$468,265 |
| 2017 | 59,850 | 18,279 | $22.30 | $44.58 | $1,334,655 | $814,878 | **$290.40** | $35.80 | $71.61 | $2,142,794 | $1,308,877 | -$808,139 | -$493,999 |
| 2018 | 64,911 | 18,890 | $22.80 | $45.46 | $1,479,971 | $858,739 | **$295.10** | $36.38 | $72.76 | $2,361,604 | $1,374,519 | -$881,634 | -$515,780 |
| 2019 | 71,657 | 19,919 | $23.10 | $46.19 | $1,655,277 | $920,059 | **$302.40** | $37.28 | $74.56 | $2,671,530 | $1,485,248 | -$1,016,253 | -$565,189 |
| 2020 | 78,722 | 20,122 | $23.70 | $47.39 | $1,865,711 | $953,582 | **$302.40** | $37.28 | $74.56 | $2,934,929 | $1,500,385 | -$1,069,217 | -$546,803 |
| Dec YTD 2021 | 43,099 | 11,101 | $23.69 | $47.38 | $1,021,015 | $525,965 | **$302.40** | $37.28 | $74.56 | $1,606,825 | $827,739 | -$585,810 | -$301,774 |
| **TOTAL** |  |  |  |  |  |  |  |  |  |  |  | **-$6,394,397** | **-$3,899,965** |

**Issue for consideration with respect to the inconvenience of paper-based log books for the CPS scheme**

Under current interim Regulation 153(7) permit holders under the CPS are issued with a log book with obligations specified under Regulation 154 including the recording requirements for owners of vehicles on the CPS for each day they are used.[[206]](#footnote-206) However, there has been a change in demographics for vehicle owners on the CPS. Since the introduction of a paper-based log book it has been revealed that there is a larger percentage of new vehicles and younger drivers. Subsequently, the current interim Regulations do not recognise the expectations of this new demographic when it comes to the CPS scheme regarding the convenience of using electronic documents in place of printed documents. This is not withstanding that older permit holders still prefer paper-based log books. Moreover, network black spots in regional areas such as Beechworth and Yackandandah, where there are upcoming events in August 2021, would make the use of electronic documents difficult at times and Victoria Police would struggle to enforce log book obligations. VicRoads advises that they do not record the demographic break up (e.g. age etc) on the database.

**Nature and extent of problem of club permit application forms not correctly completed**

The current interim Regulation 152 does not provide for all paper-work to be completed correctly when applying for a 45-day or 90-day club permit. Larger vehicle clubs (e.g. those with 500 members for example) ensure that application details are up to standard by going through a club checklist including:

* ensuring that the details and information on the permit application have been properly entered;
* the vehicle eligibility and declaration for has been submitted;
* the form is retained with the club which will store several photos of the vehicle; and
* the club will then sign the application form and send to VicRoads.

However, some clubs have only 2 members who self-approve the entry of application form details before signing off and then sending the form to VicRoads. There has been a growth in clubs to over 1,000 since the introduction of the log book and some ‘clubs’ are ‘one person’ entities. As at January 2021, 1,057 clubs have vehicles currently registered on the CPS, with 462 clubs with ten or fewer vehicles currently registered, and 72 clubs with only one vehicle registered[[207]](#footnote-207).

**Nature and extent of the problem of inability to define and certify Replicas for the CPS**

Apart from Victoria, no other state or territory in Australia allows replicas on the CPS scheme. According to VicRoads data there were 283 replicas on the Club permit Scheme in Victoria as at January 2021. The intent of the CPS is to allow people to drive vehicles (manufactured or sold) which are 25 years or older or replicas that are part of Australia’s History. ‘Club eligible vehicles’ for the CPS in Victoria include:

1. a veteran vehicle (manufactured before 1 January 1919); or
2. a vintage vehicle (manufactured after 31 December 1918 and before 1 January 1931); or
3. a classic and historic vehicle (manufactured after 31 December 1930, but more than 25 years old at the date of the application for a club permit); or
4. a replica of a vehicle referred to in paragraph (a), (b) or (c);

The Street Rod Scheme is part of the Club Permit Scheme and is restricted to Australian Street Rod Federation (ASRF) approved street rods. Moreover, there are modified light motor vehicles, (excluding motorcycles), heavy vehicles, and modified from the condition they were originally manufactured – which are issued with ‘M’ club permit plates in the following instances:

* the vehicle is modified outside the guidelines contained in Vehicle Standards Information (VSI) Sheet 33 and issued a VASS certificate; or
* it has previously been modified and issued a VASS certificate (this applies to vehicles modified whilst on the club permit scheme or whilst registered); or
* the vehicle is a pre-1949 street rod, where the applicant is a member of an approved club, but not the ASRF.

However, the term ‘replica’ with respect to CPS eligibility remains undefined under the current interim Regulation 149[[208]](#footnote-208). The intent of allowing Replica vehicles to be entered onto the Club Permit Scheme is to provide an avenue for individuals who construct a vehicle that replicates the appearance of an original production vehicle, that would be eligible for the CPS by virtue of age, to be used on the road network in a limited capacity. There are vehicles being registered through the CPS for the purpose of obtaining cheaper registration that are not real replicas and need to be held accountable to current day safety and emission standards under the ADRs.

A lack of definition is creating problems for VicRoads in terms of enforcing the intent of the CPS scheme with vehicle owners claiming vehicles to be replicas such as a 2007 Holden presenting as a 1993 replica Holden. A recent court case of an owner of a 2004 Honda motor bike claiming it to be a replica, ruled against VicRoads as it was difficult to prove the vehicle was not a replica without the appropriate definition in the current interim Regulations. This goes against the very intent of the CPS scheme which is to recognise the role motoring clubs play in preserving Victoria’s motoring heritage and ‘permit’ certain eligible vehicles to make limited use of the road network. The CPS provides vehicle enthusiasts the flexibility to utilise their vehicles on the days of their choosing to pursue their hobby at a level of regulation and cost that is proportional with the vehicles’ use of public roads. VicRoads advises that there is not data currently available on the extent of vehicles on the CPS which are replicas to which these claims are occurring. However, there are currently 121 replicas[[209]](#footnote-209) with a build date between 2001 and 2020 (as at January 2021) and it is a proportion of these cars which are exempt from age requirements under the CPS that are undermining the intent of the scheme.

VicRoads also advises that the number of vehicles issued with permits as ‘replicas’ is quite low, so the volumes do not expose any safety issues and is doubtful about the availability of data around injury/fatality crash rates for “replicas” or any CPS vehicles.

VicRoads is conscious of the environmental issues created by replica vehicles which until recently, had allowed newly built replicas to evade emission and safety requirements. Outside of the regulatory process, VicRoads has imposed stricter emission requirements (and overall vehicle safety requirements).

### Nature and extent of the problem with hazardous roads

Current interim Regulations cover hazardous areas (alpine roads subject to snow and ice cover during snow season) and special requirements for bus drivers in these hazardous areas, and safety / recovery equipment required to be fitted to or carried in buses in hazardous areas. However, the Department has reviewed the hazardous area regulations and considers that the regulations should be remade under the Victorian Bus Safety scheme. The reason is that the requirements substantially relate to bus operators and drivers rather than apply generally to the Victorian public. The Transport Legislation Miscellaneous Amendment Bill 2021, which is currently before the Parliament, would enable equivalent regulations to be made under the Bus Safety Act 2009. Until this Bill passes both Houses of Parliament and corresponding regulations are made, it is proposed that the current arrangements for the Hazardous Area Authority continue under the proposed draft Regulations.

## The case for government intervention

Having identified the nature and extent of the problem, the ‘threshold’ or preliminary question to be addressed in an RIS is: *Is there a sufficient case for government intervention to assist in solving the problems?*  The economic grounds for intervention relate to the existence of market failure. Market failure occurs when markets fail allocate resources to their best uses. The result is a loss of economic and social welfare. Market forces alone would not be expected to solve the problems identified in Parts 2.1 and 2.2 of this RIS and some form of government intervention is necessary. That is to say, there would be no need for such intervention if markets were capable of solving the identified problems.

The most important reason justifying government intervention in road safety is the significant impact and cost on the community resulting from motor vehicle collisions causing fatalities and serious injuries. The awful consequences of such crashes consist of both *quantifiable* costs, such as loss in productivity, and *non-quantifiable* effects, particularly the personal grief, pain, and suffering experienced by the surviving crash victims and their families and friends. Medical treatment of injuries and disability also withdraws scarce medical resources from other community uses, and a significant part of the costs of these treatments falls on the public through increased taxes.

The Victorian Government’s primary road safety objective is to reduce as far as practicable the risk of personal injury and death for all road users in Victoria. It aims to achieve this through its road safety policy as reflected in the *RSA* and related regulations.

The proposed Regulations contribute to the achievement of this objective primarily by:

* giving effect to the relevant national standards, frameworks and guidelines, where relevant, to ensure that vehicles are identified and safe before they can be registered, re-registered, or permitted to operate on Victorian roads
* clearly setting out the requirements for the registration of motor vehicles to ensure that operators are aware of their obligations, and that the identity of vehicles and vehicle operators are verified before vehicles are permitted to operate on the road, and safety checks (if required) have been undertaken
* establishing procedures for the administration of vehicle registration to ensure consistency, equity, and integrity of registration processes, and the capture and storage of information for registration purposes.

Other benefits include the facilitation of law enforcement (including infringements), consumer protection, environmental protection and collection of tolls.

The rationale for government intervention in road safety is that a lack of regulation would result in an increase in road trauma due to the inability to enforce road safety laws.

## Regulatory Fees

### Lack of cost recovery of VicRoads registration services with no regulations

Without cost recovery, there would be a greater need for government appropriations to fund VicRoads operations. These additional appropriations would be sourced from general revenues, which are funded by the entire tax paying community. Thus, no cost recovery means that all taxpayers would subsidise the individuals who are consuming the services provided. As shown in Table 58, an estimated $63.4 million a year in costs would need to be covered from taxpayers (i.e. approximately $254 million over 4 years) if the regulations were not remade.

Furthermore, providing services for Services Groups, Permissions groups and Service agreements groups, free of charge may result in customer behaviours which diminish the value of the service to the customer, create excessive demand, and result in greater delivery costs. Such behaviours would compromise the efficient delivery of services.

In a situation where charging a fee for a service encourage undesirable customer behaviours, or where the fee may be perceived to be onerous, or frivolous, it may be reasonable to not prescribe a fee.

Examples where charging a fee is not warranted would be:

* *Name and address change administration -* Any fee may discourage customers from updating their records and that would have a detrimental impact on VicRoads’ ability to communicate notices, sanctions, and other instructions. This would also impact enforcement agencies, and others who rely on VicRoads data for their work, such as Councils and Toll agencies.
* *General Enquiries* – Any fee may discourage customers from seeking advice or information (e.g. registration status and transfer rules) and as such limit the understanding of both their rights and obligations.

### Need for cost recovery

#### Introduction

This section discusses cost recovery principles, and options for cost recovery and fee structures. It is an in-principles discussion, which cannot be applied to the actual setting of fees at this time. As discussed in Section 1.4.2.7 of this RIS, VicRoads does not yet have a suitable Activity Based Costing (ABC) Model which could be used to determine appropriate cost-based fees at a detailed ‘unique output’ level. An ABC model would have the following characteristics:

* Identification of unique outputs and their activities;
* directly attributable costs of each activity can be estimated;
* direct overheads associated with a group of activities can be distributed to those activities;
* sum of each directly attributable and overhead attribution for each activity sums to total cost for each group of activities;
* fees for each group of activity (i.e. unique output) reflect the costs of producing that output;
* fees can be calculated in a systematic and consistent way; and
* instances where fees do not reflect costs will be transparent and will need to be justified on another basis (e.g. equity).

#### Cost recovery principles

The principles applied in the RIS are consistent with the Department of Treasury and Finance (DTF) Cost Recovery guidelines[[210]](#footnote-210). Whilst there may be competing rationales to balance, the principles for the services provided and the fees charged for those services are operational efficiency, equity, simplicity, and discouraging customer behaviours which are not conducive to cost and road safety objectives.

**Operational Efficiency**

Government entities should ensure:

* that services are delivered efficiently; and
* sustainable usage of public services.

The public should:

* share in the private value that is created through public service provision; and
* not be burdened with the costs associated with poorly executed or controlled services.

**Equity**

The price of a service should:

* not limit access to those with a more limited ability to pay;
* be relative to the private sector where the service is in competition with that sector;
* ensure that where inter-agency services generate costs for other agencies, the cost should be borne by that agency; and
* be priced to ensure maximum accessibility where the services create broad community benefits.

Users who benefit from:

* the service should bear the cost of service provision
* service differentiation should pay for the differentiated service.

In addition, DoT has a policy that, where alternative access to services (e.g. online/internet services) is introduced, customers without access to the new service modes are not disadvantaged either in terms of lack of access to them or differentiated prices. The reason for this is to ensure that all customers have a means to access the licensing and registration services provided by government.

**Simplicity**

Pricing structures should be easy to understand and simple to administer. Fees should:

* not be subjected to frequent fluctuations (other than to reflect CPI related increases)
* only be charged if it can be collected economically and efficiently.

**Customer behaviours**

Pricing should:

* encourage positive behaviours conducive to road safety and the efficient use of resources. A charge for a service should be set at a level that enables consumers to value the service and avoid frivolous use habits
* not dissuade customers from undertaking desired activities, such as address change, registration checks or undertaking a fitness to drive assessment.

#### Cost recovery options

There are two broad options for cost recovery - partial cost recovery and full cost recovery.

**Partial cost recovery**

Partial cost recovery raises the same issues identified with no cost recovery as discussed in Section 2.4.1, albeit to a lesser degree. Partial cost recovery may be appropriate for a variety of reasons, including affordability and social justice reasons, to encourage use or access to services, because doing so would harm other policy objectives or because benefits of the service are primarily public rather than private.

For example, to meet affordability and social justice challenges, fee concessions for disadvantaged persons would result in partial recovery, leaving the government to fund the unrecovered costs to maintain the services.

The application of concession entitlements or the means-testing of fees adds a level of administrative costs when seeking to manage entitlement and facilitate billing and fee collection. Concessions could be justified where the amount or frequency of the fee were to create affordability concerns for low income households.

If service recipients not entitled to concessions do not absorb the shortfall, the government will be required to fund the shortfall to maintain the same level of service and fees. Where recipients, who are not entitled to concessions, absorb part of, or all the shortfall, equity concerns would need to be addressed.

**Full cost recovery**

The full recovery of costs of the services across the customer base enables an equitable distribution of costs by charging those who consume the services. Targeting those who specifically consume the services is an effective means of full cost recovery, provided the cost is not prohibitive (e.g. considering customers’ capacity to pay) and resultant customer behaviours do not compromise road safety objectives (e.g. discouraging self-reporting for medical fitness-to-drive review).

Examples of instances where full cost recovery may be appropriate include:

* *Registration Transfer –* Fees may be charged to the purchaser of the vehicle to have the vehicle transferred into their name. There is a defined user base for this service and user pays approach to fees should be considered.
* *Late registration fee* – Fees may be charged if a person does not complete their registration transfer within 14 days.
* *Vehicle Inspections –* Fees may be charged to the customer utilising the service. Fees could be applied at each step of the process including appointments, documentation verification and physical inspection of the vehicle. There is a defined user base for this service and a user pays approach to fees should be considered.

#### Fee Structure Options

Fees can be structured to encourage behaviours that value the service, have equity considerations, and to reflect the finite resources required to provide the service. Table 23 below, outlines the characteristics and potential applicability of various fee structures for the services provided by VicRoads and their relevance to Regulations.

Table 23 – Fee Structure Options

| Structure | Description | Possible Application | Relevance to Regulations |
| --- | --- | --- | --- |
| **Unit price** | This fee structure reflects a fixed rate per transaction (e.g. public transport where there is a fee per journey). | Where customers consume services as independent events and where each unit is very similar if not identical. | This is an appropriate pricing structure for some of the services provided by VicRoads. Most registration and licensing services are consumed in this manner, e.g. licence renewal, vehicle registration renewals and permits, vehicle inspections, and exemptions. |
| **Flat rate price** | This fee structure reflects the volume consumed when purchasing a single product (e.g. fuel). | Where customers in a single transaction may consume various quantities of a product. | This is an appropriate pricing structure for some of the services provided by VicRoads. These include Dealers (i.e. LMCT’s) processing multiple inspections per day and the quantity varies daily. |
| **Flat fee price** | This fee structure involves a single fee and does not change irrespective of the volume consumed (e.g. all you can eat restaurants). | Where the service provided (whilst achieving the same outcome) may involve significantly different levels of effort or activity. | This is an appropriate pricing structure for some of the services provided by VicRoads. These include the provision of reports some of which are automatically produced whilst others may require various levels of manual effort, but in the eyes of the customer they are getting the same product. |
| **Tiered price** | This fee structure can have a high upfront amount and then a lesser rate for added consumption (e.g. Taxi) or the reverse where there is a disincentive to consume too much (e.g. electricity and gas). | None. | This is NOT an appropriate pricing structure as it would be an inefficient application of resources. There is no real application for this fee structure due to the nature in which services are consumed by the customer. In the case of a high upfront charge there could be an argument that it is against the principle of cost recovery and in the case of a progressive charge, it could be a disincentive to undertake necessary transactions. |
| **Packaged price** | This fee structure reflects the grouping of several products into a basket of goods or services at a total price (e.g. a hamper). | All the appointments and tests could be bundled into a single fee as there are multiple steps undertaken by customers when seeking to obtain a driver licence. | This could be used for some of the services offered by VicRoads. However, it does create a risk of potentially poor incentives — for example, it might encourage customers to undertake multiple tests before they are sufficiently prepared, rather than undertake further practice or lessons as the cost of the test is less than driving lessons. This would lead to higher failure rates and demand for drive test appointments and longer wait times to book appointments, impacting those who are sufficiently prepared. |
| **Variable service mode price** | This fee structure reflects a different price depending on the way the service is consumed (e.g. online shopping versus in store shopping). | Online purchases may be discounted relative to in–person (CSC) transactions. | This is a potentially appropriate pricing structure for the services provided by VicRoads. It will be a useful consideration in the future to drive behaviours. However, it would mean that consumers opting to remain on traditional service modes will likely incur higher costs. This will raise equity issues and disadvantage customers who do not have internet access or are not comfortable using new and emerging technologies, which is inconsistent with VicRoads objective of “no one being left behind”. |

# Objectives of the proposed Regulations

To address the problems identified in Part 2.1 of this RIS, the primary and secondary policy objectives of the proposed Regulations which build on the objectives of the *RSA*, may be summarised as:

**Objectives:**

1. to improve road safety and reduce damage to property;
2. to enable effective and equitable achievement of other policy goals, including:
   * 1. ease of access to the road network;
     2. ease of adherence to rules; and
     3. timely delivery of services; and

to achieve the above goals at least cost to Government and the community with those costs allocated equitably and appropriately.

# Identification of feasible options

The purpose of this part of the RIS is to identify practicable or feasible options to the proposed Regulations for comparative cost benefit assessment in Part 5.0 of the RIS. Where options are not practicable or feasible (e.g. not within the scope of the *RSA*), then there is no basis any further consideration with regards to costs and benefits.

The RIS is required to identify practicable options to the proposed Regulations and their relative costs and benefits compared to the proposed Regulations. However, the approach of *options identification*, *analysis* and *actions from analysis*, is categorised in several ways in this RIS. This approach depends on 1) whether the discussion is about a regulatory proposal or a future potential proposal, on one hand, and on the other hand, 2) whether or not there is an appreciable cost burden or impact on any sector of the public – as shown in Table 24.

Table 24 – Options identification approach for proposals and policy issues for consultation

| Category for Options identification | Imposes or *has the potential to impose* an appreciable cost burden or impact on any sector of the public | Options identified | Relative costs and benefits of options compared (analysis) | Action from analysis |
| --- | --- | --- | --- | --- |
| **Proposed Regulations** | Yes | **Yes** | Yes | Preferred option selected and effects of preferred option on competition and small business assessed |
| **Proposed Regulations** | No | **No** | No | N/A |
| **Policy issues for consultation** | Yes | **Yes** | Yes (where data and information are available and reliable) | Consultation questions provided |
| **Policy issues for consultation** | No | **No** | No | N/A |

In the case of the proposed Regulations where no appreciable impact or cost burden is imposed on any sector of the public - options are not identified, nor are costs and benefits assessed.

Furthermore, in the case of *policy issues for consultation*, the identification of practicable and feasible options is undertaken where considerable impact would be had on any sector of the public – even though they do not form part of any regulatory proposal and are not required to be part of the analysis under the requirements of the *Subordinate Legislation Act 1994*. Identifying options around policy issues for consultation which have an appreciable cost burden or impact, analysing the relative costs and benefits of feasible options and asking consultation questions - will help to inform potential future regulatory reform, as well as, raising awareness about important matters, and informing future policy development and implementation.

Where only one option has been identified by the Department for a proposal or a future potential proposal, a consultation question has been provided to determine if there are other alternatives to the reform options being presented.

## Identification of options with regards to the proposed Regulations

As discussed in Part I, Preliminary of this RIS – the proposed Regulations are intending to replace the current interim Regulations due to sunset on October 2021. In Section 2.1.2.3 of this RIS it is estimated that without a vehicle registration system, an illustration of the additional *worst-case* scenario or cost to road trauma would be 229 additional road fatalities at a VSL cost of $1.96 billion and 6,942 additional hospitalised injuries at a cost of $1.64 billion[[211]](#footnote-211) per annum (see Table 7 of this RIS for source of estimates).

In consideration of options for a vehicle registration system, it is noted in Section 9(1) of the *RSA* that the “Registration, renewal of registration and transfer of registration may be applied for and granted or refused ***only in accordance with the regulations***”.[[212]](#footnote-212) Hence the Department would be unable to use voluntary codes of practice or self-regulation nor would it be able to develop, publish and promote guidelines as a substitute for regulations. Using public education campaigns using television, radio, newspapers or social media to change behaviour of the wider Victorian community would not be practical as messaging around registration including exemptions, schemes and certificates would become too complex.

Hence without the proposed Regulations, the provisions of the *RSA* would remain in force, but there would be no vehicle registration system ***established by the regulations***, no register of motor vehicles and trailers maintained ***in accordance with the regulations***, and no register of written-off vehicles maintained ***in accordance with the regulations***.[[213]](#footnote-213) That is to say without the proposed Regulations the Department would not be able to promote the primary and secondary objectives specified in Section 3.0 of this RIS. Therefore, no other feasible options, apart from regulations, are identified with regards to the need for a vehicle registration system.

## Identification of options with regards to safety problems with repairable write-offs

There are no current reform proposals being proposed that deal with safety issues around repairable write-offs, as discussed in Section 2.2.1.2 of this RIS. However, it is still regarded as an important issue for consideration with a high potential impact across the Victorian community in terms of a higher likelihood of being written off a second or subsequent time (15.6% of repaired written-off vehicles); and three times more likely to be involved in serious injury crashes, and 47% more likely to be involved in fatal crashes.

### Options around written-off vehicles identified by the Department

The following options have been identified by the Department to address the safety problems in relation to repairable write offs and are compared against the status quo of the current interim Regulations which is to allow for repairable written-off vehicles to be registered in Victoria:

***Option 1*** – *Allow vehicles which are assessed as repairable write-offs (regardless of age) to be eligible for registration but those 30 years of age and over to be only eligible for the Club Permit scheme with VIV and RWC certificate provided.*

Option 1 would limit the use of written-off vehicles 30 years of age and over but still allow for ‘rare’ classic/historic, vintage and veteran vehicles to continue to be driven on the road. Option 1 would also expand the number of VIV inspections as vehicles older than 15 years would now have to be recorded on the WOVR.

***Option 2a*** –*Allow vehicles which are assessed as repairable write-offs (regardless of age) and meet the following criteria to be eligible for full registration including[[214]](#footnote-214)*

* have no non-repairable damage elements:
  + - roof
    - a pillar
    - firewall
    - longitudinal structural rails
    - floorpan
    - suspension components
    - mechanical components (e.g. the engine block, transmission case, differential housing and/or the axle housing)
    - excessive fire, stripping, water or structural damage
    - any or all the activation or deployment of supplementary restraints (e.g. airbags and/or seatbelts)

***PLUS***;

* fit one of the exempt categories:
* hail damaged, where you were the registered operator immediately before the vehicle was hail damaged (contact your insurer) (may be covered by Victoria exempting these vehicles entirely from being recorded on WOVR if hail damage only)
* inherited in a will or letters of administration
* registered in the person’s name for more than 28 days before the damage that caused it to be written-off.

Option 2a would provide for all ‘non-exempt’ written-off vehicles to be on the WOVR and these vehicles to no longer be eligible for registration. Hence, Option 2a provides the opportunity for vehicles to be considered for return to full registration where exemption criteria met. Accident damaged vehicles would not be declared as statutory write-offs in the absence of either non-repairable damage (including no excessive fire, stripping, water or structural damage) or excessive structural damage to three or more areas and if a vehicle fit one of the exemption categories including:

* hail damaged, the applicant for registration is the registered operator immediately before the vehicle was hail damaged (contact your insurer)
* inherited in a will or letters of administration
* registered in the person’s name for more than 28 days before the damage that caused it to be written-off.

Moreover, this option would allow operators to retain vehicles for which non-substantive repairs are required, e.g. malicious damage, scratches, minor panel repairs. For example, an operator bought a new vehicle, it’s now six years old and is maliciously damaged – they know the service history and cannot afford to buy another new car, and would prefer to keep their own vehicle because they know its story. Similarly, a lot of motorcycles are classified as repairable, when the only ‘accident’ was that the motorcycle fell over – but the cost to repair all the panels and associated componentry makes it an ‘economic’ write-off.

***Option 2b*** –*Restrict repairable written-off vehicles (regardless of age) from being registered in Victoria with exemption provisions (as per 2a) and the introduction of a licenced repairer scheme*

Option 2b would restrict vehicles from being classified as RWOs unless they meet the aforementioned exemption provisions, with such vehicles requiring VIV inspection and certification, as with Option 2a. However, Option 2b introduces a ‘licenced repairer scheme’.

***Option 3*** *–**Permit repairable written-off vehicles (regardless of age) to be registered in Victoria and lower the damage criteria threshold for classifying vehicles as statutory write-offs.*

As discussed in Section 1.3.9 of this RIS, a national framework of damage assessment criteria for the classification of written-off vehicles known as the ‘*Damage Assessment Criteria for the Classification of Statutory Write-Offs*’ to which all the States and Territories are aligned - was established in 2013 by the National Motor Vehicle Theft Reduction Council (NMVTRC) and Austroads[[215]](#footnote-215). VicRoads notes that a review of the criteria would need endorsement from Austroads/NMVTRC. Jurisdictions that have moved to make all written-off vehicles as statutory write-offs may not see benefit in supporting any change to the criteria.

Under Option 3, a number of vehicles that would have previously been determined to be RWOs and with more serious damage categories would now be classified as SWOs under this option. Potential criteria would include additional critical safety items where it is known that there are issues with their repair.

***Option 4*** –*Permit repairable written-off vehicles (regardless of age) to be registered in Victoria and enhance the current end to end repair process and updates received by VIV inspectors*

Option 4 would allow additional repairable write-offs to be registered in Victoria (regardless of age) but, with the requirement of visibility of each step in the repair process – it will also improve the quality of the end to end repair process. This would include:

* an enhanced repair diary process where the repairer is required to keep full details of every step and provide in writing to VIV inspector and the VIV inspector has to see the proposed program of work before the work commences;
* establishing a recognised network of persons authorised to repair the written-off vehicles; and
* the VIV inspector being involved and having physical visibility of all activities in relation to the vehicle (e.g. damaged vehicle; parts, welding) end to end[[216]](#footnote-216).

***Option 5*** –*Prevent all vehicles that are assessed as a write-off (regardless of age) from being eligible for registration, excluding hail damaged vehicles*

Option 5 would result in all accident damaged vehicles that are assessed as a write-off (regardless of age) to no longer be eligible for registration, preventing eligibility for registration. This would apply to vehicles on the club permit scheme but would exclude all hail damaged vehicles.

***Option 6*** –*Prevent all vehicles that are assessed as a write-off (regardless of age) from being eligible for registration*

Option 6 would result in all accident damaged vehicles that are assessed as a write-off (regardless of age) to no longer be eligible for registration. This would apply to all vehicles on the club permit scheme, as well as, hail damaged vehicles.

## Identification of options with regards to safety, consumer protection and re-birthing problems for write-offs over 15 years of age

As discussed in Sections 2.2.1.3 of this RIS, accident damaged (written-off) and repaired vehicles over 15 years of age provide risks for safety and consumer purchasing decisions, as well as, re-birthing. Under the current interim Regulation only damaged vehicles under the age of 15 maybe recorded and registered on the WOVR. Jurisdictions such as NSW[[217]](#footnote-217), Qld[[218]](#footnote-218) and SA[[219]](#footnote-219) do not apply any threshold around 15 years of age and all accident damaged vehicles are recorded and registered on the WOVR. However, other jurisdictions such as WA[[220]](#footnote-220), the NT[[221]](#footnote-221), Tasmania[[222]](#footnote-222) and the ACT[[223]](#footnote-223) currently do apply a 15 years of age threshold.

### Options around write-offs over 15 years of age identified by the Department

The only option identified for dealing with these problems is the intended regulatory reform proposal which is to:

***Option 1*** –*Require written-off vehicles regardless of age to be recorded and registered on the WOVR*

**Consultation question 1:** Do you believe that there is a more appropriate threshold in terms of age of vehicle (apart from 15 years and over) that is relevant for dealing with risks for safety, consumer purchasing decisions and re-birthing in relation to RWOs? What are the factors that determine this threshold?

## Identification of options with regards to problems around roadworthiness certification

There are currently no reform proposals proposed in relation to the requirements for roadworthiness certification, as discussed in Section 2.2.2.2 of this RIS. It is important to note that such reform proposals would require an amendment to the Motor Car Traders Act and therefore currently not feasible. However, roadworthiness certification is still regarded as an important issue for consideration with an important role for promoting safety and a high cost impact on sectors of the public. In Victoria, the primary mechanism for detecting if vehicles are not roadworthy is a mandatory roadworthiness certification inspection before transfers of registration or re-registration of vehicles from motor vehicle dealers or private sellers to private (i.e. non-dealer) buyers[[224]](#footnote-224). As noted in Section 2.2.2.2 of this RIS, in 2020, 802,514 RWC inspections were carried out for fee-based vehicle transfers in Victoria, at an estimated total cost to vehicle sellers of $168.28 million, including time costs. Existing requirements for RWC include all used vehicles transferred and re-registered to private buyers. *“Obligations of certain persons disposing of registered vehicle - A disposer must give the acquirer a current certificate of roadworthiness for the vehicle”* [[225]](#footnote-225)

### Options around RWCs identified by the Department

The following options were identified by the Department as practicable and feasible for dealing with problems with regards to roadworthiness certification for light motor vehicles notwithstanding the continuation of existing exemptions (e.g. spouse to spouse, deceased estates etc):

***Option 1a*** *- RWC required on transfer and re-registration for all used light motor vehicles over one year old to private buyers*

Option 1a requires RWC for the transfer and re-registration of light motor vehicles over 1 year old. RWC on transfer from car dealer to car dealer and person to dealer is exempt**.**

***Option 1b*** *– RWC required on transfer and re-registration for all used light motor vehicles over three years old to private buyers*

Option 1b requires RWC for the transfer and re-registration to private buyers of light vehicles over three years old. Three years is the benchmark because it corresponds to the minimum standard warranty on light vehicles, as shown in Table 25. This table describes the standard warranty durations and mileage limits offered by the twenty best-selling makes of motor vehicle in Australia in 2018, which, together, accounted for 93.3% of new light vehicle sales. The percentage figures next to each make of motor vehicle refers to that make’s market share in 2018.[[226]](#footnote-226)

***Table 25 – Standard warranties offered by the twenty best-selling vehicle makes***

| **Mileage limit** | **3-year standard warranty** | **4-year standard warranty** | **5-year standard warranty** | **7-year standard warranty** |
| --- | --- | --- | --- | --- |
| **100,000 km** | Nissan (5.0%)  Suzuki (1.5%)  Land Rover (0.9%) | Lexus (0.8%) | Mitsubishi (7.4%)  Jeep (0.6%) | – |
| **130,000 km** | – | – | Isuzu (2.4%) | – |
| **Unlimited km** | Mercedes Benz (3.4%)  BMW (2.0%)  Audi (1.7%) | – | Toyota (18.8%)  Mazda (9.7%)  Hyundai (8.2%)  Ford (6.0%)  Holden (5.3%)  Volkswagen (4.9%)  Honda (4.5%)  Subaru (4.3%)  Renault (0.9%) | Kia (5.1%) |

*Source: VFACTS, motor vehicle manufacturer/importer Australian websites*

For this option to take full effect, a similar change is required to section 42A of the *Motor Car Traders Act 1986[[227]](#footnote-227)*. Consumer Affairs Victoria is the Victorian Government agency responsible for this Act, and in previous discussions, indicated a preparedness to align section 42A of the *Motor Car Traders Act* with the Road Safety (Vehicles) Regulations.

***Option 1c*** *– RWC required on transfer and re-registration for all used light motor vehicles over five years old to private buyers*

As per Options 1a and 1b, but with the period set at five years. Five years corresponds to the typical standard warranty in the market, as shown in Table 25. This is a less burdensome option than Options 1a or 1b, in terms of regulation.

***Option 2a*** *– RWC required on transfer and re-registration over 60,000 kilometres* *for all used light motor vehicles*

This option considers quite a different model, in which an RWC is required on transfer and re-registration if a vehicle has travelled 60,000 kilometres[[228]](#footnote-228), regardless of its age and at any subsequent transfer of registration. The rationale is that wear-and-tear is a function of how much a vehicle has been used, not how old it is.

***Option 2b*** *– RWC required on transfer and re-registration over 80,000 kilometres* *for all used light motor vehicles*

As per Option 2a, but with the distance set at 80,000 kilometres[[229]](#footnote-229). This is a less burdensome option than Option 2a, in terms of regulation.

***Option 3a*** *– RWC required on transfer and re-registration for all used light motor vehicles over three years old or over 60,000 kilometres (whichever is first) to private buyers*

This option considers a model, in which an RWC is required on transfer and re-registration if a vehicle has travelled 60,000 kilometres or is over three years old (whichever is first). The rationale for this option is that wear-and-tear is a function of how much a vehicle has been used, not just how old it is.

***Option 3b*** *– RWC required on transfer and re-registration for all used light motor vehicles over five years old or over 80,000 kilometres (whichever is first) to private buyers*

As per Option 3a, but with the distance set at 80,000 kilometres with the period set at five years (whichever is first). This is a less burdensome option than Option 3a, in terms of regulation.

***Option 4*** *– RWC required on transfer and re-registration for all used light motor vehicles when the last roadworthy test was done more than 3 years previously.*

Under this option, the test is not related to the age of the vehicle or the number of kilometres it has travelled, but instead to the number of years since it has last had a roadworthy test. The rationale is that a car which has had a roadworthy test done relatively recently on transfer is likely to be safe enough not to require another one on another transfer.

The following option was identified in consultation with the VACC as practicable and feasible for dealing with issues around roadworthiness certification:

***Option 5*** *– RWC not required for all used light motor vehicles with less than 50km odometer reading on transfer or re-registration*

It is important to note that a RWC is not required when the vehicle is transferred from the vehicle motor dealer to its first owner. However, in the case of used cars under 50km, the dealer would have to provide a RWC as the vehicle is not being registered for the first time but rather being transferred and re-registered. Under this option, a RWC would not be required for used vehicles under 50km.

### Other options around RWCs identified by the Department but not considered

Options were also discussed for variations to RWC requirements for driving on country versus driving on city roads; younger drivers versus older drivers; night time driving versus day time driving and driving in heavy traffic versus driving in light traffic. However, the case of differences in risk around safety could either not be proven; there would be substantive regulatory burden in relation to filling out log books whilst driving; and goes against the principle of the registration system treating everyone equally (i.e. it would be discriminatory).

An option was also discussed to have a separate RWC scheme for commercial vehicles, however there is no mechanism to currently define commercial vehicles and data regarding any specific impacts on of commercial vehicles on safety is not available.

Options were also discussed for having a different RW inspection (partial safety inspection similar to NSW annual requirement with 5-point checks) for vehicles under 3 years, 5 years, 60,000km and/or 80,000km. Moreover, an option was considered to have every vehicle 10 years and older to have an annual RWC. However, Section 95(8)(b) of the *RSA* specifically prohibits regulations made under the Act from requiring annual tests of roadworthiness.[[230]](#footnote-230)

Subsequently, these aforementioned options were not considered.

## Identification of options with regards to problems with schemes and certificates

The current regulatory reform proposal around schemes and certificates seeks to expand provisions in the proposed Regulations in relation to the use of authorised vehicle inspectors, inspection and approved forms. In moving towards a universal system to certify and register vehicles in Victoria, the aim of this proposal is to deal with problems identified in Section 2.2.3.2 of this RIS such as:

* the regulatory burden with around 6,400 defect notice clearance certificates per annum, currently estimated to be $420,188 in the twelve months to 2020;
* the lack of skill base at VicRoads to undertake Vehicle Identification Inspection (with up to 15 minutes or more time required at times); and
* the need to bring the VASS into alignment with other schemes.

This proposal will increase the availability of providers, create uniform processes for different certificates and improve customer experience.

This proposal will be mainly machinery in nature and no other options have been identified by VicRoads as being feasible apart from significant scaling up of the workforce in terms of both capacity and skills base, as well as, technology, and capital (e.g. more CSCs around Victoria) which is not seen to be practicable as this reverses the move towards efficiency and outsourcing.

## Identification of options with regards to safety problems around vehicles with fitted gas installations

As discussed in Section 2.2.3.2 the current interim Regulations do not cover light trailers with fitted gas installations in terms of ensuring for gas compliance certificates/plates to be provided/shown with registration and trailers under 200kg (used privately) are currently exempt from registration. The regulatory proposal seeks to remove the registration exemption for light trailers under 200kg where fitted non-propulsion-based gas installations are used and require all vehicles fitted with such gas installations to provide/show the Secretary - with a gas compliance certificate/plate. In this way the regulatory proposal extends the registration scheme for the small cohort of trailers under 200kg which have fixed gas installations that are currently exempt. With regards to all other vehicles (including heavy vehicles) with fitted gas installations, these are covered under the VASS certificates scheme for modifications.

This will deal with the problem identified by ESV with around a dozen annual anticipated incidents involved with non-compliance with standards and the *Gas Safety Act 1997*. An incident involving only one fatality would result in a VSL of $8.56m in 2020 dollars[[231]](#footnote-231).

### Options around vehicles fitted with gas installations identified by the Department

The following options are identified:

***Option 1*** *- Require all registered vehicles (which excludes unregistered trailers under 200kg) and fitted with gas installations to provide gas compliance certificates/plates upon initial registration*

***Option 2******(proposed Option)*** *- Require all vehicles fitted with gas installations to provide gas compliance certificates/plates upon initial registration*

## Identification of options with regards to problems with paper-based certificates

The proposed Regulations introduce a regulatory reform proposal to expand definitions to allow for the future use of *e*-C*ertificates* including *eAFSACs*; *gas compliance certificate*; *eVASS*; *eDNCC*; *eVIV*; *eVIC*; and *eRWC*. As discussed in Section 2.2.3.2, there is a need to provide more visibility around the 5,000 or so Third-party organisations that undertake transactions on behalf of VicRoads. The use of *eCertificates* would allow for information to be acquired in a timely manner and focused desktop audits to ensure that external providers are meeting standards. Moreover, *eCertificates* will allow for a better dissection of data to better discern patterns and relationships between schemes and certificates and safety and environmental outcomes.

### Options around forms of certificates identified by the Department

The following practicable and feasible options have been identified by the Department in relation to forms of certificates:

***Option 1*** *- Require either paper-based or electronic certificates to be supplied to the Secretary with a phased transition to electronic by 1 July 2022*

This regulatory reform option introduces electronic forms of certificates, as well as, continues to support hardcopy paper-based books (original forms of certificates)[[232]](#footnote-232) ‘going from the Secretary to the authorised vehicle inspector’. With regards to received certificates to enable Secretary to make decisions - these would also cover the same electronic forms with matching serial numbers[[233]](#footnote-233).

***Option 2 (proposed option)*** *- Require only electronic certificates to be supplied to the Secretary (to be phased in by 1 July 2022) and only allow paper-based certificates to be supplied to the Secretary as a back-up.*

The proposed regulatory reform under Option 2 would require all certificates to be in electronic form with paper-based certificates allowed only as a backup in the instance of power outages (e.g. during floods or fires) or in rural or remote areas with very low, intermittent or non-existent internet bandwidth availability.

## Identification of options with regards to problem of concessions for charitable bodies

As discussed in Section 2.2.4.2 of this RIS, since August 2016, 244 operators out of 916 that claimed to be charitable bodies and claimed the 100% charitable body concession on their registration fee were not registered with the Commission established by the *Australian Charities and Not-for-Profits Commission Act 2012 (ACNC)*. This has resulted in a cost of approximately $4 million in foregone registration revenue.

### Option around definition of chartable body identified by the Department

The regulatory reform proposal seeks to tighten the definition around charitable bodies to mean “an incorporated entity currently registered as a charity with the Commission established under the *Australian Charities and Not-for-Profits Commission Act 2012* of the Commonwealth or a benevolent organisation”. Under the regulatory reform proposal, the definition of a benevolent organisation will mean “a charitable, benevolent or religious institution the principal purpose of which is to provide assistance to the community or animals but does not include a school, college or university or organisations that operate for profit”

This will allow the appropriate amount of registration revenue is received and that no unwarranted concessions apply.

As this is a definitional problem there are no other practicable or feasible options that can be identified that will manage this problem.

## Identification of options with regards to problem of vehicle identity and re-birthing for ‘unregistered’ vehicles

As discussed in Section 2.2.4.3 of this RIS, VicRoads advises that the percentage of ‘unregistered’ re-birthed vehicles which have their VIN or Chassis number tampered with is unknown.

### Option around vehicle identity identified by the Department

However, to cover the ‘unknown’ possibility of unregistered vehicles having their vehicle or engine ID tampered with, the regulatory reform proposal seeks to change the provision around the offence to alter, deface, remove, substitute or tamper with a vehicle identifier by removing the term ‘registered’ and adding the term ‘or engine identification number’.

No other practicable or feasible options have been identified by the Department to manage this problem.

**Consultation question 2:** Are there any other alternatives for dealing with the tampering of the VIN or Chassis number or engine ID in relation to unregistered vehicles?

## Identification of options with regards to problem of fixing substances or objects to number plates

As illustrated in Section 2.2.4.4 of this RIS, there is the possibility that some registered vehicle operators apply or fix substances or objects to the number plate in an attempt to prevent the production of a clear photograph of the number plate by a photographic or electronic detection device.

### Option ensuring number plates can be identified by the Department

The regulatory reform proposal seeks to amend the requirements for number plates issued by the Secretary for a registered operator of a vehicle to ensure “no substance or object is applied or fixed to the number plate if the substance or object would prevent the production of a clear photograph of the number plate by a photographic or electronic detection device”.

No other practicable or feasible options have been identified by the Department to manage this problem.

## Identification of options with regards to inconsistency issue for consideration in relation to licencing and registration of motor trikes

As noted in Section 2.2.5 in this RIS, under the current interim Regulations there is an inconsistent treatment of licencing and registration for around1,502 motor trikes in Victoria. All other Jurisdictions in Australia categorise motor trikes as motorcycles and, therefore, have consistent motorcycle registration and licencing requirements for these vehicles. Victoria is currently the last remaining jurisdiction where motor trikes are still registered as light vehicles. Registering motor trikes as motorcycles would result in a reduction of registration fee revenue of around $300,000 per annum to VicRoads, notwithstanding the additional $140,000 in TAC charges applying. Varying the TAC rates is considered to be out of scope and is therefore not considered as part of any options.

### Options around motor trikes identified by the Department

The following practicable and feasible options have been identified by the Department including:

***Option 1*** *– motor trikes to be registered as motorcycles and charged at 20% percent of the base registration fee*

***Option 2*** *– motor trikes to be registered as motorcycles and charged at 30% percent of the base registration fee*

Option 2 provides VicRoads with the opportunity to recover some of the lost registration fee revenue previously obtained by registering motor trikes as light vehicles.

The Department did consider other options by which operators could drive these vehicles on the road under different licence conditions. However, these were considered as not feasible as they would not be supported from a road safety/licensing policy perspective, and would still result in being out of step as all other jurisdictions require a motor cycle licence to operate a motor trike.

## Identification of options with regards to the safety and enforceability problems for light trailers

Based on the discussion under Section 2.2.6 of this RIS, light trailers under 200kg which are used privately and meet a number of other conditions are currently exempt from registration. Therefore, not only is their safety unknown as no inspection is required but also who is operating them. There are times when these registration exempt light trailers obscure the identity of the vehicle towing them such that there are enforceability issues with road safety cameras and tolls. Light trailers between 200kg and up to 750kg self-inspect and no roadworthiness certification is required. Light trailers between 750kg and up to and including 4.5 tonnes are inspected by VicRoads at CSCs but do not require RWCs.

### Option around light trailers identified by the Department

No practicable or feasible options have been identified by the department with respect to registration and inspection requirements for light trailers apart from:

***Option 1*** *– Registration of all light trailers*

**Consultation question 3:** Are there any other alternatives for dealing with potential safety and enforceability issues with regards to light trailers which are currently exempt from registration?

## Identification of option with regards to safety problems for golf carts

As noted in Section 2.2.6.3 of this RIS, there have been approximately 290 reported injuries resulting for the use of Golf Carts across the period 2010-2020, with 2 reported fatalities in Victoria in the last 5 years. Victoria Police is being hindered in terms of its ability to apply and enforce laws and obligations with the intent of the gazette being exploited by those wishing to take advantage of the current system.

### Option around golf carts identified by the Department

The following option has been identified in relation to Government Gazette G7 on 18 February 1993, and the order made on the 8 February 1993 pursuant to subsection 3(2)(b) of the *RSA*. This will be addressed as a change to the Gazette to enable the enforcement of offences by Victoria Police such as drink and drug driving even though they meet the following current conditions for exemption:

* it is designed mainly for use outside the road system;
* it is only being used for the purpose for which it was manufactured; and
* the vehicle must not be driven on a road that does not form part of a golf course, except to travel by the shortest available route from one part of the golf course to another part of the golf course including any car park forming part of the golf course.

## Identification of options with regards to the problems of inappropriate use of the CPS and log book offences

Currently there are no penalty for breaches of log book obligations apart from requiring affixing of the label and suspension or cancellation of a club permit for breach of general and operating conditions. The extent of log book offences and ‘inappropriate use’ of Club Permits is unknown as discussed in Section 2.2.6.4 of this RIS.

### Option around log book offences identified by the Department

The proposed regulations seek to mitigate against any breaches of conditions of the club permit scheme and log book obligations by introducing new specific offences for breaches in log-book obligations and general and operating conditions of a club permit. This will provide more proportionality in the response to specific breaches in permit conditions or log book obligations. The following practicable and feasible options have been identified:

***Option 1******(proposed option)*** *- Failure to make a log book entry or non-compliance with the conditions of the Club permit will result in a penalty for specific offences*

Given that having one penalty for any breach does not provide proportionality, such an option has not been considered as practicable.

## Identification of options with regards to the problem of lack of alignment with nationally supported age of vehicles on the CPS

As discussed in 2.2.6.4 if this RIS, there is a need to align with the national position for interjurisdictional harmonisation in relation to the age of vehicles and the CPS. Under the current interim Regulations in Victoria vehicles must be 25 years or older to be eligible on the CPS, whereas the national position is that vehicles be 30 years or older[[234]](#footnote-234) [[235]](#footnote-235) [[236]](#footnote-236) [[237]](#footnote-237) [[238]](#footnote-238) [[239]](#footnote-239) [[240]](#footnote-240).

‘Club eligible vehicles’ for the CPS in Victoria include:

1. a veteran vehicle (manufactured before 1 January 1919); or
2. a vintage vehicle (manufactured after 31 December 1918 and before 1 January 1931); or
3. a ***classic and historic vehicle*** (manufactured after 31 December 1930, ***but more than 25 years old*** at the date of the application for a club permit); or
4. a replica of a vehicle referred to in paragraph (a), (b) or (c);

The Street Rod Scheme is part of the Club Permit Scheme and is restricted to Australian Street Rod Federation (ASRF) approved street rods. Moreover, there are modified light motor vehicles, (excluding motorcycles), heavy vehicles, and modified from the condition they were originally manufactured – which are issued with ‘M’ club permit plates.

### Option around alignment for age of vehicles on the CPS identified by the Department

The only proposed regulatory reform option which aligns the age eligibility of the CPS with the national approach is:

**Option 1 (proposed option) -** *Increase the age of vehicles on the Club Permit Scheme to those 30 years or older, excluding vehicles classified as decommissioned buses (>20 years) or decommissioned ex-military (>25 years).*

Option 1 involves removing eligibility for up to 1,800 vehicles[[241]](#footnote-241) that were manufactured in 1991 or earlier[[242]](#footnote-242) that would otherwise go into the CPS each year. However, vehicles currently younger than 30 years of age and on the CPS would be grandfathered.

Buses and ex-military vehicles are also excluded from the age eligibility requirement because buses get decommissioned after 20 years and ex-military vehicles get decommissioned after 25 years. Operators would have to wait an additional 10 years (for buses) or 5 years (for ex-military vehicles) to get them on CPS if the age limit was restricted to 30 years and over.

Other options were considered increasing the age of vehicles on the Club Permit scheme to more than 30 years, to align with Vintage or Veteran vehicles for example. However, it was determined that such options would not be practicable as they would not align with other states and territories (i.e. would fail to address the problem identified) and would preclude participation in the scheme.

## Identification of options with regards to the inconvenience issue for consideration of forms of log books for the CPS

As discussed in Section 2.2.6.4 of this RIS, there is a changing demographic for vehicle owners on the CPS, with a larger percentage of new vehicles and younger drivers. Notwithstanding that older permit holders have a preference for paper-based log books, the current interim Regulations do not recognise the expectations around the convenience of using electronic documents in place of printed documents.

However, network black spots in regional areas such as Beechworth and Yackandandah, would make the use of electronic documents difficult at times and Victoria Police would struggle to enforce log book obligations.

### Options around forms of log books for the CPS identified by the Department

Subsequently, the following practicable and feasible options have been identified in relation to log books:

***Option 1*** *- Require either paper-based or electronic log books to be supplied to the Secretary.*

This option introduces the consideration of electronic forms of log books, as well as, continues to support hardcopy paper-based log books to be kept in accordance with log book obligations under the CPS.

***Option 2 (proposed option)*** *- Require only electronic log books to be supplied to the Secretary and only allow paper-based log books to be supplied to the Secretary as a back-up.*

Option 2 would require all log books to be in electronic form with paper-based log books allowed only as a backup in the instance of power outages (e.g. during floods or fires) or in rural or remote areas with very low, intermittent or non-existent internet bandwidth availability. For example, many of the car events for vehicles on the CPS occur in network black spots in regional areas such as Beechworth and Yackandandah – which would make the use of electronic log books difficult at times and Victoria Police would struggle to enforce log book obligations.

## Identification of options with regards to the problems of Club Permit application forms not correctly completed

As discussed in Section 2.2.6.4 of this RIS, there are a number of incomplete application forms for Club Permits not being correctly completed with a lack of any process normally pursued by larger vehicle clubs. Indeed, some clubs have only 2 members who self-approve the entry of application form details before signing off and then sending the form to VicRoads. As at January 2021, 72 clubs had only one vehicle registered[[243]](#footnote-243).

### Option around incomplete CPS permit application forms identified by the Department

The following regulatory proposal has been developed with no other feasible or practicable options identified:

***Option 1 (proposed option)*** *– Secretary can return incomplete club permit applications.*

**Consultation question 4:** Are there any other alternatives for dealing with incomplete application forms for the CPS?

## Identification of options with regards to the problems of lack of definition of replicas for the purpose of CPS eligibility

Apart from Victoria, no other state or territory in Australia allows replicas on the CPS scheme and in January 2021 made up less than half a percent of all vehicles on the CPS. Moreover, as noted in Section 2.2.6.4 of this RIS, there is a lack in of definition of ‘replica’ under the current interim Regulation for the purposes of CPS eligibility and clubs grapple with the notion of what is a replica. This lack of a clear definition is creating problems for VicRoads in terms of enforcing the intent of the CPS scheme with vehicle owners claiming vehicles to be replicas and VicRoads being overruled by the Magistrates’ Court. There are currently 121 replicas[[244]](#footnote-244) with a build date between 2001 and 2020 (as at January 2021) and it is a proportion of these cars which are exempt from age requirements under the CPS which are undermining the intent of the scheme. However, the proportion, whilst likely to be very low, remains unknown.

In order to ensure that vehicles that need to be held accountable to current day safety and emission standards under the ADRs the proposed Regulations seek to introduce a definition of what is a ‘replica’ in relation to a club eligible vehicle. The following practicable and feasible options have been identified:

***Option 1 (proposed option)*** *– Introduce a definition of replica in relation to a club eligible vehicle to mean “a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle.”*

Option 1 helps to define what should not be classified as a replica for the purpose of a club eligible vehicle. Vehicles which already have a *fixed identity as per ADR identification plate* would no longer be eligible for CPS under this option.

***Option 2*** *– Remove all replicas from the CPS scheme*

Under Option 2, no replicas would be eligible for the CPS.

# Options Analysis

## Options analysis methodology and approach

### Methodology

The methodology applied to compare potential options involved the use of multi-criteria analysis (MCA), as it was not feasible to quantify all the impacts of the options considered. This approach requires making judgements about how proposed options will contribute to a series of criteria that are chosen to reflect the benefits and costs associated with the proposals. The Department of Transport considered it appropriate to use the MCA as a decision tool because, in many instances, the available data did not allow the costs and benefits of the specific effects of the proposal to be isolated.

The MCA involves:

* specifying a set of assessment criteria
* assigning a weighting to each criterion
* setting a criterion rating scale
* assigning raw scores for each option in relation to each criterion
* calculating a weighted score for each option.

This RIS evaluates the proposed Regulations against a base case whereby the existing interim Regulations are allowed to sunset without being re-made as the proposed Regulations. However, where policy changes from the existing interim Regulations were identified, options are compared against the existing interim Regulations on the basis of the specific policy objectives on a case by case basis. That is to say, the relevant reference points for analysis in this chapter are the current interim Regulations in the case of policy changes to the existing interim Regulations.

In all cases, the proposed Regulations were designed to improve their effectiveness, simplify their operation and avoid imposing an unnecessary burden on the public.

### Options assessment criteria and scoring

Options are compared against assessment criteria and scored by reference to the base case to assess whether the expected outcome resulting from each option represents a positive or negative change relative to the base case.

#### Options assessment criteria

In the context of the proposed Regulations, and to achieve the aforementioned objectives identified in Section 3.0 of this RIS, the following criteria are selected as part of the evaluation strategy, with ***safety*** being the most important one:

* **Safety** – The degree to which a proposal supports and enables reductions in road deaths, and human and infrastructure damage.
* **Effectiveness** – The degree to which a proposal is likely to succeed in addressing the identified problems (e.g. ease of access to facilities, ease of adherence to rules, and speed of delivery).
* **Equity** – The degree to which a proposal does not unfairly disadvantage a lower socio-economic group or section of the public.
* **Cost to government** – The cost of a proposal to Government in terms of net administration costs for the provision of services.
* **Cost to community** – The cost of a proposal to the community in terms of financial and time cost to VicRoads customers and other regulated parties.
* **Complexity –** The degree to which a proposal is difficult to understand, implement, and operate, and complicated in form and design.

These criteria are weighted according to their relative importance to the final outcome. To prevent biases, neutral weights of 50 percent in total for benefit-related criteria and 50 percent in total for cost-related criteria are applied, as shown in Table 26.

On the benefits side, *Safety* was considered to be the paramount criterion and assigned the highest weighting (40%). *Effectiveness* and *Equity* were assigned the remaining 10% which was split equally between them.

On the costs side, *Cost to Government* and *Cost to Community*, were deemed to be the paramount criteria and assigned a combined weighting of 40%, split equally between them in order to balance the cost of administering the proposed Regulations with the burden of compliance to be borne by the community. The remaining 10% was assigned to *Complexity*.

Table 26 – Options assessment criteria and weightings

| **Criterion** | **Weighting** | **Definition** |
| --- | --- | --- |
| **BENEFIT-RELATED** |  |  |
| **Safety** | 40% | The degree to which a proposal supports and enables reductions in road deaths, and human and infrastructure damage. |
| **Effectiveness** | 5% | The degree to which a proposal is likely to succeed in addressing the identified problems (e.g. ease of access to facilities, ease of adherence to rules, and speed of delivery). |
| **Equity** | 5% | The degree to which a proposal does not unfairly disadvantage a lower socio-economic group or section of the public. |
| **COST-RELATED** |  |  |
| **Cost to Government** | 20% | The cost of a proposal to Government in terms of net administration costs for the provision of services. |
| **Cost to Community** | 20% | The cost of a proposal to the community in terms of financial and time cost to VicRoads customers and other regulated parties. |
| **Complexity** | 10% | The degree to which a proposal is difficult to understand, implement, and operate, and complicated in form and design. |
|  | **100%** |  |

#### Criteria scoring

A qualitative score is assigned, depending on the impact of the option on each of the criteria measured relative to the base case. A symmetric criterion rating scale from -10 to +10 (as shown in Table 27 below) is applied against each criterion listed in Table 26 above. This scale range facilitates the inclusion of more information on the choices made, and results in a greater understanding of the proposal. The base case is given a zero score on all criteria. ***Raw scores are not applied to options analysis with respect to policy issues for consultation*.**

Table 27 – Options assessment criteria scoring

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Type of change** | **Insignificant** | **Small** | **Moderate** | **Significant** | **Strong** |
| Negative change | -1 | -3 | -5 | -7 | -10 |
| No change | 0 | 0 | 0 | 0 | 0 |
| Positive change | +1 | +3 | +5 | +7 | +10 |

Where the Department of Transport considered it would be useful to compare options with the current situation under the interim Regulations, the current approach is not included as a separate option and compared with the base case as this would entail comparing an option against itself and is not meaningful when comparing across options.

Options are compared and rated by reference to whether the expected outcome resulting from the option represents a positive or negative change relative to the base case. To arrive at the weighted scores for each option, the raw scores are multiplied by their allocated weighting to give a weighted score.

The following proposals and policy issues for consultation not included in the draft Regulations are being assessed (i.e. having their options analysed), as shown in Table 28, where an appreciable impact/cost impact has been identified. Their presented order is reflective of their significance and extent of impact however proposals and policy issues for consultation have been grouped reflecting whether or not they are included in the draft Regulations.

Table 28 – Options analysis approach for proposals and policy issues for consultation

| Proposal/policy issue for consultation | Imposes or *has the potential to impose* an appreciable cost burden or impact on any sector of the public | Options identified | Relative costs and benefits of options compared (analysis)[[245]](#footnote-245) | Action from analysis |
| --- | --- | --- | --- | --- |
| **Proposals** |  |  |  |  |
| Remaking of sunsetting Regulations | Yes | No | **Qualitative assessment of proposal only** | **Preferred option** |
| Requiring written-off vehicles that are over 15 years old to be recorded and registered on the WOVR | Yes | No | **Yes** | **Preferred option selected and effects assessed[[246]](#footnote-246)** |
| Requiring gas compliance certificates/plates for vehicles which have gas fittings upon registration | Yes | Yes | **Yes** | **Preferred option selected and effects assessed** |
| Expanding definitions to allow for the future use of e-Certificates | Yes | Yes | **Yes** | **Preferred option selected and effects assessed** |
| Increasing the age of vehicles on the Club Permit Scheme to those 30 years or older | Yes | No | **Yes** | **Preferred option selected and effects assessed** |
| Introducing a definition of replica for the purpose of vehicle eligibility for the CPS | Yes | Yes | **Yes** | **Preferred option selected and effects assessed** |
| Changing/expanding provisions in relation to the use of authorised vehicle inspectors, inspection and approved forms | No | No | **No** | **Preferred option** |
| Changing the definition of ‘charitable body’ and ‘benevolent organisation’ | No | No | **No** | **Preferred option** |
| Changing the provision around the offence to alter, deface, remove, substitute or tamper with a vehicle identifier by removing the term ‘registered’ and adding the term ‘or engine identification number’. | No | No | **No** | **Preferred option** |
| Requiring that no substance or object is applied or fixed to the number plate if the substance or object would prevent the production of a clear photograph of the number plate by a photographic or electronic detection device | No | No | **No** | **Preferred option** |
| Introducing higher penalties and new specific penalties proportionate to breaches in the condition of the Club Permit or breaches in log book obligations | No | No | **No** | **Preferred option** |
| Introducing a provision for the Secretary to return incomplete club permit applications. | No | No | **No** | **Preferred option** |
| **Policy issues for consultation** |  |  |  |  |
| Policy issue for consultation in relation to RWOs | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation in relation to roadworthiness certification | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation in relation to licencing and registration of motor trikes | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation for registration of all light trailers | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation in relation to the introduction of electronic Log books for the CPS | Yes | Yes | **Yes** | **Consultation questions provided** |
| Policy issue for consultation in relation to golf carts | Yes | No | **No** | **N/A** |

## Analysis of Options for proposed Regulatory reforms

The following options analysis has been undertaken relative benefits and costs compared to the extent of the availability and reliability of data. Where data is unavailable or unreliable, the RIS clearly makes mention of such constraints.

### Remaking of sunsetting regulations

The remaking of sunsetting Regulations as the overall unique contribution of the proposed regulations on safety and the environment outcomes cannot be discerned and practical and feasible options are not relevant due to the requirements of the *RSA*, constraints around administering registration of vehicles, exclusively through regulations. Moreover, it is noted that an absence of a vehicle registration system under the base case, an illustration of the additional worst-case scenario or cost to road trauma would be 229 additional road fatalities at a VSL cost of $1.96 billion and 6,942 additional hospitalised injuries at a cost of $1.64 billion per annum (see Table 7 of this RIS for source of estimates). The cost of managing the proposed Regulations would be around $63.4 million dollars per annum (see Table 58 of this RIS) made up of activities around Services groups, Permissions groups and Service Agreements Groups.

### Option analysis of safety, consumer protection and re-birthing problems for write-offs over 15 years of age

As discussed in Sections 2.2.1.3 of this RIS, accident damaged and repaired light motor vehicles over 15 years of age create potential risks for safety and consumer purchasing decisions, as well as, re-birthing. The only regulatory reform option identified for dealing with these problems is the intended regulatory reform proposal which is **Option 1** - to *require written-off light motor vehicles regardless of age to be recorded and registered on the WOVR*.

#### Option analysis of WOVR reform proposal

This option has been assessed using breakeven analysis, rather than scoring of individual criteria and multicriteria analysis. The decision tool used for Option 1 is based on the significant level of costs and potential benefits provided by this proposal and assesses the value of benefits required to breakeven.

**Safety**

Option 1 would require all accident damaged (written-off) light motor vehicles over the age of 15 years of age to be recorded on the WOVR. This would ensure that all older vehicles, not just those 15 years and younger, are inspected for certification for registration eligibility. For example, as shown in Figure 8 of this RIS, around 4 million registered light motor vehicles were manufactured between 2005 and 2020. However, there were approximately 1 million light motor vehicles registered and manufactured between 1960 and 2004 which would not be currently be recorded on the WOVR if they were accident damaged. Option 1 would reduce the risk of accident damaged light motor vehicles being inadequately repaired and the potential for fatalities and injuries arising from subsequent accidents for vehicles that are over 15 years of age[[247]](#footnote-247). However, the degree to which this would occur is unknown. Uncertainty around the extent of safety benefits is due to lack of data around vehicles 15 years and over which have incurred accidental damage and would otherwise have been declared SWOs. However, verbal consultation with the VACC indicated that the estimate in the number of vehicles affected per annum to be only a few thousand[[248]](#footnote-248). However, notwithstanding the number of vehicles, in the case of accident damaged vehicles that had not been inspected (i.e. potentially those not on the WOVR which do not require inspection), there is, for example, the risk of a fatality or serious injury with an airbag failing to deploy[[249]](#footnote-249). Therefore Option 1 is expected to confer some additional safety benefits as compared to the base case.

**Effectiveness**

Option 1 would provide effectiveness in dealing with safety risk around written-off vehicles as it would target older light motor vehicles which are not currently recorded on WOVR, notwithstanding other issues such as the repair process. Therefore, impacts in relation to *effectiveness in this analysis mirror those for safety* (i.e. requiring older light motor vehicles to be recorded on the WOVR and go through a VIV inspection will reduce safety risks).

Option 1 would also be effective in ensuring that all buyers of used vehicles are able to identify repaired write-offs as, regardless of age, and the seller would be under the obligation to inform the buyer (particularly with respect to private-to-private sales). The extent of effectiveness is limited to the extent that consumers can currently undertake a Personal Property Securities Register (PPSR) check which provides the potential buyer with the vehicle’s history[[250]](#footnote-250). Finally, Option 1 would also help to identify/uncover an estimated two[[251]](#footnote-251) vehicles a year manufactured in the 1990s or earlier which are ‘potentially’ rebirthed. Given that the extent of effectiveness in relation to consumer protection and re-birthing is limited, the effectiveness of Option 1 remains focused on safety impacts.

**Equity**

Those who are more socio-economically disadvantaged are more likely to have second hand written-off vehicles (regardless of age). Option 1 would result in additional SWOs in the older car bracket being withdrawn from the used car market. The volume of these cars is unknown as they do not currently require VIV inspection however it is likely that at least 26.6%[[252]](#footnote-252) of vehicles older than 15 years of age and accident damaged, will be declared an SWO under this option. Verbal consultation with the VACC has indicated that this would have a negligible to no impact on the used car market[[253]](#footnote-253). For this reason, Option 1 is not expected to provide any change in relation to equity, as compared to the base case.

**Cost to government and the community**

Option 1 would result in an insignificant increase in administrative costs to government in having to supply more hardcopy certificates to VIV inspectors due to additional accident damaged vehicles that would have to be inspected which are over 15 years of age and currently not recorded as SWOs. There would also be some additional cost for oversight of VIV inspections. This would result in a minor incremental cost to government as compared to the base case and will be absorbed into existing government budgets.

With regards to costs to the community, under Option 1, there would be more accident damaged vehicles being inspected by VIV inspectors resulting in an increase in revenue as compared to the base case due to number of accident damaged vehicles over the age of 15 that would now have to be inspected as they would now have to be recorded on the WOVR. Assuming that 2,000 vehicles are affected per annum and an inspection fee of $536.60[[254]](#footnote-254) going to VIV inspectors, this would set the additional cost to the community to be an estimated $1.07 million[[255]](#footnote-255) per annum or $9.05 million over 10 years in present value dollars[[256]](#footnote-256).

There would also be an additional revenue provided to insurance assessors form the increased number of vehicles requiring an assessment. Assuming that 2,000 vehicles are affected per annum and a range of fees for assessment of write-off status of between $165 and $220, this would set the additional cost to the community at between $0.33 million[[257]](#footnote-257) and $0.44 million[[258]](#footnote-258) per annum in total or between $2.78 million and $3.7 million over 10 years in present value dollars[[259]](#footnote-259).

It is also noted that under Option 1, there will be a minor additional administrative cost for insurance assessors in having to notify the Secretary of vehicles for which notification is currently not required. Additionally, insurance companies may be required to update systems and processes.

Taking into consideration the aforementioned costs, Option 1 is estimated to generate an additional $12.3 million of total cost over 10 years in present value dollars, as compared to the base case.

**Complexity**

Option 1 would simply expand the current regulatory processes around VIV inspection certification and registration eligibility to a broader cohort of vehicles and therefore, not result in greater complexity than the base case.

#### Breakeven discussion and the preferred option

The VSL of just one death on the road has been estimated to be $8.56 million in 2020 dollars as discussed in 2.1.2.1 of this RIS. In order to breakeven with the $12.3 million of costs generated by this proposal, over 10 years, Option 1 would have to prevent the risk of death by approximately 1.44 lives over this period. Given that there around 2,000 vehicles affected per annum or 20,000 vehicles over 10 years, it is considered that potential to reduce risk of death by just 1.44 lives over this time period and for this category of accident damaged vehicles, is reasonable.

Therefore, the preferred and only option with regards to dealing with safety, consumer protection and re-birthing problems around accident damaged and repaired light motor vehicles over 15 years of age, is ***Option 1*** (the proposed regulatory reform option) would which require written-off light motor vehicles regardless of age to be recorded and registered on the WOVR.

### Options analysis of safety problems with regards to light trailers with fitted gas installations

As discussed in Section 2.2.3.2 of this RIS, registration is the first and usually the only time a regulatory body engages with light trailers. However, under the current interim Regulations there is currently no requirement that light trailers with fitted gas installations comply with the *AS/NZS5601.2* standards or *Gas Safety Act 1997*. There are concerns associated with the lack of testing of fitted gas installations on light trailers (e.g. Caravans) that do not get assessed, tested, and certified, as well as, concerns with fitting and conversion being undertaken by un-authorised providers. Based on data from ESV above there is likely to be around a dozen known incidents involving non-compliance per annum. If just one of these were to result in a fatality, this alone would result in a VSL of $8.56m in 2020 dollars[[260]](#footnote-260). Under the proposed regulatory reform, a gas compliance certificate or gas compliance plate would be required by the Secretary for an application of registration for all vehicles including light trailers which have a *non-propulsion-based* gas fitting.

Table 29 below describes the base case and the two regulatory reform options that have been identified with regards to registration requirements for vehicles.

Table 29 – Light trailer registration options

| **Option** | **Description** |
| --- | --- |
| **Base case** | Gas compliance certificates/plates do not have to be provided upon initial registration of light trailers with fitted gas installations |
| **Option 1** | Require all registered vehicles (which excludes unregistered trailers under 200kg) and fitted with gas installations to provide gas compliance certificates/plates upon initial registration |
| **Option 2 (proposed option)** | Require all vehicles fitted with gas installations to provide gas compliance certificates/plates upon initial registration |

#### Options analysis for vehicles with fitted gas installations

**Safety**

Under the base case (the current interim Regulations), there are no requirements for providing gas compliance certificates/plates upon initial registration of light trailers fitted with gas installations. Therefore, in terms of safety the base case is provided as score of *+0*. Option 1 would provide an additional safety benefit for a percentage of new registrations[[261]](#footnote-261) which are currently non-complaint, as compared to the base case – by requiring the provision of gas compliance certificates/plates upon initial registration for light trailers with fitted gas installations which are 200kg and above..

However, Option 2 would require the provision of gas compliance certificates/plates upon initial registration for all vehicles including current light trailers under 200kg which are currently exempt from registration[[262]](#footnote-262). Therefore Option 2, the proposed option is likely to provide the greatest incremental safety benefit as compared to the base case which is given a score of *+0*. Options 2 and 1 are therefore awarded scores of *+7* and *+5* respectively.

**Effectiveness**

Effectiveness in relation to requiring the provision of gas compliance certificates/plates measures the detection of non-compliance with *AS/NZS5601.2* standards or the *Gas Safety Act 1997* which would otherwise increase the risk of injury or death in relation to fitted gas installations on light trailers. Therefore, impacts in relation to effectiveness in this analysis mirror those for safety (i.e. minimising non-compliance will improve safety).

By requiring an expanded cohort of light trailers to provide gas compliance certificates/plates upon initial registration, Option 2 would provide a higher level of incremental effectiveness (i.e. a higher detection of non-compliance) than Option 1, as compared to the base case. Therefore, Options 2 and 1 are both awarded a scores of *+7* and *+5* respectively.

**Equity**

Assuming a total registration cost of around $39.10 per annum as well as, a once off cost of buying number plates of $19 per plate[[263]](#footnote-263), regardless of the light trailer’s age and market value – lower socio-economic groups will be disadvantaged to a greater extent than higher socio-economic groups given the greater the number of light trailers which would have to be registered.

Option 1 would not require any change in the number of light trailers to be registered as compared to the base case, however it would require additional time costs for filling in additional information for the trailer pack for those who own light trailers between 200kg and up to an including 750kg and therefore is given a score of *-3*.

However, Option 2, the proposed option, would result in the registration of light trailers under 200kg which are currently exempt from registration resulting in increased inequity. It is acknowledged that the extent of light trailers under 200kg with fitted gas installations (e.g. mobile barbeques) is not known, however Option 2 is conservatively awarded a score of *-5.*

**Costs and benefits to government**

Under the base case, requiring all non-exempt light trailers 200kg and above be registered, there would be an ongoing cost of administration, but no cost for system development or implementation. Therefore, the base case is given a score of *+0*.

However, under Option 1, for light trailers between 200kg and up to and including 750kg that are registered without inspection and via a trailer pack – the government would have to update the trailer pack to include a section on gas compliance certificates/plates and attachment of a photo – requiring some additional system design, development and implementation costs.

On the other hand, Option 2 would result in some additional system development and implementation costs for government to capture the registration of previously exempt light trailers under 200kg with fitted gas installations, as well as, additional costs for an initial communications campaign to reach out to the public who own these affected light trailers.

For these reasons the additional costs to government for both options are seen as ‘insignificant’ for Option 1 (assumed to be around $0.3 million over 10 years for Option 1) and ‘slightly greater’ for Option 2 and are given a score of *-0.24[[264]](#footnote-264), and -0.25,* respectively*.*

However, Option 2 would also result in additional registration revenue per annum of around $39.10 per trailer as well as, a once-off cost of buying number plates of $19 per plate for light trailers fitted with gas installations which are currently exempt from registration. The number of light trailers that would be affected by new registration requirements under Option 2 is however unknown. Therefore, the additional annual revenue to government is unquantifiable. However, the additional revenue generated under Option 2 is expected to be ‘moderate’ with growing additional revenue given the recurrence of registration costs every year and the increasing number of previously exempt light trailers that would have to be registered. Because of the additional revenue, the net raw score for Option 2 is adjusted by +0.5 providing a net raw score of *+0.3*.

**Costs to the community**

Option 1 would involve some additional time cost in completing updated sections of the trailer pack with respect to light trailers between 200kg and up to 750kg[[265]](#footnote-265), as well as, taking and attaching a photo of the gas compliance certificate/plate (estimated to be around 5 minutes and at cost of $32.73 per hour[[266]](#footnote-266)). Assuming that 5.3%[[267]](#footnote-267) of registrations are initial registrations undertaken per annum, this would imply an estimated constant ‘small’ additional annual cost of approximately $52,000[[268]](#footnote-268) or $0.44 million over 10 years in present value dollars, as compared to the base case. Therefore, Option 1 is given a score of *-0.36*. Option 2 would also require the same time cost and is therefore given the same score of *-0.36*.

**Complexity**

Some level of complexity is a necessity for having a standard to ensure safety. Option 1 which would mandate the provision of gas compliance certificates/plates on light trailers on initial registration is *simple in form* but would require some additional determination of compliance with gas certificates/plates through the trailer pack or inspections at a CSC, as compared to the base case. Option 1 is therefore given a score of *-1*.

On the other hand, Option 2 is especially complex, since it would involve determining which of the previously exempt light trailers under 200kg with fitted gas installations would now have to be registered in order to ensure compliance with:

* the Australian and New Zealand Standards AS/NZS5601.2[[269]](#footnote-269) with regards to LP Gas Installations in caravans and boats for *non-propulsive* purposes and
* the *Gas Safety Act* *1997[[270]](#footnote-270)* with respect to fitted gas installations

As it is not clear how this determination will occur, and given the difficulty of implementation, Option 2 is seen to introduce ‘significant’ additional complexity, as compared to the base case, and is therefore given a score of -7.

#### Options scoring

In assessing the options, the base case (the current interim Regulations) is given a zero score by definition and the other options were assessed against it as shown in Table 30). A negative raw or weighted score indicates a deterioration from the base case, while a positive raw or weighted score would indicate an improvement to it.

Table 30 – MCA analysis for light trailer with fixed gas installation options

| Criterion | Weight | OPTION 1  Provide cert/plates upon registration (light trailers 200kg to 4.5 tonnes) | | OPTION 2 (proposed option)  Provide cert/plates upon registration (all light trailers) | |
| --- | --- | --- | --- | --- | --- |
| Raw Score | W’ted Score | Raw Score | W’ted Score |
| Safety | 40% | +5 | 2 | +7 | 2.8 |
| Effectiveness | 5% | +5 | 0.25 | +7 | 0.35 |
| Equity | 5% | -3 | -0.15 | -5 | -0.25 |
| Cost to Government | 20% | -0.24 | -0.048 | 0.3 | 0.06 |
| Cost to Community | 20% | -0.4 | -0.08 | -0.4 | -0.08 |
| Complexity | 10% | -1 | -0.1 | -7 | -0.7 |
| **Total** | **100%** |  | **1.88** |  | **2.19** |

#### The preferred option

As shown in Table 30 above, Option 2 (the proposed option) which requires gas compliance certificates/plates to be provide upon initial registration for all vehicles, provides the highest weighted score of ***2.19*** and is therefore, the preferred option.

### Options analysis of problems with regards to paper-based certificates

As discussed in Section 2.2.3.2 of this RIS, the requirement to supply paper-based certificates to the Secretary under the current interim Regulations (the base case) does not recognise that people want to do things electronically in order to improve the efficiency and effectiveness of document exchange. However, more importantly, it the base case does not ‘support’ the creation and recording of electronic certificates to improve the integrity of the register and in doing so promote the safe usage of vehicles on Victoria’s public roads. For example, the Department has no structured electronic data on defects identified when vehicles are initially inspected for roadworthiness and subsequently fixed before the roadworthiness certificate is issued. There is currently a live implementation of eRWC[[271]](#footnote-271) and eVASS certificates[[272]](#footnote-272).

Table 31 below describes the base case and the two regulatory reform options that have been identified with regards to paper-based certificates.

Table 31 – Options for forms of certificates

| **Option** | **Description** |
| --- | --- |
| **Base case** | Require paper-based certificates to be supplied to the Secretary |
| **Option 1** | Require either paper-based or electronic certificates to be supplied to the Secretary with a phased transition to electronic by 1 July 2022 |
| **Option 2**  **(proposed)** | Require only electronic certificates to be supplied to the Secretary (to be phased in by 1 July 2022) and *only* allow paper-based certificates to be supplied to the Secretary as a back-up |

#### Options analysis for forms of certificates

**Safety**

Option 1 would provide for additional safety benefits over and above the base case by promoting more consistent recording of inspection items and less lag time in receiving information in relation to RWCs as well targeted desk top audits. Data received in electronic form under Option 1 would be stored and managed in a database and could be queried and analysed to identify patterns and trends, particularly, for example, with respect to items failed in first inspection and their role in affecting safety outcomes. Option 1 would also provide additional safety benefits over the current interim Regulations by allowing targeted desktop audits and greater vigilance of VASS and AFSA certificates[[273]](#footnote-273) for example. Such audits and greater vigilance would help identify any serious outstanding safety issues associated with the inappropriate certification of car modifications or certification over installation, modification or servicing or removing of gas tanks in a timely manner. Option 1 is awarded a score of *+3* in relation to safety.

Option 2 would provide greater additional safety benefits, as compared to the base, than Option 1 by allowing hardcopy paper-based certificates under exceptional circumstances only. Option 2 would encompass an almost full modernisation of the paper-based certificate exchange but allow for some use of paper-based certificates in situations of power outage/low internet access. This provides for greater vigilance of certificates not returned with the potential to identify a greater amount of safety issues in a timely manner. Option 2 would enable the ability to undertake even greater amounts of targeted desktop audits as it allows providers to also document failed inspections in the E-system which will provide more data than what is currently provided (i.e. data is currently only provided on successful inspections). Providers documenting failed inspections in the electronic system would also provide the Department with data that it had not previously been aware of. Under the current paper-based VASS system – the Department only see the results from successful inspections for vehicles that are certified. Having access to information from failed inspections allows the Department to identify the challenges providers are facing and how they are enforcing vehicle safety when comparing the condition of vehicles with data from successful inspections. Option 2 is therefore awarded a score of *+5*.

**Effectiveness**

Effectiveness in relation to supporting electronic certificates measures the detection of inappropriate certification with respect to: roadworthiness; modifications; propulsion and non-propulsion-based gas tank fittings; defect notice clearances; and inspection of repairable write-offs. Inappropriate certification with regards to such certificate can increase the risk of injury or death. Therefore, impacts in relation to effectiveness in this analysis mirror those for safety (i.e. minimising non-compliance with certification reduces safety risks).

By requiring an expanded use of electronic circumstances (with paper-based certificates used as a backup only), Option 2 would provide a higher level of incremental effectiveness (i.e. a higher detection of non-compliance) than Option 1, as compared to the base case. Therefore, Options 2 and 1 are both awarded a scores of *+5* and *+3* respectively.

**Equity**

Options 1 and 2 are not expected to disadvantage lower-socio economic groups as compared to the base case and therefore both options are given a score of *+0.*

**Costs savings to government**

Options 1 and 2 would allow for targeted desktop audits without having to physically visit an authorised vehicle inspectors premises. As the frequency of face to face audits is unknown the extent of costs savings is conservatively assumed to be small. Stationery and storage costs for hardcopy RWCs is estimated to be around $71,000 per annum and again in this case there would be a ‘small’ reduction in costs through the introduction of electronic certificates but with cost savings likely to be higher in Option 2 due to the mandated preference of electronic over paper-based certificates.

However, these cost savings will be similarly offset under Options 1 and 2 with the need for eCertificate system development and implementation for a wider set of certificates (not just RWC and VASS as with the base case) and with some ongoing costs of managing the database. Moreover, any cost savings to government under Option 2 would be offset with additional ongoing administration costs in determining whether paper-based certificates would be permitted as a form of certificate, as well as, the ‘backup’ circumstances in which they would be allowed.

For these reasons above, and notwithstanding the wider take up of electronic certificates under Option 2, both options are awarded a score of *+0.01* in terms of an anticipated ‘slight’ *net* cost reduction, as compared to the base case.

**Cost savings to the community[[274]](#footnote-274)**

There would be a cost savings to the community by introducing electronic defect notice clearance certificates under both Options 1 and 2. As discussed in section 2.2.3.2 of the RIS, the use of electronic Defect Notice Clearance Certificates (i.e. *eDNCC*) will allow up to 6,419 defect notices per annum to be cleared by an LVT when undertaking a RWC rather than the operator physically providing the certificate at CSC. Assuming that around two hours of travel and attendance time is no longer required in the case of paper-based certificates – this incremental cost savings would be *up to* $420,188 per annum.[[275]](#footnote-275) This would be equivalent to a savings of up to $3.54 million over 10 years in present value dollars.

This would be a significant cost savings to the community and it is expected that Option 2, which requires provision of electronic certificates (with paper-based ones as a backup only) will provide a greater savings than and potentially double to those under Option 1. For this reasons Options 2 and 1 are awarded scores of *+2.88* and *+1.44*, respectively.

Moreover, there would be some unknown additional time and travel cost savings to customers with regards to vehicle identity inspections by allowing for electronic certificates to be provided by authorised vehicle inspectors who conduct inspections[[276]](#footnote-276). Options 1 and 2 will both improve transactions efficiency with regards to Vehicle Identity Certificates, as electronic forms of these certificates will support inspections of vehicles at first registration or re-registration by authorised vehicle inspectors and free up resources at VicRoads Customer Service Centres (CSCs). Improvements in efficiency through the use of electronic forms and authorised vehicle inspectors would affect an *unknown percentage* of current transactions per annum where time spent by VicRoads officers can exceed 15 minutes or more. Freeing up resources at VicRoads CSCs used for vehicle identity inspections will allow VicRoads officers to attend to other customers more quickly and allow the set-up of CSCs in areas more accessible to customers. For example, with respect to light trailer inspections, having more inspection points will result in acquirers of light trailers taking less time and travelling shorter distances to take their trailer to be inspected at the additional locations. As the amount of transaction efficiency achieved under Options 1 and 2 remain unknown, no additional score is provided.

**Complexity**

Option 1 which would support the delivery electronic certificates and allow choice is *simple in form* with ‘insignificant’ complexity, and is therefore given a score of *-1*. On the other hand, Option 2 is more complex, since it would involve determining when and how a paper-based certificate would be permitted. Given that the circumstances would either relate to power outages or lack of accessibility to internet services, Option 2 is seen to introduce ‘small’ additional complexity, as compared to the base case, and is therefore given a score of *-3*.

#### Options scoring

In assessing the options, the base case (the current interim Regulations) is given a zero score by definition and the other options were assessed against it as shown in Table 32). A negative raw or weighted score indicates a deterioration from the base case, while a positive raw or weighted score would indicate an improvement to it.

Table 32 – MCA analysis for electronic certificate options

| Criterion | Weight | OPTION 1  (paper based and eCertificates mandated) | | OPTION 2  (Proposed Option)  (eCertificates mandated with paper-based certificates as backup only) | |
| --- | --- | --- | --- | --- | --- |
| Raw Score | W’ted Score | Raw Score | W’ted Score |
| Safety | 40% | 3 | +1.2 | 5 | 2 |
| Effectiveness | 5% | 3 | +0.15 | 5 | 0.25 |
| Equity | 5% | 0 | +0 | 0 | 0 |
| Cost to Government | 20% | 0.01 | +0.002 | 0.01 | 0.002 |
| Cost to Community | 20% | 1.67 | +0.288 | 2.88 | 0.576 |
| Complexity | 10% | -1 | -0.1 | -3 | -0.3 |
| **Total** | **100%** |  | **1.54** |  | **2.53** |

#### The preferred option

As shown in Table 32 above, Option 2 which mandates the use of electronic certificates and with paper-based certificates used as a backup only, provides the highest weighted score of ***2.53*** and is therefore the preferred option.

### Option analysis of problems around CPS vehicle age eligibility

As discussed in Section 2.2.6.4 of this RIS, in Victoria there is a need to align with the national position for interjurisdictional harmonisation in relation to the age of vehicles and the Club Permit Scheme (CPS). Under the current interim Regulations in Victoria vehicles must be 25 years or older to be eligible on the CPS, whereas the national position is that vehicles be 30 years or older[[277]](#footnote-277) [[278]](#footnote-278) [[279]](#footnote-279) [[280]](#footnote-280) [[281]](#footnote-281) [[282]](#footnote-282) [[283]](#footnote-283).

Option 1 involves removing eligibility for up to 1,800 vehicles[[284]](#footnote-284) that were manufactured in 1991 or earlier[[285]](#footnote-285) with grandfathering provided for current vehicles on the CPS.

#### Option analysis of CPS vehicle age reform proposal

**Safety**

Option 1 is not expected to have any identifiable additional safety benefits, as compared to the base. There is only very little anecdotal evidence to suggest that vehicles between 25 and up to 30 years of age are more prone to any more safety risks than vehicles over 30 years. Therefore Option 1 is awarded as score of +0, as compared to the base case.

**Effectiveness**

Effectiveness in this context measures the extent of national harmonisation, Option 1 is the only practical and feasible option identified as being able to provided national harmonisation as compared to the base case. Option 1 is awarded a score of *+5*,

**Equity**

By adopting Option 1, national harmonisation will create a more equitable outcome for eligibility for the CPS ensuring that all vehicles are over 30 years of age with an exemption for buses and ex-military vehicles. Option 1 is awarded a score of *+5* based on additional equity provided as compared to the base case.

**Benefit to government**

In December 2021 around 79.5% and 20.5% of all new permits were for 45-day permits and 90-day permits, respectively. Given a loss of 1,800[[286]](#footnote-286) club permits under Option 1 and assuming the same proportion of 45-day permits and 90-day permits – the estimated annual revenue gain (in registration fees including TAC charges) would be $1.26 million[[287]](#footnote-287) or $10.65 million over 10 years in present value dollars, as compared to the base case. The one-off increase in revenue from CPS ineligible operators having to purchase standard plates is estimated to be an additional $297,122[[288]](#footnote-288). For this reason, Option 1 is provided as score of *+8.66*.

**Costs to government**

Option 1 would result in very little if no additional administrative costs as the government would be able to continue to use the existing CPS registration system but simply restrict the eligibility criteria to vehicles 30 years of age or older.

**Costs to the community**

Under Option 1, the additional estimated annual loss in concessional registration would be $1.26 million[[289]](#footnote-289) or $10.65 million over 10 years in present value dollars, as compared to the base case and therefore, this Option is given a score of *-8.66.*

**Complexity**

Option 1 is simple in form and would not require any significant systems changes apart from the need to determine and classify vehicles as classic/historic vehicle for the purpose of restricting their eligibility for the CPS based on their age or a bus/ex-military vehicle for the purpose of exempting them from this restricted age eligibility. As compared to the base case, Option 1 would generate an additional ‘insignificant’ amount of complexity and is therefore provided a score of *-1*.

#### Option scoring

In Table 33, Option 1 is assessed against the base case. A negative raw or weighted score indicates a deterioration from the base case, while a positive raw or weighted score would indicate an improvement to it.

Table 33 – MCA analysis for CPS vehicle age option

| Criterion | Weight | OPTION 1  (Proposed Option)  Vehicles to be 30 years and older to be eligible for CPS | |
| --- | --- | --- | --- |
| Raw Score | W’ted Score |
| Safety | 40% | +0 | 0 |
| Effectiveness | 5% | +5 | 0.25 |
| Equity | 5% | +5 | 0.25 |
| Cost to Government | 20% | +8.66 | 1.73 |
| Cost to Community | 20% | -8.66 | -1.73 |
| Complexity | 10% | -1 | -0.1 |
| **Total** | **100%** |  | **0.4** |

#### Preferred option

The preferred and only option with regards to dealing with national harmonisation of vehicle age eligibility under the CPS, is ***Option 1*** (the proposed regulatory reform option) which would Increase the age of vehicles on the Club Permit Scheme to those 30 years or older, excluding vehicles classified as decommissioned buses and greater than 20 years of age or decommissioned ex-military and greater than 25 years of age. Option 1 provides a positive weighted score of ***0.4*** as shown in Table 33 and is therefore a preferred option.

### Options analysis of problems around lack of definition of replica for the purpose of the CPS

Apart from Victoria, no other state or territory in Australia allows replicas on the CPS scheme. The intent of allowing ‘replica’ vehicles to be entered onto the Club Permit Scheme is to provide an avenue for individuals who construct a vehicle that replicates the appearance of an original production vehicle, that would be eligible for the CPS by virtue of age – to be used on the road network in a limited capacity.

However, as discussed in Section 2.2.6.4 of this RIS, there is a lack of definition of vehicles which are ‘replicas’ for the purpose of the CPS under current interim Regulation 149. As a consequence, a *proportion* of 121 replicas[[290]](#footnote-290) with a build date between 2001 and 2020 (as at January 2021), which are exempt from age requirements under the CPS, are undermining the intent of the scheme. Vehicles are being registered through the CPS which are not real replicas for the purpose of obtaining cheaper registration.

Table 34 below, presents the two regulatory reform options identified to solve the problem of lack of definition of replicas for the purpose of CPS vehicle eligibility.

Table 34 – Options for replicas on the CPS

| **Option** | **Description** |
| --- | --- |
| **Base case** | No definition of ‘non-replica’ for the purpose of CPS eligibility |
| **Option 1 (proposed)** | Introduce a definition of replica in relation to a club eligible vehicle to mean a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle. |
| **Option 2** | Remove all replicas from the Club Permit Scheme |

#### Options analysis for replicas with regards to eligibility for the CPS

**Safety**

Option 1 is expected to provide limited improvements to safety as the maximum number of vehicles issued with permits as ‘replicas’ and at potential risk is quite low (a proportion of 121 replicas). Option 1 is therefore awarded a score of *+1*.

By removing the eligibility for *any replicas* being on the CPS (283 replicas[[291]](#footnote-291)), Option 2 is likely to provide ‘small’ additional safety benefits with respect to 167[[292]](#footnote-292) vehicles built on or before 1991 (i.e. 30 years of age or more). However, any additional safety benefits under Option 2 will be *offset* by the balance of 116 vehicles (older replicas over the age of 30) now no longer having limited accesses to public roads. In particular, and as at January 2021, there were 16 replicas registered on the CPS which were manufactured *on or before 1950*. The adjusted ‘net’ raw score provided to Option 2 is therefore *+1*.

**Effectiveness**

In the context of replicas, effectiveness is measured by the reduction in challenges and undermining the CPS by having vehicles, that should be adhering to the ADR standards - doing so. In this way potential safety risks are managed more effectively and this mirrors the impacts of options on safety. However, in addition to safety - there is an imperative to allow replica vehicles on the CPS in order to preserve Victoria’s driving heritage under Option 1, and for this reason, Options 1 and 2 are awarded scores of *+5 and +1, respectively* for effectiveness, as compared the base case.

**Equity**

Option 1 is not expected to result in any change to equity, as compared to the current Regulations (the base case). However, Option 2 is likely to generate ‘insignificant’ additional equity (given the number of vehicles affected) as operators of replica vehicles would be treated equally to those in all other states in jurisdictions. That is to say Option 2 would result in national harmonisation by removing the eligibility of replicas for club permits. Therefore Options 1 and 2 are given scores of *+0* and *+1*, respectively.

**Benefit to government**

Given a loss of up to 121 club permits under Option 1 and 283 club permits under Option 2 and assuming a proportion of 79.5% of 45-day permits and 20.5% of 90-day permits – the estimated annual revenue gain (in registration fees including TAC charges) under both options would be *up to* $84,940[[293]](#footnote-293) and $198,661[[294]](#footnote-294) respectively, as compared to the base case. This would be up to $0.71 million over 10 years for Option 1 and $1.67 million for Option 2 – in present value dollars. The one-off increase in revenue from CPS ineligible operators having to now purchase standard plates is estimated to be an additional $4,598[[295]](#footnote-295) under Option 1 and $10,754[[296]](#footnote-296)under Option 2.

However, under Option 1, any benefits to government in terms of additional revenue will be somewhat offset by ongoing increased administrative costs in determining whether a replica is a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle*.* For these reasons Options 1 and 2 are awarded scores of *+0.5* and *+1.36*, respectively (note that the score for Option 1 is reduced from +0.57 to +0.5 due to increased administrative costs).

**Costs to the community**

Under Options 1 and 2 the loss of concessional registration as well as the one-off cost in having to purchase standard plates is estimated to be 0.715 million over 10 years for Option 1 and $1.671 million for Option 2 – in present value dollars. Options 1 and 2 and therefore given scores of *-0.57* and *-1.36*, respectively.

**Complexity**

By removing replicas from the CPS, Option 2 is the simplest in form and is scored *+0* as compared to the base case (i.e. it would be no more complex). Option 1 is a more complex option given the need to determine eligibility for replicas and is therefore scored a *-1*.

#### Options scoring

In Table 35 all options are assessed against the base case. A negative raw or weighted score indicates a deterioration from the base case, while a positive raw or weighted score would indicate an improvement to it.

Table 35 – MCA analysis for options around replicas on the CPS

| Criterion | Weight | OPTION 1 (Proposed Option)  (define non-replica for the purpose of CPS) | | OPTION 2  (remove all replicas from the CPS) | |
| --- | --- | --- | --- | --- | --- |
| Raw Score | W’ted Score | Raw Score | W’ted Score |
| Safety | 40% | +1 | 0.4 | +1 | 0.4 |
| Effectiveness | 5% | +5 | 0.25 | +1 | 0.05 |
| Equity | 5% | +0 | 0 | +1 | 0.05 |
| Cost to Government | 20% | +0.5 | 0.1 | +1.36 | 0.272 |
| Cost to Community | 20% | -0.57 | -0.114 | -1.36 | -0.272 |
| Complexity | 10% | -1 | -0.1 | +0 | 0 |
| **Total** | **100%** |  | **0.54** |  | **0.50** |

#### The preferred option

Option 1 which introduces a definition of replica for the purpose of determining eligibility for the CPS - provides the highest weighted score of ***0.54***, as shown in Table 35 above and is therefore the preferred option. Moreover, the Department provides the following consultation questions:

**Consultation question 5a:** Should Individually Constructed Vehicles that are not 30 years old, but replicate the appearance of an original recognised production vehicle that is over 30 years old, be eligible for the Club Permit Scheme? For example, should an Individually Constructed Vehicle built in 2020 that replicates the appearance of a 1962 Shelby Cobra be permitted access to the Club Permit Scheme?

**Consultation question 5b:** Is the proposed definition for a replica vehicle for the purposes of CPS eligibility clear?

## Analysis of Options for policy issues for consultation

The following options analysis for policy issues for consultation has been undertaken with relative benefits and costs compared to the extent of the availability and reliability of data. Where data is unavailable or unreliable, the RIS clearly makes mention of such constraints. ***Scoring and MCA analysis has not been undertaken for policy issues for consultation*** however options have still been assessed according to the aforementioned criteria of safety, effectiveness, equity, cost to government and the community and complexity with consultation questions provided.

### Options analysis of the policy issue for consultation in relation to RWOs

Repairable write-offs of light motor vehicles are regarded as important with a high potential impact across the Victorian community in terms of a greater likelihood of being written off a second or subsequent time (15.6% of repaired written-off vehicles); and three times more likely to be involved in serious injury crashes, and 47% more likely to be involved in fatal crashes.

Table 36 below describes the base case, the six options that are under consideration in relation to repairable write-offs.

Table 36 – Repairable write-offs options for consideration

| **Option** | **Description** |
| --- | --- |
| **Base case** | Allow vehicles that are assessed as repairable write-offs to be eligible for registration |
| **Option 1** | Allow vehicles which are assessed as repairable write-offs (regardless of age) to be eligible for registration but those 30 years of age and over to be only eligible for the Club Permit scheme with VIV and RWC certificate provided. |
| **Option 2a** | Allow vehicles which are assessed as repairable write-offs (regardless of age) with exemption provisions to be eligible for full registration |
| **Option 2b** | Allow vehicles which are assessed as repairable write-offs (regardless of age) with exemption provisions to be eligible for full registration (as per 2a) and the introduction of licenced repairer scheme |
| **Option 3** | Permit repairable written-off vehicles (regardless of age) to be registered in Victoria and lower the damage criteria threshold for classifying vehicles as statutory write-offs. |
| **Option 4** | Permit repairable written-off vehicles (regardless of age) to be registered in Victoria and enhance the current end to end repair process and updates received by VIV inspectors |
| **Option 5** | Prevent all vehicles that are assessed as a write-off (regardless of age) from being eligible for registration, excluding hail damaged vehicles |
| **Option 6** | Prevent all vehicles that are assessed as a write-off (regardless of age) from being eligible for registration |

#### Repairable write-offs options analysis

**Safety**

All options would improve safety risks as compared to the base case by targeting all accident damaged vehicles (or vehicles which meet the WOVR criteria) over the age of 15 which (under the base case) would have been repaired without a VIV inspection – noting that vehicles over 15 years old are restricted from being recorded on the WOVR) and some may have experienced structural damage. These vehicles would not have been assessed against the national standards (*Damage Assessment Criteria for the Classification of Statutory Write-offs*) provided by Austroads. However, Option 1 limits the use of vehicles 30 years or older that have been written-off by permitting registration under the club permit scheme. Older vehicles have reduced safety features and there is also a greater likelihood that these vehicles may have written-off subsequent times.

Option 2a would provide a greater safety benefit in relation to the base case, as compared with Option 1, as it would provide for all non-exempt written-off vehicles to be on the WOVR and these vehicles to no longer be eligible for registration. RWOs would be limited to vehicles that do not have non-repairable or structural damage. This would mean a reduction in safety risk for not only around the current 1,903 RWOs registered in FY19/20 (see Table 20 of this RIS) but also an additional number of unknown vehicles which have been repaired and registered that are not currently on the WOVR that are over 15 years old. Option 2b (which introduces licenced repairers) would provide a slightly higher level of safety benefit in relation to the base case, as compared with Option 2a.

Option 3would provide for fewer cars to be deemed repairable write-offs and would potentially move consumers from older/damaged/repaired vehicles with critical damage with high-risk safety issues into newer, safer vehicles. However, the number of vehicles affected could be greater than or less than under Option 2a or 2b depending on the nature of critical damage categories being amended.

By enhancing the end to end repair process, Option 4 would reduce the risks around inadequate repairs of RWOs thereby improving safety outcomes.

Option 6 would reduce safety risks associated with written-off vehicles, and more than Option 5, by ensuring none of these vehicles are registered on Victorian roads, *including hail-damaged vehicles* or those on the club permit scheme. Option 5 would allow for exemptions to hail damage vehicles and would result in less reduction in safety risks as compared to Option 6 because with some vehicles, for example, their skin provides part of the structural integrity of the vehicle (e.g. in the case were carbon fibre is used for the panels) and any damage to the skin may result in structural issues later on.

Hence, safety risk reduction under Option 6 would be higher than any of the other options in terms of *preventing any written-off vehicle* from being registered and operated, regardless of whether or not there was structural damage involved and/or the age of the vehicle.

**Effectiveness**

Effectiveness in relation to written-off vehicles relates to minimising residual safety risks and mirrors the impacts of options on safety.

Option 1 would have some impact on the residual safety problem by providing for a shorter duration of time (e.g. 45-days or 90-days a year) for which these vehicles could operate and there would be conditions on which roads and at what speeds they could be operated on. However, effectiveness would be mitigated by those that would rort the CPS scheme by breaching permit conditions and or log book obligations. Moreover, the rolling 25 years category that applies to vehicles being entered into the Club permit scheme now encompasses cars made in the 1990s. RWO vehicles made as late as 1995 would be allowed to be used through membership of the club permit scheme, and as each year passes, later and later cars would be allowed. There would be no cut-off date beyond which a car could not be granted a permit. The mid-1990s was the date from which car manufacture techniques, variety of materials (plastic, metals, fibreglass), design and repair techniques became considerably more complex, leaving the repair of these vehicles open to the same issues and risks experienced with the current WOVR scheme. As more modern vehicles (post 89) become eligible there are difficulties with ensuring that repairs are appropriately completed.

In the case of exemptions under Option 2a, there may be some limit to effectiveness in the case of unlicenced repairers, as VIV inspectors may have difficulty in determining if repairs had been adequately performed. With the introduction of licenced repairers, Option 2b would be more provide greater effectiveness than Option 2a. VIV inspectors would have less difficulty in determining if repairs had been adequately performed to national standards without needing to perform a series of inspections at key points during the repair process.

With regards to amending damage categories Option 3 would be more provide greater effectiveness than Options 1, 2a or 2b, as it would remove more serious damage categories from being able to be classified as repairable write-offs. In the case of unlicenced repairers, VIV inspectors would still have some difficulty in determining if repairs had been adequately performed. However, such repairs would be to non-serious damage categories and this would alleviate any safety concerns with regards to unlicenced repairers.

Through enhancement of the end to end repair process Option 4 would be more effective than Option 1 as it would deal with the issue of safety more directly by looking at ‘inadequate’ repairs, as opposed to, for example, a more blanketed approach of limiting vehicle use on public roads (over the age of 30). Particularly in the case of unlicenced repairers, VIV inspectors would have some difficulty in determining if repairs had been adequately performed but this would be alleviated with an enhancement of the end to end repair process. However, there would potentially be a limited number of applicants suitably skilled to oversight the end-to end process and document all steps and/or a low level of interest from suitably skilled applicants due to high-risk nature of repairs, and subsequent liability. Finally, effectiveness would be constrained by limited access to manufacturer’s repair guidelines to ensure that damage is properly repaired. In this way, Option 4 would be less effective than either Options 2b or 3.

Option 6 would provide the greatest effectiveness in dealing with the safety risk around written-off vehicles than any other option, as compared to the base case and greater than Option 5 which would allow hail damaged vehicles to be repaired and registered.

**Equity**

Those who are socio-economically disadvantaged are more likely to have older vehicles. Moreover, under all options, some accident damaged vehicles which do not currently require damage assessment (those over 15 years of age) would no longer be eligible for registration, which would further reduce the volume of second hand, older, vehicles in the market and this would further disadvantage these groups. As discussed in Section 2.2.1.1 of this RIS the ability to repair and re-register vehicles that have previously been written off has historically been justified as providing the community with a source of cheap late model used cars. Moreover, during 2020, and arising mainly from COVID-19, used car sales prices have been increasing due to:

* individuals feeling less inclined to utilise public transport therefore needing a personal mode of transportation (demand side pressures); and
* vehicle importation constraints (Supply side pressures)[[297]](#footnote-297).

It is unknown at this stage how long this new price trend will continue for used cars and whether or not the volume of written-off vehicles that have been repaired and re-registered (i.e. 1,903 in FY 2019/20) might play a bigger role in used car affordability in the near future – at least on the margin.

Under Option 1 in particular, owners of written off vehicles over 30 years of age would have less access to vehicle use under the permit scheme. Option 6 would provide for the least equitable outcome as compared to the base case than with any other option by having all accident damaged vehicles no longer be eligible for registration including hail damaged or club permit vehicles.

**Cost to government**

All options, apart from Option 6, would result in an increase in administrative costs to government in having to supply more hardcopy certificates to VIV inspectors[[298]](#footnote-298), as compared to the base case given that accident damaged vehicles over 15 years old would need to be recorded on the WOVR and some would of these vehicles classified as RWOs. Under Option 2a and Option 2b this cost would be somewhat offset by the number of vehicles over the age of 15 that would no longer be eligible for registration.

Option 1 would result in some additional administration and enforcement costs required for adding a write-off status to vehicles recorded on the CPS.

Under Option 2b, and in addition to Option 2a, the government would incur the additional costs of setting up a licenced repairer scheme. Costs would relate to scheme management and compliance/enforceability. Moreover, there would be additional costs around preparation of training and selection criteria for industry participants.

Option 3 would result in small reduction in administrative costs to government in having to supply as many hardcopy certificates to VIV inspectors, due to more accident damaged vehicles being declared as SWOs, as compared to the base case. This would be offset by the number of additional accident damaged vehicles that would have to be inspected over the age of 15 (i.e. repairable write-offs) that would be exempt from not being eligible for registration, given their damage categories. There would also be some additional audit and compliance costs as additional oversite would be required for VIV inspections.

Under Option 4 there would be additional administrative costs to supporting the end to end repair process in terms of, for example, auditing the keeping of a diary of repairs. There would also be additional resourcing needs to cope with additional requests for review from the Department in the face of customer complaints and disputes and enquiries about what to do next (e.g. queries why work will not be certified).

Option 6 would result in cost-savings to government in no longer having to manage VIV inspectors whereas there would be the except in relation to hail damaged vehicles under Option 5. However, under both Options there would be an increase in administrative costs as there would be increased internal reviews to challenge VicRoads decisions.

**Cost to the community**

There would be a reduction in vehicle registration costs to the community under **Option 1** for those who drive RWOs that are over 30 years of age however, this would be offset by limited use of vehicles and increased costs in acquiring other modes of transportation to fulfill travel needs.

Under Options 1, 2a, 2b, 3, and 4, there would be fewer written-off vehicles being inspected for certification by the 10 remaining VIV inspectors resulting in a loss in revenue. There were 4,225 vehicles inspected in 2020[[299]](#footnote-299). In terms of order of magnitude, a percentage of 4,000 to 5,000 vehicles per annum would be classified as SWOs and no longer require certification for the purpose of registration. However, under Options 2a and 2b, this would be offset by the number of accident damaged vehicles over the age of 15 that would be exempt from not being eligible for registration. Under Option 3, this reduction in revenue would be offset by vehicles which are not found to have damage categories that would otherwise make them ineligible for registration. Under Option 4 the loss of revenue would also be offset by VIV inspectors requiring inspections of the enhanced end to end repair process. Under Option 5, some revenues would remain to VIV inspectors, but only in relation to inspection of hail damaged vehicles. Under Option 6 there would be a complete loss of revenue (from this activity[[300]](#footnote-300)) as all vehicles would no longer be eligible for registration and none would require VIV inspection.

Option 2b would result in additional training costs for participants of the licencing scheme.

Under Option 4, repairers would incur additional costs in keeping a repair diary and taking photographs during the repair process. Also, there would be increased costs to consumers, with higher cost to repair including longer repair timelines under Option 4.

Option 5 would also impact on customers with newer damaged vehicles as once they have outlaid finances for a new vehicle, they would be unlikely to be able to afford comparable new vehicle, and so are forced to second-hand market.

**Complexity**

Option 1 would create some degree of additional complication in relation to operators understanding and abiding by permit conditions for written off vehicles over the age of 30, as compared with the base case where such vehicles would have been registered as normal light vehicles.

Options 2a and 2b would be subject to some degree of disagreement and uncertainty around what is deemed to be *un-repairable damage* notwithstanding that structural damage elements are taken from national standards approach to classifying SWOs.

Amending damage categories under Option 3 may require some additional training for insurance assessors around changes to existing criteria under the base case. Option 4 would require the provision of additional information to be provided to repairers around the end to end repair process requirements. Option 4 may also discourage people repairing written-off vehicles because of complexity and standards that must be met. Option 5 would be the simplest option to adopt as compared to the aforementioned alternatives with no exemptions.

#### Consultation questions with respect to policy issues for consultation around written-off vehicles

The following consultation questions have been provided in relation to the consideration of safety problems in relation to written-off vehicles:

**Consultation question 6a:** If there is an over-representation of older vehicles in accidents in Victoria, should regulation be developed to remove these accident damaged vehicles from the road?

**Consultation question 6b:** Are there other factors that should be considered when remaking regulations relating to the written-off vehicles scheme? For example, should vehicles that are accident damaged and on the club permit scheme be exempt from requirements in relation to being repaired and re-registered?

**Consultation question 6c:** Are there any other categories of vehicle registration that need to be considered for exemption from the written-off vehicles scheme in the same way?

**Consultation question 7:** Should repairable write-off criteria be amended to re-classify some categories of damaged vehicles to statutory write-off?

**Consultation question 8a:** What level of qualifications/experience should VIV inspectors have and what training should they undertake upon joining the scheme?

**Consultation question 8b:** Should a VIV inspector be involved in the end-to-end repair process? What would the key elements be?

**Consultation question 8c:** Should VIV inspectors be licenced for the purpose of inspecting repairs of written-off vehicles that have been in an accident and are requiring re-registration?

**Consultation question 9a:** Are you aware of information or protection provided to consumers regarding vehicles that have been written-off and requiring re-registration?

**Consultation question 9b:** What and how is information or protection provided to consumers regarding vehicles that have been written-off and are wanting to be re-registered?

**Consultation question 9c:** Should repairable write-offs only be sold to a certain class of person/entities (e.g. LMCT dealer?)

### Policy issue for consultation with regards to roadworthiness certification

In Victoria, the primary mechanism for detecting if vehicles are not roadworthy is a mandatory roadworthiness certification inspection before registration or before registering transfers of used vehicles from motor vehicle dealers or private sellers to private (i.e. non-dealer) buyers. As noted in Section 2.2.2.2 of this RIS, in 2020, 802,514 RWC inspections were carried out for fee-based vehicle transfers in Victoria, at an estimated total cost to vehicle sellers of $168.28 million, including time costs. Existing requirements for RWC include all used vehicles transferred and re-registered to private buyers. [[301]](#footnote-301) Hence, roadworthiness certification is an important issue for consideration with an important role for promoting safety and a high cost impact on sectors of the public. There is an increased risk of road deaths and serious injuries if vehicles are checked for roadworthiness when being transferred at a lower rate. For example, tyres and/or brakes that do not meet Victorian roadworthiness standards can be the life and death difference between a motor vehicle hitting a pedestrian at a serious, but survivable 20 km/h, and hitting the same pedestrian at a fatal 40 km/h.

Table 37 below describes the base case and the nine options that are under consideration in relation to repairable write-offs.

Table 37 – Roadworthiness inspection and certification options (make consequential changes)

| **Option** | **Description** |
| --- | --- |
| **Base case** | RWC is required for transfers and re-registration of all light motor vehicles to private (i.e. non-dealer) buyers. |
| **Option 1a** | RWC required on transfer and re-registration for all used light motor vehicles over one year old to private buyers |
| **Option 1b** | RWC required on transfer and re-registration for all used light motor vehicles over three years old to private buyers |
| **Option 1c** | RWC required on transfer and re-registration for all used light motor vehicles over five years old to private buyers |
| **Option 2a** | RWC required on transfer and re-registration over 60,000 kilometres for all used light motor vehicles |
| **Option 2b** | RWC required on transfer and re-registration over 80,000 kilometres for all used light motor vehicles |
| **Option 3a** | RWC required on transfer and re-registration for all used light motor vehicles over three years old or over 60,000 kilometres (whichever is first) to private buyers |
| **Option 3b** | RWC required on transfer and re-registration for all used light motor vehicles over five years old or over 80,000 kilometres (whichever is first) to private buyers |
| **Option 4** | RWC required on transfer and re-registration for all used light motor vehicles when the last roadworthy test was done more than 3 years previously |
| **Option 5** | RWC not required for all used light motor vehicles with less than 50km odometer reading on transfer or re-registration |

#### Options analysis for RWC

**Safety**

Under the base case (the current interim Regulations), retaining RWC requirements on transfer for all light vehicles is expected to pick up and address *any* safety defects identified in the RWC assessment for all vehicles, irrespective of age, whether the vehicle is under warranty, how many kilometres it has been driven, or its service history.

Assuming that age is an appropriate criterion for determining the need for a RWC, Options 1a, 1b and 1cwould all provide a *slightly* lower level of safety as compared to the base case. Under Option 1a, 1b, and 1c vehicles with defects less than 1 year, 3 years and 5 years of age, respectively could go uninspected. Moreover, as shown in Table 16 of this RIS, out of a survey of 4,550 RWC for vehicles under 1 year of age, only 16 or 0.4% returned a fail[[302]](#footnote-302) on first inspection (for varying reasons) – as compared to a 20.4% failure rate for 67,242 surveyed vehicles that were inspected under and over years of age, in general. Option 1b is therefore, likely to provide a smaller level of safety as compared to Option 1a and Option 1c is likely to provide for less safety than either Option 1a or 1b. The drop in the levels of safety under Options 1a, 1b and 1c, as compared to base case are small, as these options involve relatively new cars.

A similar reasoning applies to Options 2a and 2b, but on the basis of kilometres travelled rather than the age of the car. Option 2a would provide for the same level of safety and are deemed equivalent to Option 1c. That is to say, excluding vehicles under 5 years (Option 1c) or under 60,000km (Option 2a) is seen as providing the same level of safety benefit. Option 2b would see more vehicles go uninspected that under Option 2a or 1c and is therefore seen to provide a lower safety benefit.

Option 3a would provide the same level of safety benefit as either Option 1b or Option 2a depending which came first (the vehicle turning 3 years of age or having travelled 60,000km). Similarly, Option 3b, would provide the same level of safety benefit as either Option 1c or 2b depending on which came first (the vehicle turning 5 years of age or having travelled 80,000km).

Option 4 will have the lowest rate of vehicle inspections compared to all other options. Inspections will likely occur at a greater rate than Options 2b or 3b at the beginning of the car’s life but be lower towards the end. On balance, the level of safety for Option 4 is equivalent for Option 2b or 3b.

Under Option 5 vehicles are owned by new car dealers for a very short term with under 50km travelled. Such ‘as new’ used vehicles would have very similar rates of defects as when a new vehicle is transferred and registered for the first time. Option 5 is therefore unlikely to result in less levels of safety than the base case (i.e. where a RWC is required for all vehicles transferred and re-registered) and would provide the highest level of safety as compared to the other options.

**Effectiveness**

Effectiveness in relation to RWC measures minimising vehicle defects. Therefore, impacts in relation to effectiveness in this analysis mirror those for safety (i.e. minimising defects will improve safety on the roads). Options 1a, 1b and 1c would each have a progressively *slightly lower* level of effectiveness as compared to the base case as they would not cover any residual vehicle defects not picked up under manufactures’ warranty for vehicles under 1 year, 3 years and 5 years of age, respectively.

Option 2a would provide for the same level of effectiveness as Option 1c. Option 2b would be less effective than either Options 1c or 2a.

Option 3a would provide the same level of effectiveness as either Option 1b (for vehicles less than 3 years of age) or Option 2a (for vehicles having travelled less than 60,000km). Option 3b would provide the same level of effectiveness as either 1c (for vehicles less than 5 years of age) or 2b (for vehicles having travelled less than 80,000km) – depending on whether relevant age or kilometres travelled was reached first.

Option 4 would have the same level of effectiveness as options 2b or 3b (i.e. the same number of defects minimised).

Option 5 would result in the smallest reduction in the level of effectiveness relative to other options, as compared to the base case.

**Equity**

Assuming a total inspection cost of around $280[[303]](#footnote-303) (see Appendix 6), regardless of the vehicle’s age, market value, or how long it has been with the current registered operator – lower socio-economic groups will be disadvantaged to a greater extent than higher socio-economic groups the more often a vehicle has to be inspected on transfer.

Options 1a, 1b and 1c would require increasingly lesser frequencies of inspections, as compared with the base case, based on the age of the vehicle and therefore progressively greater additional equity in moving from Option 1a to 1c.

Option 2a would provide for the same level of additional equity, as compared to the base case, as Option 1c with the same reduction in the frequency of inspections required for vehicles under 5 years of age or 60,000km. Option 2b would provide for a lower level of additional equity than either Options 1c or 2a.

Option 3a would provide the same level of additional equity by requiring the same reduced frequency of inspection as either Option 1b (for vehicles less than 3 years of age) or Option 2a (for vehicles having travelled less than 60,000km). Option 3b would provide the same level of additional equity by requiring similarly less frequency of inspections as either 1c (for vehicles less than 5 years of age) or 2b (for vehicles having travelled less than 80,000km) – depending on whether relevant age or kilometres travelled was reached first.

Option 4 would have the same level of additional equity, as compared to the base case, as options 2b or 3b with the same reduction in the frequency of inspections resulting over the life of vehicles.

Option 5 would result in the smallest reduction in the frequency of inspections, affecting only used vehicles driven under 50km and a smaller range of RWC costs. Therefore Option 5 would result in the lowest level of additional cost savings (the smallest improvement of equity), as compared to the base case, relative to any of the other options.

**Costs to government**

The design, development, implementation and continued operation of systems in government is both time consuming and is not inexpensive. These can be considered as two separate costs: development and implementation costs, and operation costs. The rationale for asserting this is based on DoT system design, development, implementation and operation. Under the base case, requiring all vehicles to undertake a RWC on transfer and re-registration there would be an ongoing cost of administration, but no cost for system development or implementation.

Options 1a, 1b and 1c would require the development and implementation of a system in order to check the age of the car before requiring a roadworthy check.

Options 2a, 2b and 5 would also require system development and implementation to check the kilometres driven by each car. This system development cost is equivalent to the system development cost required for Options 1a, 1b and 2c, and therefore the additional cost to government is equivalent. These options would result in the smallest additional cost to government, as compared to the base case, to ensure the safety of vehicles on the road.

Options 3a and 3b would require a slightly more complex system to be developed and implemented as the system would have to check against the car’s kilometres and age to see which came first for the purpose of requiring an RWC. This would involve a higher additional cost to government than Options 1a, 1b, 1c, 2a, 2b, or 5, as compared to the base case.

Option 4 would require the most complex system to be developed and implemented of all the other options. The system to check the most recent successful roadworthy inspection would have a higher cost to government than simply checking the car’s kilometres or age.

**Cost savings to the community**

Option 1b would result in an estimated cost savings of $20.1m[[304]](#footnote-304) each year to sellers of vehicles under 3 years of age, as compared to the base case.This would include an estimated cost saving of $12.7m to the motor vehicle dealers and a cost saving of approximately $7.4m to private sellers.

Option 1c would also result in an incremental savings as compared to the base case and greater than under Option 1b, for sellers of vehicles under 5 years of age. Option 1a would result in a lesser cost savings than Option 1b, as it would only vehicles less than 1 year of age would be exempt from an RWC.

Option 2a would provide for the same level of additional cost savings, as compared to the base case, as Option 1c with the same reduction in costs of inspections required for vehicles under 5 years of age or 60,000km (assuming 12,000km on average travelled per annum). Option 2b would provide for a lower level of cost savings than either Options 1c or 2a.

Option 3a would provide the same level of cost savings by requiring the same reduced frequency of inspection as either Option 1b (for vehicles less than 3 years of age) or Option 2a (for vehicles having travelled less than 60,000km). Option 3b would provide the same level of additional cost savings as either 1c (for vehicles less than 5 years of age) or 2b (for vehicles having travelled less than 80,000km) – depending on whether relevant age or kilometres travelled was reached first.

Option 4 would have the same level of additional cost savings, as compared to the base case, as options 2b or 3b over the life of vehicles.

Option 5 would result in the smallest reduction in the frequency of inspections, affecting only used vehicles driven under 50km and a smaller range of RWC costs. Therefore Option 5 would result in the lowest level of additional cost savings, as compared to the base case, relative to any of the other options.

**Complexity**

Some level of complexity is a necessity for having a standard to ensure safety. Options 1a, 1b and 1c which would mandate checks on vehicles transacted past a certain age are simple in form.

Similarly, Options 2a, 2b and 5 which would mandate checks on vehicles transacted *past* certain kilometres travelled would also be simple in form.

Options 3a and 3b which would mandate checks on vehicles transacted past a certain age or kilometres travelled would be *slightly* more complex in form than Options 1a, 1b, 1c, 2a or 2b as they would involve multiple yet measurable criteria.

On the other hand, Option 4 is not especially complex as it simply involves looking at date of the last RWC – however this data would have to be made visible to the vehicle owner otherwise they would not know that a RWC was required.

#### Consultation questions around the policy issue with regards to RWCs

The following consultation questions have been provided in relation to the consideration of safety and cost problems of RWCs:

**Consultation question 10:** When should a roadworthy check be required?

**Consultation question 11:** What are the important factors to consider in determining when a roadworthy check should be required?

**Consultation question 12**: At what age of vehicle should roadworthy checks apply?

**Consultation question 13:** After completion of initial roadworthy check, are there proxies for a roadworthy during the life of the vehicle?

**Consultation question 14:** Is there a threshold number of Kms under which a vehicle can be exempt from a roadworthy check? Pease explain the key factors for your determination of this threshold.

### Options analysis of the policy issue for consultation with motor trike registration

As noted in Section 2.2.5 in this RIS, under the current interim Regulations there is an inconsistent treatment of licencing and registration for around 1,502 motor trikes in Victoria. Victoria is the last remaining jurisdiction where motor trikes are treated as light vehicles. All other Jurisdictions in Australia categorise motor trikes as motorcycles and, therefore, have consistent motorcycle registration and licencing requirements for these vehicles.

Table 38 below describes the base case and the two options that are under consideration in relation to motor trikes.

Table 38 – Motor trike registration options

| **Option** | **Description** |
| --- | --- |
| **Base case** | Motor trikes to be registered as light vehicles |
| **Option 1** | Motor trikes to be registered as motorcycles and charged at 20% percent of the base registration fee |
| **Option 2** | Motor trikes to be registered as motorcycles and charged at 30% percent of the base registration fee |

#### Options analysis for motor trike registration

**Safety**

Options 1 and 2 are not expected to generate any additional safety benefits over and above the base case.

**Effectiveness**

Effectiveness in relation to motor trikes measures the degree to which consistency between licencing and registration is promoted. Options 1 and 2 would both provide consistency of licencing and registration requirements for motor trikes to an equal extent as compared to the base case.

**Equity**

Options 1 and 2 are both expected to generate less disadvantage to lower socio-economic groups by providing net savings to motor trike operators. However, by providing greater net savings under Option 1 with registration fees at 20% of the base registration fee – this option would be seen to be more equitable than Option 2.

On the other hand, both Options 1 and 2 would create more inequitable treatment of around 260 motor trike operators who currently have custom 6-character number plates under the base case. These operators would become disadvantaged compared to other motor trike owners who have standard 6-character plates. Operators with custom plates will not be able to display these plates on the motor trike when it is reclassified to a motorcycle. They will retain the registration number rights but will be disadvantaged when such custom plates are seen to have special value (e.g. brand value in the promotion of a business etc).

**Cost to government**

Under Option 1, registering motor trikes as motorcycles and charging at 20% of the registration fee base would result in a reduction of registration fee revenue of around $296,604 per annum to VicRoads[[305]](#footnote-305). This is notwithstanding the additional estimated $138,868 in TAC charges[[306]](#footnote-306) that would apply to the new classification of these light vehicles as ‘motorcycles’ under both options.

Under Option 2, registering motor trikes as motorcycles and charging at 30% of the registration base would result in a reduction in registration fee revenue of around $259,546 per annum to VicRoads[[307]](#footnote-307). Option 2 would also result in an additional administration costs arising from public enquiries into the higher percentage for the base registration fees for motorcycle under this option, as compared to Option 1.

Moreover, there would be an additional cost to government in swapping standard 6-character plates as well as compensating those who would stand to lose economic benefit from ‘special’ custom 6-character plates. The extent of compensation would depend on a market valuation of these special custom plates.

**Costs to the community**

No additional costs have been identified under Options 1 and 2 to the community, as compared to the base case.

**Complexity**

Options 1 and 2 are both considered to be simple in form apart from the need to compensate owners of custom 6-character plates. However, Option 2 would generate some community enquiries over why two-wheel motorcycles are charged at 20% of the registration fee base and three-wheel motorcycles are charged at 30% of this base.

#### Consultation questions around the policy issue with regards to motor trikes

The following consultation questions has been provided in relation to the consideration of inconsistent treatment of licencing and registration of motor trikes:

**Consultation question 15:** Should motor trikes be registered as motorcycles in Victoria and why or why not?

**Consultation question 16:** Should motor trikes registration fees be the same as 2-wheel motorcycle registration fees and why or why not?

**Consultation question 17:** Should motor trikes be permitted to display 6-character number plates or should they be restricted to the current 5-character limit that applies to motorcycles?

### Options analysis of the policy issue for consultation around registration of all light trailers

As discussed in Sections 2.2.6.2 of this RIS, the safety of exempt trailers under 200kg remains unknown and in being unregistered they do at times obscure the identity of the vehicle towing them creating enforceability issues with road safety cameras and tolls. However, the extent of both these issues remains unknown. The only option identified for potentially dealing with these issues is **Option 1** – *Registration of all light trailers*. This would entail all light trailers undergoing similar registration requirements as those which are between 200kg and up to and including 750kg. This would involve a light trailer pack and include *self-inspection[[308]](#footnote-308)* of: lighting, dimensions, vehicle identification, and general issues such as tyres being in a roadworthy condition, mud guards over each wheel, fitting of at least safety chain, compliance with Vehicle Standards Bulletin 1 – Building Small Trailers (VSB 1) and supporting evidence if the trailer was imported and has not been previously registered in Australia.[[309]](#footnote-309)

#### Option analysis of registration of all light trailers

**Safety**

Option 1 has the potential to provide additional safety benefits by removing the exemption of all light trailers from registration requirements, as compared to the base case. However, the extent of additional safety would require that the self-inspection declaration was true and complete. The additional safety benefit would also depend on the extent of exempt light trailers under 200kg which have safety issues and this remains unknown. The volume of these exempt light trailers is also unknown. Finally, Option 1 would allow greater enforceability of road safety cameras. Previously registration exempt light trailers would no longer be able to obscure the identity of the vehicle towing them and better enforceability would help to discourage unsafe driving behaviour.

**Effectiveness**

Effectiveness in relation to the registration of all light vehicles measures the detection of non-compliance with Vehicle Standards Bulletin 1 – Building Small Trailers (VSB 1) which would otherwise increase safety risks. Therefore, impacts in relation to effectiveness in this analysis mirror those for safety (i.e. minimising non-compliance will improve safety). By requiring an expanded cohort light trailers to be registered Option 1 would provide a higher level of incremental effectiveness (i.e. a higher detection of non-compliance), as compared to the base case.

**Equity**

Assuming a total registration cost of around $39.10 per annum as well as, a once off cost of buying number plates of $19 per plate[[310]](#footnote-310), regardless of the light trailer’s age and market value – lower socio-economic groups will be disadvantaged to a greater extent than higher socio-economic groups the greater the number of light trailers have to be registered. Option 1 would result in the registration of all light trailers under 200kg which are currently exempt from registration, resulting in increased inequity as compared to the base case.

**Cost to government**

Option 1 would require some additional system development and implementation costs to capture the registration of previously exempt light trailers under 200kg, as well as, additional resources for an initial communications campaign to reach out to the public who own these light trailers.

**Benefit to government**

Option 1 would also result in additional registration revenue per annum of around $39.10 per trailer as well as, a once-off cost of buying number plates of $19 per plate for light trailers currently exempt from registration. The number of light trailers that would be affected by new registration requirements under Option 1 is however unknown. Therefore, the additional annual revenue to government is unquantifiable. However, the additional revenue generated under Option 1 is expected to grow given the recurrence of registration costs every year and the increasing number of previously exempt light trailers that would have to be registered.

**Benefits to the community**

With previously exempt light trailers now being registered, Option 1 would allow greater enforceability of road tolls as light trailers would no longer be able to obscure the identity of the vehicle towing them. This would be expected to generate some increase in toll revenue for commercial operators.

**Complexity**

Option 1 is especially complex, since it would involve determining all previously exempt light trailers under 200kg that would have to be registered in order to ensure compliance with Vehicle Standards Bulletin 1 – Building Small Trailers (VSB 1). As it is not clear how this determination will occur, and given the difficulty of implementation, Option 1 is seen to introduce ‘strong’ additional complexity, as compared to the base case.

#### Consultation question around the policy issue with regards to light trailer registration

The following consultation question has been provided in relation to the consideration of safety problems in relation to unregistered all light trailers:

**Consultation question 18:** Do you have confidence that Victoria’s light trailer fleet is safe and is it any less safe than other jurisdictions where third party inspection is mandatory?

### Options analysis of the policy issue for consultation with regards to electronic log books for the CPS

As discussed in Section 2.2.6.4, the base case does not ‘support’ the creation and recording of electronic log books for the CPS to improve the integrity of the register and in doing so prevent the inappropriate use of permits (undermining the intent of the scheme). An electronic log book would assist in detecting inappropriate use of permits in a timelier manner and ensure that certain vehicles abide by the conditions of the permit which grant them ‘limited’ access to public roads. This quicker detection will provide the ability to mitigate safety risk (around vehicles lacking the basic modern safety features that support extended use on modern public roads) in a timely way.

Table 39 below describes the base case and the options for consideration in relation that have been identified to address the issues with CPS log books.

Table 39 – Options for forms of CPS log books

| **Option** | **Description** |
| --- | --- |
| **Base case** | Require paper-based log books to be supplied to the Secretary |
| **Option 1** | Require either paper-based or electronic log books to be supplied to the Secretary |
| **Option 2** | Require only electronic log books to be supplied to the Secretary and *only* allow paper-based log books to be supplied to the Secretary as a back-up |

#### Option analysis of forms of CPS log books

**Safety**

By encouraging the use of electronic log books, Option 1 would provide a greater level of additional safety benefit, as compared to the base case by allowing for a detection of some non-compliant vehicles in a timelier way. Operators who inappropriately use their vehicles will be more easily detected and this will allow greater enforceability and mitigation of safety risk due to excessive use of public roads by older more historic vehicles. Option 2, however, would provide greater capacity for detection given the requirement for log books to be only electronic form - with paper-based ones used only as a backup.

**Effectiveness**

Effectiveness in relation to supporting electronic log books measures the detection of inappropriate use of CPS vehicles and breaches in conditions which can increase the risk of injury or death. Therefore, impacts in relation to effectiveness in this analysis mirror those for safety (i.e. minimising non-compliance with CPS conditions reduces safety risks). Option 2 would provide a higher level of incremental effectiveness (i.e. a higher detection of non-compliance) than Option 1, as compared to the base case.

**Equity**

Neither Options 1 and 2 are expected to disadvantage lower-socio economic groups as compared to the base case.

**Costs to government**

Both Options 1 and 2 would require electronic log book system development and implementation with some ongoing costs of managing the database. Moreover, under Option 2 there would be additional ongoing administration costs in determining whether paper-based log book entries would be permitted as a form, as well as, the ‘backup’ circumstances in which they would be allowed.

**Costs to the community**

The only costs to the community identified, is the reduction in choice of form of log book by some CPS permit holders who would prefer one electronic forms of log books over paper-based ones, or vice versa.

**Complexity**

Option 1 which would support the delivery electronic log books and allow choice is *simple in form* with ‘insignificant’ complexity. On the other hand, Option 2 is more complex, since it would involve determining when and how a paper-based log books would be permitted. Given that the circumstances would either relate to power outages or lack of accessibility to internet services, Option 2 is seen to introduce ‘small’ amount of additional complexity, as compared to the base case.

#### Consultation question around the policy issue for CPS log books

The following consultation question has been provided in relation to the consideration of safety and convenience problems in relation to the CPS and paper-based log books:

**Consultation question 19:** Do you believe that an electronic log book will help to promote better compliance with regards to conditions of the CPS and help to promote safety in a timelier way?

## Fee Options analysis methodology and approach

The Department of Treasury and Finance (DTF) Costs Recovery guidelines, suggest that government entities should strive to recover the full costs of delivering services to promote the efficient consumption of the numerous services that they provide.

However, as discussed, in Section 1.4.2.7 of this RIS, VicRoads does not yet have an activity-based cost model. There is a difference between an activity-based cost model for the purposes of setting regulated fees and the approach and data that is currently used within the RIS. As discussed in Section 1.4.2.7 of this RIS, costs are aggregated with several transactions with different fees grouped together. Therefore, costs are allocated at the business unit level and the costs for unique outputs/transactions associated with specific regulated fees remains unknown.

Hence, while there is a level of granularity to some costs – these cannot be attributed to specific fees, as current VicRoads business systems do not contain the business rules and other required mechanisms to accurately align costs to regulated fees. The Department intends to begin with the development of an activity-based costing (ABC) model followed by a review of the fees in the fourth quarter of 2026. This will enable the Department to accurately determine costs associated with fee activity (i.e. by unique output). Once the Department has tested the new model it may seek to have the model examined by an external third party to verify that it is fit for purpose in relation to the establishment of fees as per the Victorian Government’s Cost Recovery Guidelines. This activity may prove time consuming and expensive.

### Analysis approach to Services Groups

Section 97A of the *RSA* enables Secretary to charge administrative fees for services it provides relating to the licensing of drivers and the registration of vehicles. The Services Groups in this section are: Registration Administration - Renewal and Re-issue; Registration Administration - General; Registration Transfer; Vehicle Inspections; and Information Extracts and Reports.

The analysis approach to determine the fees for the proposed Road Safety (Vehicles) Regulations 2021 takes into consideration:

* the full cost of providing the services inclusive of supporting costs (e.g. overheads)
* the demand for those services

### Analysis approach to Permissions groups and Servicing Agreement Groups

Section 95(6) of the *RSA* enables Secretary to charge a fee in relation to driver licences and learner permits, and the registration of motor vehicles or trailers that is not limited to the cost of the service. Section 95(6) applies to the **Permissions groups** (Registration Permits and Registration Identifiers) and **Servicing Agreements Groups** (Inspection and Testing).

The analysis approach to determine the fees for the proposed Road Safety (Vehicles) Regulations 2020 takes into consideration:

* The value of the permissions or authorities that the recipient receives (e.g. the value of being able to access the public road network).
* The demand for those permissions or authorities (i.e. how many people want to use the service or permissions at different prices).
* That the public should share in the private value that is created through public service provision (i.e. the general public should not subsidise private benefits to some individuals

## Services Groups cost recovery analysis

### Summary of Services Group (business unit) activities and costs

An overview of Services Groups activities by business unit is provided in Table 40 below.

Table 40 – Services Groups: Business Unit Activities

| Services Group business unit/services | Activities |
| --- | --- |
| **Registration Administration –**  **Renewal and re-issue** | Supports the registration of 6.1 million light vehicles (including light trailers) involving private vehicle operators and almost 232,000 vehicles operated by organisations, body corporates or corporations. |
| Registration renewal | * Issue a renewal notice to the customer six weeks before registration expires. * Process payment received by post, online, BPay, telephone, or in person at the counter (CSC’s, Australia Post locations or various agencies). * Update registration status using VRIS to expire at a new date (typically in 12 months or, in the case of short-term registration, 3 or 6 months). * Issue a reminder notice to the customer if payment is not received by the due date. * Notify the customer by mail that payment is required by a designated date if the payment is dishonoured or the vehicle will become unregistered from that date. |
| Registration reissue following a lapse in registration | * Conduct evidence of identity check at CSCs to confirm identity of the customer. If new customer, obtain details and create the customer record in VRIS. * Verify vehicle details on VRIS and check RWC. * Process payment. * Update the vehicle registration status using VRIS to reflect payment status. * Link the vehicle registration to the new operator if there has been a change of operator. * Issue Registration certificate. * Notify the customer by mail that payment is required by a designated date if the payment is dishonoured or the vehicle will become unregistered from that date. |
| **Registration Administration –**  **General** | Supports the registration of approximately 100,000 vehicles not requiring an inspection, 10,000 registration replacement certificates, and 140,000 refund applications. |
| Application for registration (light trailers) – no inspection required | * Conduct evidence of identity check to confirm identity of the customer. If new customer, obtain customer details and create customer record on the system. * Schedule appointment to assess registration application (trailer pack), and advise on process, rules and documentation requirements for assessment. * Conduct evidence of identity check at appointment to confirm identity of the customer, process trailer pack and payment, and issue registration certificate. |
| Club permit issue | * Conduct evidence of identity check to confirm identity of the customer. If new customer, obtain customer details and create customer record on the system. * Schedule appointment to assess club permit application, and advise on process, rules and documentation requirements for assessment. * Conduct evidence of identity check at appointment to confirm identity of the customer, process club permit application and payment, and issue club permit. |
| Replacement of registration certificates | * Conduct evidence of identity check to confirm identity of the customer. * Process application and payment, and issue replacement certificate. |
| Refund and adjustments of registration fee and TAC fee | * Conduct evidence of identity check to confirm identity of the customer. * Assess application against refund criteria. There are various situations for when a request for refund is submitted. They include when a vehicle written-off or scrapped, management of deceased estate, duplicate payment, change in concession entitlement, and decision to stop using the vehicle. * Calculate refund amount for registration and TAC components, if the application meets the criteria. * Process refund payment. * Update the VRIS with the change of registration status to cancelled if the refund is related to the termination of the vehicle registration. * Collect balance of fees where change to vehicle weight or configuration results in a higher registration or TAC fee to be paid |
| **Registration Transfer** | Supports over 900,000 transfers annually (approximately 320,000 to Dealers and 590,000 to private operators). |
| Registration transfer to a private entity | * Transfers submitted in person at CSCs.   + Conduct evidence of identity check at CSCs to confirm identity of the customer. If new customer, obtain details and create the customer record in VRIS.   + Review transfer form for completeness and the RWC for validity.   + Check that there are no sanctions on the vehicle prohibiting it from transfer.   + Check to ensure the vehicle is not on the WOVR.   + Determine if the transaction is exempt from the transfer fee charge and/or stamp duty.   + Process the stamp duty and transfer fee payment.   + Update VRIS with the details of the new operator for the vehicle.   + Issue receipt of registration transfer. * Transfers submitted by mail.   + Review transfer form for completeness and the RWC for validity.   + Create a new customer record in VRIS if new customer.   + Check that there are no sanctions on the vehicle prohibiting it from transfer.   + Check to ensure the vehicle is not on the WOVR.   + Determine if the transaction is exempt from the transfer fee charge and/or stamp duty.   + Process the stamp duty and transfer fee payment.   + Update VRIS with the details of the new operator for the vehicle.   + Issue receipt of registration transfer. * E-Transfers.   + Customer (may be the registered operator or agent of registered operator) (seller) takes their vehicle to a Licenced Vehicle Tester (LVT) to get a roadworthy inspection, and if the vehicle passes, the customer will receive a roadworthy certificate (either a paper certificate or eRWC) for the vehicle.   + If the seller has a myVicRoads account (online account), they access this account, find the vehicle to be disposed of, and select Transfer vehicle (to initiate a Notice of Disposal) via the eTransfer system.   + Seller provides the buyer details and transfer details to complete the Notice of Disposal in the eTransfer system.   + Seller receives confirmation email of this transaction.   + When the Notice of Disposal is finalised, the vehicle will be removed from the seller’s holdings and added to the holdings of the new registered operator (buyer). If the buyer has a myVicRoads account, the vehicle will appear in the buyer’s holdings in their account. The vehicle will also appear against the buyer’s name on the Vehicles Register.   + As the transfer requirements have not yet been completed, the buyer will receive a letter after 14 days advising them to provide the outstanding requirements to complete the transfer of registration (equivalent to completing a notice of acquisition). This includes provision of a roadworthy certificate (RWC or eRWC) and payment of relevant fees - transfer fee and motor vehicle duty (if applicable). This can be done at a Customer Service Centre, by mail or online via the customer following instructions from their myVicRoads account (and using the eTransfers system).   + Note: An enhancement to be made by June 2021 will notify a buyer with a myVicRoads account by email of outstanding requirements immediately upon the vehicle being moved to their holdings.   + If the buyer is eligible for exemptions (e.g. spouse, primary producer, etc), they must attend a Customer Service Centre with relevant documentation and pay applicable fees to complete the transfer.   + If the buyer has a myVicRoads account, they access this account, find the vehicle that has been added to their holdings, and select Complete transfer to provide the outstanding transfer requirements online.   + The outstanding requirements may include: * a RWC, the buyer manually enters the paper roadworthy certificate details and uploads a photo of the certificate.   Note: An enhancement to be made by April 2021 will integrate the eTransfer system with the eRWC database to find any active eRWC certificates, thereby automatically satisfying the roadworthy requirement and improving validation.   * + - Payment of fees - a buyer makes payment for applicable transfer fee and motor vehicle duty to complete the transfer   + Buyer receives confirmation email of this transaction.   + As all requirements are now satisfied, the registration transfer is now completed. |
| Registration transfer to dealers | * Transfers submitted using the VicRoads Dealer Online application. This application is integrated with VRIS and there is no manual intervention required. * Transfers submitted by mail.   + Review transfer form for completeness.   + Check that there are no sanctions on the vehicle prohibiting it from transfer.   + Check to ensure the vehicle is not on the WOVR.   + Process the stamp duty and transfer fee payment.   + Update VRIS with the details of the new operator for the vehicle.   + Issue receipt of registration transfer |
| **Vehicle Inspections** | Supports the inspection of approximately 120,000 vehicles and the clearance of approximately 15,000 defect notices per annum. |
| Managing the inspection and compliance of vehicles | * Conduct evidence of identity check (in person at a CSC, or by telephone with the Call Centre) to confirm identity of the customer. If new customer, obtain details and create the customer record in VRIS. * Schedule appointment to perform the inspection, and advise on process, rules and documentation requirements for assessment, and process payment for the inspection appointment. * Conduct evidence of identity check at appointment to confirm identity of the customer. * Inspect documentation and confirm vehicle identity to enable:   + Re-registration of an unregistered motor vehicle.   + First time registration of a motor vehicle that has not been inspected or registered by the vehicle dealer.   + Re-registration of a motor vehicle that has previously been written off as a Repairable Write Off and has subsequently been repaired. A VIV certificate is required in this case.   + First time registration of a motor vehicle that is custom built (VASS certificate is required).   + First time registration, re-registration, or continuing registration of a motor vehicle that is modified (VASS certificate is required). |
| Management of defect notice clearance | * Conduct evidence of identity check at the CSC to confirm identity of the customer. * Defect clearance requiring RWC (police discretion).   + Assess the defect notice and RWC.   + Process the defect clearance fee.   + Update the system to clear the defect.   + Return the signed and stamped defect notice to the customer stating that the defect notice has been cleared.   + Instruct the customer that the defect notice can be removed from the car. * Defect clearance NOT requiring RWC (police discretion).   + Assess the defect notice.   + Inspect the vehicle against the defects identified in the defect notice.   + Process the defect clearance fee and inspection fee if the defect(s) have been addressed.   + Update the system to clear the defect.   + Return the signed and stamped defect notice to the customer stating that the defect notice has been cleared.   + Instruct the customer that the defect notice can be removed from the car. |
| **Information extracts and reports** | Supports the provision of approximately 35,000 reports annually. |
| Provision of registration information extracts and reports | * Receive requests from customers over the counter, online, and by telephone, and process payment.   + Customers can only source reports on their own data unless the requesting party has been authorised to obtain the report by the subject of the enquiry.   + Section 84 extracts are mainly sourced for presentment at court. * Conduct evidence of identity check to confirm identity of the customer. * Produce the report for the customer. If the report is complex, a data analyst is assigned to extract the data required. * Post extract or report to the customer. |

The currency and integrity of information is essential for effective delivery of registration services from renewal through to transfers, permits, and inspections. The common administrative activities shared by business units described in Table 41 below (e.g. personal details maintenance, sanctions management, concessions management, query management) add value to all other services by supporting the customers’ understanding of their obligations and entitlements and maintaining the customers’ records to ensure their registration needs are met. The costs of providing these support activities are apportioned and represented in the costs calculated for each service provided to the customer – ***at the business unit level*** (i.e. Registration Administration - Renewal and Re-issue; Registration Administration - General; Registration Transfer; Vehicle Inspections; and Information Extracts and Reports).

Table 41 – Services Groups: Common Administrative Activities

| Service | Activities |
| --- | --- |
| **Change of personal and registration details** | * Update customer and vehicle registration details on advice from the customer, including name, gender, address, phone number, email address of the customer, and garage address of the motor vehicle. * Update name and gender at CSCs. All other details can be updated at CSCs, through the Call Centre and the VicRoads portal. |
| **Sanctions management** | * Apply sanctions at the direction of Fines Victoria to prevent registration renewal, re-registration and registration transfer until outstanding fines are paid. * Lift sanctions at the direction of Fines Victoria. * Apply sanctions for failure to comply with defect notices. |
| **Concessions management** | * Assess concession applications. * Process applications and notifying customers of the outcome. * Apply concession status to the customer and their applicable vehicle(s) for successful applications. * Conduct periodical assessment of customer’s concession status to ensure currency. |
| **Query management** | * Respond to queries on all matters relating to vehicle registration, vehicle permits, and vehicle registration exceptions and exemptions. * Perform an evidence of identity check (where the query relates to a person’s registration or permit), as part of the process to ensure that personal information is shared only with the person to whom the information relates to or a person authorised to act on their behalf. |

Table 42 below provides a summary of average annual costs for the provision of the services by Service Group over the forecast period. The total average annual cost for Services Groups activities based on a four-year forecast is estimated to be $42.49 million in present value dollars.

***Table 42 – Services Groups: Business Unit Forecast Costs***

| Services Group | Costs $k (PV) | | | | |
| --- | --- | --- | --- | --- | --- |
| **FY19/20** | **FY20/21** | **FY21/22** | **FY22/23** | **Average** |
| Registration Administration - Renewal and Re-issue | 20,918 | 20,787 | 20,661 | 20,540 | **20,727** |
| Registration Administration - General | 4,439 | 4,372 | 4,305 | 4,240 | **4,339** |
| Registration Transfer | 10,513 | 10,370 | 10,230 | 10,091 | **10,301** |
| Vehicle Inspections | 6,903 | 6,831 | 6,760 | 6,690 | **6,796** |
| Information Extracts and Reports | 339 | 334 | 329 | 324 | **331** |
| **Total** |  |  |  |  | **42,494** |

### Estimate of fee income by Services Group (business unit)

Table 43 below lists the projected revenue to recovered through regulated fees associated with each Service Group – if the current fee rates[[311]](#footnote-311) were to continue. The estimated total amount of average fee income to be received under current fee rates is estimated to be $41.45 million. There are currently no regulated fees charged for services provided by the Registration Administration – Renewal and Re-Issue Services Group.

***Table 43 – Services Groups: Business unit fee income***

| Schedule 4 | Description and Regulation Reference | | Txns pa | Recovery @ Current Fees | |
| --- | --- | --- | --- | --- | --- |
| Item No. | Avg ‘000 | Fee Rate | Revenue ($m) |
| **Registration Administration – General** |  |  |  |  |  |
| 5 | Fee to make an appointment for verification or change the time or place of an appointment for verification of supporting evidence provided in relation to an application for vehicle registration if inspection of vehicle is not required | 45(2)(a) | 91.2 | 1.28 fee units | 1.64 |
| 6 | Fee to make an appointment for verification or change the time or place of an appointment for verification of supporting evidence provided in relation to the application for the issue of a club permit | 161 | 13.7 | 1.28 fee units | 0.248 |
| 10 | Issue of a replacement certificate of registration | 57 | 10.9 | 1.24 fee units | 0.190 |
| 22 | Processing a refund relating to cancellation or change of vehicle registration | 125(3) | 143.5 | 1.28 fee units | 2.586 |
| **Sub-Total fee income** |  |  |  |  | **4.67** |
| **Registration Transfer** |  |  |  |  |  |
| 20 | Application for transfer of registration of vehicle repossessed by financiers | 93(3) | 0.5 | $3.90 | 0.002 |
| 21 | Transfer of registration— |  |  |  |  |
|  | 1. of a light motor vehicle or a category 8, 9 or 11 vehicle referred to in the Table to Schedule 2 from the name of a deceased person, or the person’s authorised representative, to the surviving spouse or domestic partner of the deceased person | 123 |  | Nil | NA |
|  | 1. of a vehicle that is, or that as a result of the transfer becomes, a category 4(1)(b)(viii), 4(2), 4(3), 4(4), 7, 8, 9, 10, 11, 14 or 15 vehicle referred to in the Table to Schedule 2  * *Primary producer vehicle certified by the CFA as specifically equipped and exclusively used for combating fires* * *Incapacitated person's vehicle* * *Transport for the disabled, handicapped or injured (not for private gain)* * *To approved Department of Veterans' Affairs (DVA) pensioner (one vehicle only)* * *Fire fighting/emergency response vehicles (SES & CFA)* * *Consular vehicles* * *Restoration of possession* | 123 |  | Nil | NA |
|  | 1. to a dealer of a motor vehicle other than a motor cycle | 123 | 359.8 | 1.40 fee units | 7.09 |
|  | 1. of a motor cycle or trailer | 123 | 82.0 | $6.30 | 0.483 |
|  | 1. in any other case | 123 | 567.0 | 2.75 fee units | 21.95 |
| **Sub-Total fee income** |  |  |  |  | **29.53** |
| **Vehicle Inspections** |  |  |  |  |  |
| 5 | Fee to make an appointment for a vehicle inspection | 45(2)(a) | 130.4 | 1.28 fee units | 2.35 |
| 6 | Fee to change the time or place of a vehicle inspection | 45(2)(b) and 47(5)(a) | 6.7 | 1.28 fee units | 0.12 |
| 7 | Vehicle inspection performed at the Department's premises or a vehicle inspection centre | 45(2)(c) and 47(5)(b) | 130.4 | 2.04 fee units | 3.74 |
| 8 | Vehicle inspection performed outside the Department's premises or a vehicle inspection centre | 27(2)(c) and 30(5)(b) | 0.1 | 3.63 fee units | 0.01 |
| 35 | Fee to clear a vehicle defect notice on weekdays | 276(3) | 14.5 | 1.28 fee units | 0.68 |
| 36 | Fee to clear a vehicle defect notice on weekends[[312]](#footnote-312) | 276(3) | 0.0 | 1.89 fee units | 0.00 |
| **Sub-Total fee income** |  |  |  |  | **6.90** |
| **Information Extracts and Reports (Schedule 5)** |  |  |  |  |  |
| 1 | Certificate under section 84(1) or (4A) of the Act | 124 | 10.7 | $9.80 | 0.94 |
| 2 | Extract of current information | 124 | 20.8 | $9.80 | 0.184 |
| 3 | Extract of historical information | 124 | 4.0 | 1.30 fee units | 0.74 |
| **Sub-Total fee income** |  |  |  |  | **0.353** |
| **Total fee income from fees related to Services Groups** | | | | | **41.45** |

### Projected cost recovery

The Registration and Licensing (VicRoads) division of VicRoads endeavours to achieve an equitable distribution of the costs of services to the community in accordance with the purpose statements in the *RSA* s1(d). The total proposed fees are projected to recover 97.55% of the costs to deliver the Services Groups activities. The shortfall of $1.05 million is the result of the provision of administrative services supporting vehicle registration renewal and reissue, for which no fee is charged to recover the cost. The shortfall is mostly offset by the recovery on registration transfer services, which exceed the costs to delivery those services.

Table 44 shows a summarised cost recovery estimate based on the proposed fees.

Table 44 – Services Groups: Projected Annual Cost Recovery: FY20/21 to FY23/24 Average

| Services Group (Business Unit) | Costs  $m (PV) | Revenue  $m (PV) | Variance  $m (PV) |
| --- | --- | --- | --- |
| Registration Administration - Renewal and Re-Issue | 20.73 | 0.00 | - 20.73 |
| Registration Administration - General | 4.34 | 4.67 | 0.33 |
| Registration Transfer | 10.30 | 29.53 | 19.23 |
| Vehicle Inspections | 6.80 | 6.90 | 0.1 |
| Information Extracts and Reports | 0.33 | 0.35 | 0.02 |
| **Total Services Groups** | **42.49** | **41.45** | **- 1.05** |
| *Cost Recovery* |  | *97.55%* | *2.45%* |

This outcome does not fully meet the objective of full cost recovery for the services delivered as revenue is $1.05 million less than the cost incurred.

Registration services groups recover most of their costs by charging fees for transfers, as shown in Table 44. Moreover, while vehicle operators pay a transfer fee on acquisition of the vehicle, they pay no administrative fees for registration renewal for the length of time they have that vehicle.

Where fees charged are less than the full cost of regulation, the balance of these costs are, in effect, spread across the entire Victorian tax paying population, as government appropriations are required to fund the shortfall in order to continue the provision of services.

The rationale for each pricing decision is provided in the following sections, where an assessment of each Services Group is undertaken against the cost recovery principles previously discussed.

#### Cost Recovery Options Analysis – Services Groups

Applying the DTF principles of cost recovery, the total costs to deliver services (see Table 44 above) associated with:

* Registration Administration - Renewal and Re-Issue ($20.73 million)
* Registration Administration – General ($4.34 million)
* Registration Transfer ($10.30 million)
* Vehicle Inspections ($6.80 million)
* Information Extracts and Reports ($0.33 million)

would be borne by those who consume the service on a user pays basis.

However, until an activity-based costing model is developed and subsequent fee review is provided in order to capture costs for unique outputs associated with each of the regulated fees - it is not possible to determine fees which are efficient, equitable, simple and encourages customer behaviour which aligns with road safety objectives. That is to say, it is not possible to determine fees on a user-pays basis as current costs are allocated at the high-level business unit rather than for unique outputs associated with regulated fees. Therefore, in relation to Services Groups:

**the proposal is to maintain the status quo in relation to FEES charged for these services in the proposed Regulations.**

All systems and policies are in place to support the collection of these fees. The fees are published and understood by the community. The implication of maintaining the status quo of fees for each of these Services Groups is discussed below.

**Registration Administration - Renewal and Re-Issue**

Having a vehicle registered is what determines whether a customer (operator) is a consumer of this service. Neither the absence of a fee, nor the charging of a fee, would impact the frequency or mode of their interaction with VicRoads. The charging of a fee will neither encourage nor discourage the use of vehicle registration service. Accordingly, customer behaviours will not adversely impact road safety and efficiency objectives.

The status quo would see a shortfall of revenue based on the current costing of this Services Group. However, as this fee impacts a similar customer base to registration transfer fees, costs are therefore mostly offset.

**Registration Administration - General**

Transactions involving verification of documentation require the customer to come prepared with the relevant information. These transactions require a block of time to review the documentation for completeness and authenticity of the relevant supporting evidence and to ensure that the information presented meets the criteria for the service. For efficient delivery of service and use of the customer’s time, the making of appointments is used as a mechanism to alert the customer to the documentation requirements and ensure efficient planning of VicRoads resources to process the transaction. Charging for these services would signal to customers that the consumption of the services creates incremental demand on VicRoads resources.

VicRoads information systems do not however differentiate between appointment types and how that appointment is transacted. As a result, VicRoads imposes one fee rate, and in order to generate a cost estimate, the appointment costs are averaged across all appointments. The averaged appointment costs are added to the service being delivered to produce a total cost.

Under the status quo, to align fee income with costs, and achieve full cost recovery for this Services Group, a 7.1% reduction across all fee unit quantities, amounting to $0.33 million would be required.

Information about comparable fees in other jurisdictions is limited. Published information on the Replacement Registration Certificate fee (Regulations Schedule 4 Item 10 ) suggests the $17.60 fee in Victoria (FY19/20) aligns favourably with South Australia ($17.00) and New South Wales ($22.00). No other fee comparison data is published.

**Registration Transfer**

The Registration transfer model in Victoria is more complex than other states, with the transfer process requiring a supporting RWC requiring validation by a VicRoads CSC officer. This process provides some assurance to the acquirer that the vehicle is safe to drive. New South wales does not require a RWC on transfer. Their system relies on an annual safety check for all light vehicles (less than 4.5 tonne GVM) more than 5 years old. There is no RWC requirement in South Australia or Western Australia. Queensland requires a safety certificate (similar to a RWC). Table 45 below shows the comparative transfer fees across the jurisdictions.

***Table 45 – Jurisdictional Comparison: Registration Transfer***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service | NSW fees[[313]](#footnote-313) | QLD fees[[314]](#footnote-314) | SA fees[[315]](#footnote-315) | VIC fees[[316]](#footnote-316) |
| Registration Transfer  Transfer with 14 days  Transfer after 14 days of acquisition  Late payment  Transfer to dealer | $34.00  $155.00 | $ 29.20 | $31.00  $92.00 | $ 40.70  $ 20.70 |

Approximately 0.9 million light vehicles are transferred annually from a fleet of approximately 6.1 million light vehicles. Vehicle operators acquiring a second-hand vehicle through purchase or as a gift, transfer the vehicle into their name. With the high turnover of vehicles each year (approximately 11% of the fleet to private operators or 17% of the fleet if transfers to a Dealer are included), it is not unreasonable to expect that a vehicle operator would acquire several demonstrator or second-hand vehicle in their lifetime as a vehicle operator. Given the recovery of costs under the status quo for registration transfers, the fee burden falls disproportionately on those that transfer vehicles more often compared to those that do not. That is to say, those who transfer vehicles less often are advantaged by the cross-subsidy and people who transfer vehicles more are disadvantaged.

The Registration Transfer fee revenue represents 95.17% of the costs of registration renewal, issue and transfer. Hence, retaining the current transfer fee of 2.75 fee units ($40.73) (and 1.4 fee units, or $20.73 for transfers to Dealers) would partially off-set the cost of providing the Registration Administration Renewal and Re-issue services that are accessed by a similar customer base. This would reduce the subsidy required from taxpayers to fund the Registration Administration Renewal and Re-issue service from $20.73m to $1.50m. However, maintaining the status quo would also result in a cross-subsidisation of individuals requiring renewal and re-issue services by those undertaking vehicle transfers - with those undertaking greater transfers being disadvantaged the most.

The mismatch of fees to cost is subject to the review of model, which will be developed to capture and align costs for activities to regulated fees.

**Vehicle Inspections**

Transactions involving verification of documentation and in some circumstances the conduct of a physical inspection of a vehicle, require the customer to come prepared with the relevant information. These transactions require a block of staff time to review the documentation for completeness and authenticity of the relevant supporting evidence and to ensure that the information presented meets the requirements for the service. Further, specialist knowledge, time and facilities are required if a physical inspection of the vehicle is required.

For efficient delivery of service and use of the customer’s time, the making of appointments is used as a mechanism to alert the customer to the documentation requirements and ensure efficient planning of VicRoads resources to process the transaction. This is used where guidance on the inspection process and its associated documentation requirements is essential to ensure that customers come prepared for the inspection.

Customers who require a Defect Notice to be cleared can attend a CSC without an appointment as they are informed, through the Defect Notice, of the actions that they need to undertake to meet the clearance requirements and what they need to bring to the CSC to have the Defect Notice cleared.

Under the status quo, to align fee income with costs, and achieve full cost recovery for this Services Group, a 1.4% decrease across all fee unit quantities amounting to $0.1 million would be required.

The Vehicle Inspection model in Victoria varies from other jurisdictions. As such, there is no ability to compare fees.

**Information Extracts and Reports**

Charging for these services would signal to customers that the consumption of the services creates incremental demand on VicRoads resources, particularly for those reports that are not automated. Under the status quo, to align fee income with costs, and achieve full cost recovery for this Services Group, a 5.3% decrease across all fee unit quantities, amounting to $0.02 million would be required.

Table 46 shows comparable fees in other jurisdictions and it suggests that the fees in Victoria (FY19/20) align favourably.

***Table 46 – Jurisdictional Comparison: Information Extracts and Reports***

| Item | NSW fees[[317]](#footnote-317) | QLD fees[[318]](#footnote-318) | SA fees[[319]](#footnote-319) | VIC fees[[320]](#footnote-320) |
| --- | --- | --- | --- | --- |
| Information Extracts and Reports | $22.00 | $ 25.05 | $ 20.00 |  |
| Extract – Current  Extract – History |  |  |  | $ 9.70  $ 19.30 |

**Consultation question 20:** Should an alternative approach to fees be considered with regards to services provided under the Services Groups business units and if so why?

## Permissions and Servicing Agreement Groups analysis

Rather than the provision of a service to customers, Permissions groups secure the customer a permission to undertake an activity and Servicing Agreements Groups secure a service provider an authority to perform services on behalf of Secretary. *RSA* Section 95(6) excludes fees relating to these groups from being charged on a cost recovery basis.

### Permissions Group: Registration Permits - Limited Use

The annual cost of providing the administrative services supporting Registration Permits - Limited Use is $3.67 million. This Permissions Group supports the annual issuing of approximately 200,000 UVPs, management of 1200 historic vehicle clubs that have 75,000 vehicles operating under their club membership, the management of 5,800 General Identification Marks (GIMs), and the issuing of 9,000 trade plate, and 35,000 recreational (off-road motorcycle) vehicle registrations.

An overview of this Permissions Group’s scope, costs and fee income and the proposed fee outcome is outlined in the remainder of this section.

#### Permissions Group Overview

Table 47 provides a description of the permissions granted to the customer and the activities involved in providing and managing the permission.

***Table 47 – Permissions Group Scope: Registration Permits - Limited Use***

| Permissions | Permission granted |
| --- | --- |
| Permission for recreational vehicle (off road motorcycles) to operate on restricted roads | * Permission is granted to operate a recreational vehicle on restricted roads for a period of 12 months.   + Recreation motorcycles are only permitted to operate on roads (except declared freeways and arterial roads, including roads formerly designated as forest roads, under the *Road Management Act 2004*) that are:     - located outside "built up areas" as defined by speed zones of less than 100 km/h, or     - those areas that are not a road and are solely for the training and assessment of a holder of a motorcycle learner permit by an organisation approved by VicRoads for that purpose.   + Recreation motorcycles must not carry any load or a person other than the rider and the rider must wear a protective helmet of the type approved under the Road Rules Victoria.   + Customers are granted access to restricted roads on successful application and payment of the requisite fee. |
| Permission for an unregistered vehicle to be used on the road without registration | * Permission is granted to operate an unregistered vehicle for a limited time   + Customers are granted 1-28 days access to Victorian roads after successful application and payment of the requisite fee. |
| Permission for an historic vehicle to be used on the road | * Permission is granted to operate an historic vehicle for a limited time.   + Customers are granted with 45-day or 90-day access to Victorian roads after successful application and payment of the requisite fee. * VicRoads manages the Club Permit program including registering clubs and monitoring the conduct of the clubs and their members. |
| Permission for motor vehicle trades (e.g. Dealers) to operate unregistered vehicles on public roads | * Permission is granted in the form of GIMs to entities in the motor vehicle industry to operate unregistered vehicles on Victorian roads after successful application and payment of the requisite fee.   + Entities are granted with a 12-month permission. * GIM holders are granted trade plates, on purchase, to use on unregistered vehicles for the purpose of their motor vehicle trade.   + GIM applicants must be:     - a manufacturer of vehicles; or     - a dealer in vehicles; or     - a fleet owner of more than 50 vehicles; or     - a Licensed Tester providing vehicle inspection services; or     - an entity engaged in the altering, modifying, repairing or transporting vehicles before first registration. * VicRoads manages the GIM and trade plate program, including registering GIMs, issuing trade plates, and monitoring the compliance of GIM holders to the conditions imposed on the use of trade plates. |

Table 48 provides a summary of the projected costs for the forecast period.

***Table 48 – Permissions Group Cost: Registration Permits - Limited Use***

| Permissions Group | Costs $k (PV) | | | | |
| --- | --- | --- | --- | --- | --- |
| **FY19/20** | **FY20/21** | **FY21/22** | **FY22/23** | **Average** |
| Registration Permits - Limited Use | 3,762 | 3,701 | 3,641 | 3,582 | **3,672** |

Table 49 below lists the individual fees for this service group if the current fee rates were to continue. It shows the average annual fee recoveries for the forecast period (FY19/20 to FY22/23) with the $14.81 fee unit (applicable for FY19/20) adjusted to enable an assessment of the PV outcome.

***Table 49 – Fee Income: Registration Permits - Limited Use***

| Schedule | Description and Regulation Reference | | Txns pa | Recovery @ Current Fees | |
| --- | --- | --- | --- | --- | --- |
| Item No. | Avg ‘000 | Fee Rate | Revenue ($m) |
| Item 18 of Schedule 2 | Recreational motor cycle registration[[321]](#footnote-321) | 118(2) | 39.1 | $8.80 | 0.327 |
| 23 of schedule 4 | Unregistered vehicle permit—for each 28-day period or part of such period of the permit's validity | 150(3)(a) | 229.2 | 1.70 fee units | 5.49 |
| 25 of schedule 4 | Annual fee for General Identification Mark | 159(1)(a) | 6.4 | 7.97 fee units | 0.72 |
| 26 of schedule 4 | Annual fee for trade plates (per plate) | 159(1)(b) | 10.2 | 3.26 fee units | 0.47 |
| 18 of schedule 2 | Issue or renewal of 45-day club permit | 177(2)(e)and 191(1)(c) | 83.7 | 1.60 fee units  current rate | 1.89 |
| 18 of schedule 2 | Issue or renewal of 90-day club permit | 177(2)(e) and 191(1)(c) | 21.8 | 3.20 fee units  current rate | 0.98 |
|  | Issue of logbook or replacement log book for permit holder[[322]](#footnote-322) | 177180, 191 and 195 | 86.0 | $3.00 | 0.245 |
| **Total Fee Income** | | | | | **10.12** |
| 22 | Issue or renewal of 45-day club permit | 152(1)(c) and 157(1)(c) | 83.7 | 2.55 fee units  *proposed rate* | 3.01 |
| 23 | Issue or renewal of 90-day club permit | 152(1)(c) and 157(1)(c) | 21.8 | 5.10 fee units  *proposed rate* | 1.56 |
| **Total Fee Income** | | | | | **11.82** |

#### Fee Analysis

Permissions groups do not relate to a service but to a permission granted to a customer. Section 95(6) of the RSA enables Secretary to charge a fee that is not limited to the cost of the service. UVPs and Club permit fees are set at levels that bear a relationship to the registration fees set in the *RSA*.

* **Unregistered Vehicle Permits (UVP)**

The fee charged for UPV approximates the monthly equivalent costs of a standard registration payment. At the FY19/20 fee unit rate of $14.81, the 28-day UVP fee of 1.70 fee units converts to a $25.11 charge. Therefore, the fee is in line with the standard 12-month registration of $301.32 (or $25.11 monthly).

* **Club Permits**

The fees charged for a Club Permit at the commencement of the scheme was intended to approximate a proportion of the standard registration relevant to the time restriction imposed by the permit. This relationship has not been maintained as Club Permit fees have not increased at the same rate as standard registration. The current fees are set at 1.60 fee units for a 45-day permit and 3.20 fee units for a 90-day permit should be increased to 2.55 fee units and 5.10 fee units (respectively) to restore parity.

* **Recreational Registration**

The fee is a nominal amount reflecting that the vehicle may only operate on roads that are not declared as freeways or arterial roads and are outside built up areas (which are defined by speed zones of less that 100km/h). The fee also recovers the administrative cost of capturing operator and vehicle information.

* **GIMs and Trade Plates**

The fees are a nominal amount reflecting the limited purpose for which the vehicle can be used by GIM holders. Trade plates can only be used by GIM holders to conduct their motor vehicle trade and not for private or other commercial purposes. The fee also supports the capture of entity information and trade plate assignment which enables compliance monitoring.

Table 50 below shows a jurisdictional comparison of fees and indicates that the UVP and trade plate fees in Victoria are priced favourably compared with the other jurisdictions. However, the schemes in each jurisdiction vary considerably making direct comparisons difficult. The Club Permit fees are more difficult to correlate across jurisdictions, as there is only one other jurisdiction with published pricing. The Historic Vehicle Registration in NSW is similar to the Club Permit in Victoria, comparing the two, Victoria has the lower fee.

Most of the current fees align on a pro-rata basis with the vehicle registration fee stipulated in the *RSA*. Fees are charged on an individual transaction basis to ensure customers understand that the consumption of the services create incremental demand on VicRoads resources. Individual customers will have infrequent need for the services and, accordingly, there is no value in creating other pricing structures. On this basis, the Department is seeking feedback on bringing these fees in line with the pro-rata equivalent of annual registration.

***Table 50 – Interjurisdictional comparison: Current Registration Permits - Limited Use Fees***

|  | NSW fees[[323]](#footnote-323) | QLD fees[[324]](#footnote-324) | SA fees | VIC fees[[325]](#footnote-325) |
| --- | --- | --- | --- | --- |
| Registration: light Vehicle (excl. TAC)  Registration renewal  Registration late payment | $67.00 | $263.05  $ 66.50 | $294.59[[326]](#footnote-326)  N/A | $302.40  $302.40  NA |
| Unregistered Vehicle Permit (UVP)  1 day – Vehicle  1 day – Trailer  3 day – Vehicle  3 day – Trailer  28 days  Per day  Replacement UVP | $22.00  $22.00 | $ 34.90 | $ 48.00[[327]](#footnote-327)  $ 10.00  $ 69.00  $ 31.00  $ 20.00 | $ 25.20 |
| Club Permit: light vehicle (excl. TAC)  45-day  90-day  Historic Vehicle Registration  Log Book  Replacement logbook | N/A  N/A  $69.00[[328]](#footnote-328) |  | N/A  N/A  $45.73[[329]](#footnote-329) | $ 23.70  $ 47.40  $ 3.10  $ 3.10 |
| GIM  Trader’s Plates fees  Trader’s plate application  Motor Vehicle and Trailer – annual  Motor Vehicle and Trailer monthly  Motorcycle – annual  Motorcycle - monthly  Replacement | $51.00[[330]](#footnote-330)  $450.00  $39.00  $109.00  $10.00  $47.00 |  | $111.00 | $118.00  $ 48.30  $ 48.30 |

**There are no proposed changes for registration fees. However, the Department wishes to receive feedback on a future policy issue for consultation in relation to the pro rata club permit fees relative to light vehicle registration fees.**

**Consultation question 21a:** Should Club Permit fees be indexed so they align with standard light vehicle registration fees as was the original intent of the CPS before they became uncoupled ?

**Consultation question 21b:** If CPS permit fees are to be aligned with light vehicle registration fees is it fair and equitable that this increase be implemented incrementally over a four year period ?

### Permissions Group: Registration Identifiers

The annual cost of providing the administrative services supporting Registration Identifiers is $11.21 million. This Permissions Group supports the issue of approximately 440,000 new and replacement plates and the assignment of approximately 34,000 number plates from one vehicle to another.

The vehicle number is physically displayed in the form of a number plate. The number plate can be standard plate, custom plate or heavy vehicle plate. (excluding custom plate revenue).

A number plate is assigned to the vehicle on first registration and remains with the vehicle for its life (on average more than 15 years) unless the operator chooses to replace it with another number plate or the registration expires and the vehicle is re-registered. (e.g. customer plates or plate transfer).

An overview of this Permissions Group’s scope, costs, and fee income and the proposed fee outcome is outlined in the remainder of this section.

#### Permissions Group Overview

Table 51 provides a description of the permissions secured by the customer.

***Table 51 – Permissions Group Scope: Registration Identifiers***

| Permissions | Permissions Granted |
| --- | --- |
| Right for the vehicle to be uniquely identified and so facilitate its operation on the road | * Permission is granted to the vehicle operator to utilise the vehicle number for the life of the vehicle, or until such time that the operator chooses to replace the vehicle number with another vehicle number. This permission is granted after payment of the requisite fee. |

Table 52 provides a summary of the projected costs for the forecast period.

***Table 52 – Permissions Group Cost: Registration Identifiers***

| Service Group | Costs $k (PV) | | | | |
| --- | --- | --- | --- | --- | --- |
| **FY19/20** | **FY20/21** | **FY21/22** | **FY22/23** | **Average** |
| Registration Identifiers | 11,330 | 11,252 | 11,175 | 11,102 | **11,215** |

Table 53 below lists the individual fees detailed in the Regulations and the average annual fee recoveries for the forecast period (FY19/20 to FY22/23) with the fee unit being $14.81 (PV).

***Table 53 – Fee Income: Registration Identifiers***

| Schedule 4 | Description and Regulation Reference | | Txns pa | Recovery @ Current Fees | |
| --- | --- | --- | --- | --- | --- |
| Item No. | Avg ‘000 | Fee Rate | Revenue ($m) |
| 11 | Assignment of registration number[[331]](#footnote-331) | 59 | 34.4 | 8.67 fee units | 4.19 |
| 12 and 28 | Issue of a standard number plate (per plate) or standard club permit number plate (per plate)[[332]](#footnote-332) | 60(1), 196(1) | 579.8 | 1.28 fee units | 18.24 |
| 13 | Issue of national heavy vehicle number plate to a heavy vehicle (per set) or a heavy trailer (per plate) | 60(1) | 18.2 | $26.10 | 0.43 |
| 14 | Replacement of number plate with standard number plate (per plate) or standard club permit number plate (per plate) | 61(2)(a) | 17.6 | 2.37 fee units | 0.59 |
| 15 | Replacement of national heavy vehicle number plate for a heavy vehicle or a heavy trailer (per plate)251 | 61(2)(b) | 0.1 | $26.10 | 0.003 |
| 16 | Replacement of number plate with non-standard number plate (per plate) | 61(2)(c) | 0.6 | 2.37 fee units | 0.02 |
| **Total Fee Recovery** | | | | | **23.48** |

#### Fee Analysis

Permissions groups do not relate to a service but to a permission granted to a customer. Section 95(6) of the *RSA* enables Secretary to charge a fee that is not limited to the cost of the service.

* **Standard number plate**

The fee charged for standard plates is a once off charge as it lasts for the life of the vehicle (more than 15 years[[333]](#footnote-333)) should the plate not need replacement, and should the operator not elect to change the standard plate number. The fee is paid at first registration and if the plate requires replacement. There is no additional fee on transfer to a new operator in the event of a sale. The fee is a relatively minor cost when compared to the vehicle purchase and vehicle registration payments. The fee has been set at a level that reflects value to the customer and is not inconsistent with other jurisdictions.

* **National Heavy Vehicle number plate**

The is a nationally consistent fee determined by the National Transport Council and will be increased in line with the Commonwealth CPI (not the Victorian CPI) and through an amendment to the Regulations as required.

Fees are charged on an individual transaction basis to ensure customers understand that the consumption of the services create incremental demand on VicRoads resources. Individual customers will have infrequent need for the services and as such there is no value in creating other pricing structures. The fees charged are based on the user pays principle. There are no exemptions or concessions.

Table 54 suggests that the Victorian fees are similar to those in NSW. Where an operator needs to cancel registration due to write off, VicRoads may require the operator to return the registration number plates.

***Table 54 – Jurisdictional comparison: Registration Identifiers***

| Item | NSW fees[[334]](#footnote-334) | QLD fees[[335]](#footnote-335) | SA fees[[336]](#footnote-336) | VIC fees[[337]](#footnote-337) |
| --- | --- | --- | --- | --- |
| Number plates (Standard)  Replacement Plates | $ 47.00  $ 47.00 | $ 29.20  $ 29.20 | $ 22.00  $ 22.00 | $ 36.40  $ 67.40 |
| Replacement certificates | $ 22.00 |  |  | $ 17.60 |

**The proposal is for there to be NO CHANGE to existing fees under the proposed Regulations.**

**Consultation question 22:** Should an alternative approach to fees be considered with regards to services provided for registration identifiers and if so why?

### Servicing Agreement Group: Inspection and Testing

#### Servicing Agreement Group Overview

Table 55 provides a description of the authorities secured by the third party to perform services on behalf of Secretary.

***Table 55 – Servicing Agreement Group Scope: Inspection and Testing***

| Authority | Authority Granted |
| --- | --- |
| The authority to conduct and issue of Certificate of Roadworthiness | * An authority is granted to Licensed Testers to perform examination, testing, inspection and compliance services in relation to the issue of Certificate of Roadworthiness.   + An entity (individual or organisation) wishing to be a Licensed Tester is required to submit an application to VicRoads. The entity is assessed to determine their suitability against predetermined criteria.   + Licensed Testers purchase RWC booklets from VicRoads to facilitate the vehicle inspection.   + Licensed Testers undertake vehicle inspections against the RWC criteria and report the outcome of their assessment using RWCs.   + The RWCs are provided to customers who present them at VicRoads for vehicle transfers and clearance of defect notices. * VicRoads manages the Licensed Tester program, registering Licensed Testers and their examining mechanics and monitoring their compliance to the conditions imposed on them. eRWC certificates are charged at the current RWC paper based ‘book’ price. |
| The authority to conduct and issue of Vehicle Identification Validation (VIV) certificates | * An authority is granted to Licensed Testers to confirm the vehicle identity and perform an examination, test, and inspection to ensure that damaged vehicles have been repaired correctly and can return to the road.   + An entity (individual or organisation) wishing to be a Licensed Tester is required to submit an application to VicRoads. The entity is assessed to determine their suitability against predetermined criteria.   + Licensed Testers purchase Vehicle Identification Validation (VIV) booklets from VicRoads to facilitate the vehicle inspection.   + Licensed Testers undertake vehicle inspections against the VIV criteria and report the outcome of their assessment using VIV certificates.   + The VIV certificate is provided to customers who present them at VicRoads for vehicle registration. * VicRoads manages the VIV program, registering Licensed Testers and their examining mechanics and monitoring their compliance to the conditions imposed on them. |
| The authority to perform inspection, identity, and registration services | * An authority is granted to Dealers (formal terminology of Licensed Motor Car Traders or LMCTs) to perform inspection, identity, and registration services in relation to the issue and transfer of vehicle registration. * VicRoads manages the Dealer program, registering Dealers and monitoring their compliance to the requirements imposed on them. |

Table 56 provides a summary of the projected costs for the forecast period.

***Table 56 – Servicing Agreement Group Cost: Inspection and Testing***

| Service Group | Costs $k (PV) | | | | |
| --- | --- | --- | --- | --- | --- |
| **FY19/20** | **FY20/21** | **FY21/22** | **FY22/23** | **Average** |
| Inspection and Testing | 6,216 | 6,079 | 5,944 | 5,812 | **6,013** |

Table 57 below lists the individual fees for this service group if the current fee rates were to continue. It shows the average annual fee recoveries for the forecast period (FY19/20 to FY22/23) with the $14.81 fee unit (applicable for FY19/20) adjusted to enable an assessment of the PV outcome.

***Table 57 – Fee Income: Inspection and Testing***

| Schedule 4 | Description and Regulation Reference | | Txns pa | Recovery @ Current Fees | |
| --- | --- | --- | --- | --- | --- |
| Item No**.** | Avg‘000 | Fee Rate | Revenue ($m) |
| **Inspection and Registration Authority** |  | |  |  |  |
| 9 | Dealer inspection fee | 51(3)(a) | 393.8 | 1.54 fee units | 8.54 |
|  | Dealer administrative fee[[338]](#footnote-338) | 51(3)(b) | 393.8 | 1.00 fee units | 5.54 |
| **Vehicle Testing Authority** |  | |  |  |  |
| 30 | Application for tester's licence or for approval of additional or replacement premises | 234(3)(c) | 0.2 | 8 fee units | 0.02 |
| 31 | Renewal of tester's licence | 239(2)(b) | 0.5 | 1.6 fee units | 0.01 |
| 32 | Replacement tester's licence document | 242 | 0.0[[339]](#footnote-339) | 1.54 fee units | 0.00 |
| 33 | Certificate of roadworthiness books—per book of 100 certificates | 257(1)(a) | 8.3 | 21.46 fee units | 2.49 |
| 3 | VIV certificate books—per book of 50 certificates | 21(1)(a) | 0.2 | 87.91 fee units | 0.27 |
| **Total Fee Income** | | | | | **16.87** |

#### Fee Analysis

Fees are charged on an individual transaction basis to ensure the approved service providers understand that the consumption of the services create incremental demand on VicRoads resources. Dealers are likely to process many RWCs and, as such, the fees are structured so the LVT will purchase a “book” of certificates to reduce administration effort. The fees charged are based on the user pays principle. There are no exemptions or concessions.

There are no comparable fees applicable for these services as other jurisdictions have a different model for the management of these services

The approved service providers are charged at the time of the transaction.

**The proposal is that there are only minor adjustments to fees in the proposed Regulations**

## Annual cost recovery: FY 19/20 to FY 22/23 average

The Services Groups pursuant to the proposed Regulations are projected to recover 97.55% of the costs to deliver the Services Group activities.

The shortfall of $1.05 million is the result of the provision of administrative services supporting registration issue and renewal, for which no fee is charged to recover the cost. The shortfall is mostly offset by the recovery on registration transfer services which exceed the costs to deliver those services.

This outcome does not meet the objective to recover the full costs of delivering services to promote the efficient consumption of the numerous services that VicRoads delivers. Accordingly, continued support by way of Victorian government appropriations will be required to enable VicRoads to maintain services to the existing levels.

***Table 58 – Annual Cost Recovery: FY19/20 to FY22/23 Average[[340]](#footnote-340)***

| Business Unit | Costs  $m (PV) | Revenue  $m (PV) | Variance  $m (PV) |
| --- | --- | --- | --- |
| ***Services Groups*** | | | |
| Registration Administration - Renewal and Re-Issue | 20.73 | - | - 20.73 |
| Registration Administration - General | 4.34 | 4.67 | 0.33 |
| Registration Transfer | 10.30 | 29.53 | 19.23 |
| Vehicle Inspection | 6.80 | 6.90 | 0.1 |
| Information Extracts and Reports | 0.33 | 0.35 | 0.02 |
| **Total Services** | **42.49** | **41.45** | **- 1.05** |
| *Cost Recovery* |  | *97.55%* | *2.45%* |
| ***Permissions groups*** | | | |
| Registration Permits – Limited Use | 3.67 | 11.82 |  |
| Registration Identifiers | 11.21 | 23.48 |  |
| **Total (Permissions)** | **14.89** | **35.30** | NA |
| ***Servicing Agreements Groups*** | | | |
| Inspection and Testing | 6.01 | 16.87 |  |
| **Total (Servicing Agreements)** | **6.01** | **16.87** | NA |

# Impacts of the preferred options on small business and competition

## Impacts on small business and competition

### Allow vehicles 15 years and over to be recorded on WOVR

The removal of provisions preventing written-off vehicles 15 years and over from being recorded in WOVR under proposed regulation108 is unlikely to significantly affect small businesses. As OH&S issues, reliability, and fuel economy becomes a much larger consideration for these older vehicles – it is unlikely that they would be used extensively by a responsible business. In the case of some businesses, such as primary producers, these vehicles would be used on the premises and not used on the open road (i.e. not registered anyway). In the very exceptional of circumstances where such vehicles would otherwise be used on the public road, the proposal could have a limited impact in terms of requiring a VIV inspection – amounting to a *one-off cost* of around $536.60. The other impact would be of course where a vehicle is declared a statutory write-off, and this would reduce the availability of older used vehicles to be used for business purposes. However verbal consultation with the VACC indicates that the reduction in availability would be negligible in relation to the volume of the current used car fleet in the market[[341]](#footnote-341). Whilst the number of written-off vehicles which are 1) currently not recorded on WOVR and 15 years and older; and 2) currently used for business purposes - is currently unknown, this number is expected to be extremely low and this proposal is therefore, unlikely to impose a cost or any disproportionate impact on small business.

According to Victorian guidelines[[342]](#footnote-342) it is necessary as part of the assessment in this RIS to:

* Identify the market/s affected by the proposed regulations; and
* Identify whether the proposed regulations contain as restriction on competition.

The market affected by this proposal is the used car market. However, as discussed above, it is expected that the volume of vehicles that might be removed from the market through this proposal, affecting the supply of used cars, is insignificant[[343]](#footnote-343). Therefore, any change in the volume of these vehicles is not large enough to have any impact on competition. Moreover, where such written-off vehicles (15 years and over) are used by businesses across a variety of markets, the increased cost of VIV inspections is highly unlikely to represent a significant proportion of business costs. Therefore, it can be said that this proposal (the preferred option) to allow the recording of vehicles 15 years and over on WOVR is unlikely to have an impact on competition.

With regards to the insurance market there would be an additional administrative burden to notify the Secretary of vehicles which are currently not required to be notified. However, this is not likely to restrict competition in this market.

### Requirement for gas compliance certificates cert/plates upon initial registration of all light trailers

The proposal to require gas compliance certificates or plates upon initial registration of all light trailers under proposed Regulation 44 is highly unlikely to have any impact on small business. Current owners of light trailers under 200kg used for business purposes are not exempt from trailer registration. The only change this proposal would entail for small business would be in the case of those who operate trailers that are up to and including 750kg and self-inspect using the Trailer Pack. This proposal would require additional information (e.g. photograph) regarding gas compliance certificates/plates to be supplied and this would be at a *one-off time cost* of only around five minutes of administrative work. This would simply include taking a photo and attaching it into the Trailer Pack registration application form.

Commercial operators use such trailers with gas fittings in a variety of markets including for example, mobile food production (e.g. food trucks). However, for the same reasons as above, a *one-off time cost* of around five minutes of administrative effort is unlikely to have any impact on competition.

### Requirement for either paper-based *or* electronic certificates to be supplied to the Secretary

The proposal to require electronic certificates to be supplied to the Secretary under proposed Regulation 44) is highly unlikely to have any impact on small business. All authorised vehicle inspectors (e.g. LVTs, VASS signatories etc) will transition to electronic certificates with paper certificate used only as a backup. This will not impose any additional cost for these businesses. As noted in a letter by the VACC in Appendix 8 that *“some testers will find it a difficult proposition to transfer across to an online system…[but]…with appropriate training and support this should be limited to just a few”*. Indeed, DoT intends to provide for non-compulsory onsite training (with 18 dedicated trainers), videos and training documents, and a technical team to provide dedicated phone line support. There will be no investment needed by testers as online applications will be ubiquitous across all platforms including Apple and Android smart phones, IOS and Windows based computers/laptops and other portable devices such as tablets. The need for training will not be predicated around using the online applications (as forms will be identical to the hardcopy versions), but instead will focus on login procedures.

For the same reasons just discussed, this proposal will not have any impact in markets where inspections of vehicles by Third-party providers is occurring, and therefore no impact on competition.

### Proposals in relation to the Club Permit Scheme.

All proposals in relation to the Club Permit Scheme, such as increasing the age of classic and historic vehicles on the Club Permit Scheme to those 30 years or older under proposed Regulation 5, will have no impact on either small business or competition, as the conditions set out under the permit scheme already prohibit the use of vehicles for commercial purposes. The same is identified for any of the other proposed changes to provisions including the introduction of a definition of replica in relation to a club eligible vehicle to mean “a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle.“ This definition provides more detailed guidance as the term ‘replica’ is now defined and these types of businesses have a framework to produce to (i.e. the definition references VSB 14). Furthermore, it is assumed that there will be no impact on the number of firms in the sector nor does the proposal provide any administrative burden whatsoever on the conduct and the performance on the industry.

# Implementation and enforcement

## Implementation

The proposed Road Safety (Vehicles) Regulations substantially remake the registration components of the existing Road Safety (Vehicles) Interim Regulations 2020 with key amendments as summarised in Table 61 in Appendix 1.

The proposed changes are minor and will impact relatively small and specific groups of vehicle operators. The implementation of these changes will include a series of activities that involve direct engagement of the impacted industry groups and/or their representatives, as well as communication to the broader community for awareness.

Following the public consultation period, the Department of Transport will consider all submissions and comments made by stakeholders on the proposed Regulations. After this, the Department of Transport will submit its final recommendations to the Minister for Roads and Road Safety for approval. The Minister will publish a notice of decision in the Government Gazette and in newspapers. This notice will outline the changes from the exposure draft of the proposed Regulations. The Department of Transport expects the proposed Regulations to commence in October 2021.

The proposed Regulations are substantively the same as the Road Safety (Vehicles) Interim Regulations 2020, but include the proposals considered in this RIS. The broad existing regulatory approach will not change. A detailed implementation plan will be developed, in relation to changes that are to be included in the final version of the proposed Regulations.

The proposed Road Safety (Vehicles) Regulations may necessitate some updates to be made to computer systems, letters, forms and notices issued by VicRoads and other Victorian Government agencies.

A number of stakeholders will be impacted in various ways. These implementation impacts will range from State Government departments, who will need to be aware of the new regulations and make some minor amendments to references in their documentation, through to industry and operator groups, who will have to make changes to their work practices and documentation, and peak bodies, who will need to update publications or advice provided to the public and their members.

The Department has identified the impacts and strategies to minimise costs for system changes and implementation of updated business processes to support the new regulations. A program of work has been developed to minimise disruption and prepare the business and stakeholders for any changes.

Table 59 below describes, at a high level, the proposed implementation activities that will take place for various types of changes. Unless otherwise specified, proposed activities are planned to be undertaken during FY 21/22.

***Table 59 – Proposed high level implementation activities***

| **Type of change** | **Proposed implementation activities** |
| --- | --- |
| All changes | Standard regulation making and gazetting process applies.  VicRoads will publish the changes on its website.  VicRoads will revise existing business processes and rules and propagate these changes via existing staff training and change management processes. |
| Changes that align Road Safety Regulations with those of other regulatory bodies. | VicRoads will develop and implement a joint communications plan with the relevant regulatory body. |
| Changes that affect the broader motoring community. | VicRoads will publish changes on its website and work with motoring bodies such as RACV to promote these changes more widely. |
| Changes that affect particular sections of the community. | VicRoads will develop and implement a joint communications plan with the relevant community representative groups. |
| Changes that affect particular industry groups or types of businesses. | VicRoads will develop and implement a joint communications plan with the relevant industry representatives and peak bodies. |
| New offences and infringements or changes to existing offences and infringements. | VicRoads will work with the Department of Justice & Community Safety (DJCS) to define and propagate offence and infringement codes. |

## Enforcement

The Department has consulted agencies including Victoria Police, Sheriff’s Office Victoria, Fines Victoria, and Infringement Management and Enforcement Services (IMES), to ensure that any new or amended regulations can be enforced in a practical manner.

VicRoads provides these agencies with online access to its driver licence and vehicle registration administration systems to enable the identification of and to provide current and historical information relating to vehicles, registered operators, and drivers.

# Evaluation

## Evaluation of the proposed Regulations – scope and timing

Under the *Subordinate Legislation Act*, all regulations expire after ten years. The Department of Transport will review the operation of the proposed Regulations before their expiry. The review will evaluate the effectiveness of the proposed Regulations and inform whether the proposed Regulations should be remade in part or in full. A thorough review of the proposed Regulations, as amended during the next ten years, will take place in preparation for their sunsetting in 2031. This review would commence approximately 18 to 24 months before the expiry of the proposed Regulations in 2031.

The success of the proposed Regulations will be evaluated on an ongoing basis until they sunset in ten years’ time. The evaluation will be conducted by the Department of Transport.

The Department has established an interdepartmental committee with its key stakeholder partners, providing an ongoing forum where any issues with the *RSA* and road safety regulations can be brought to the Department’s attention as they arise. The range of partners include Victoria Police, Department of Justice and Community Safety, Department of Premier and Cabinet, and Department of Treasury and Finance.

## Mid-term review – scope and timing

The Department of Transport also intends to undertake a mid-term review of the proposed Regulations to assess how these are operating, approximately five years after the commencement of the proposed Regulations. This mid-term review is planned to commence in 2023/24. In line with the Victorian Guide to Regulation advice that mid-term reviews should take place within 3-5 years of the commencement of high burden Regulations. As part of the mid-term review, the Department of Transport will commission additional research to fill in data gaps to support the analysis. The Department of Transport provides advice to the Minister for Roads and Roads Safety on strategy and regulatory policy in relation to road safety matters and the operation of the *RSA* and the proposed Regulations, and the recent merger of the former Department of Transport and VicRoads means that all legislative policy and operational functions are now contained within one organisation, allowing all parts of the Department to work closely together to identify areas of improvement in road safety on a continuous basis.

The mid-term review is an opportunity to consider a range of emerging trends and information to ensure that the regulations remain fit for purpose in an era of rapid development of both technology and, also, practice in other jurisdictions. At this time, the key focus areas for the mid-term review is intended to include, but is not limited to regulated fees.

Whilst the fees are to be set for the full regulatory period (10 years), the Department will conduct a mid-term re-evaluation of the regulated fees. This mid-term fees re-evaluation will include the development of an activity-based cost (ABC) model that will enable a full review of the regulated fees to be completed by the fourth quarter of 2026. This review will consider a range of factors when looking at fees, including changes in technology, as well as, customer behaviours and demand. Given the inadequacies of the business system for allocating costs against regulated fees and the failure to undertake the full fees review during the previous period between remaking regulations it is of the greatest importance that the review does happen this time. The Department commits to developing an activity-based cost model which will capture the direct and indirect costs of unique outputs associated with each of the regulatory fees being charged.

## Evaluation approach

The evaluation approach, outlined below, will be used as the basis for both evaluations. The Department of Transport will undertake the evaluation drawing on information and input from various relevant sources. The Department of Transport will primarily draw on data and information collected by the Department, Victoria Police, the Department of Justice and Community Safety, the Courts and the Transport Accident Commission. This includes compliance data, infringement data, penalties imposed by the Courts for driving offences, and information and data kept by the Department as records (as required by the proposed Regulations).

The evaluation of the proposed Regulations would be structured around the objectives identified in Section 3 of this RIS. The proposed approach to this evaluation includes:

* identifying the proposed Regulations or provisions in primary legislation, or changes in such law, that are relevant to the specific objective;
* identifying indicators — the changes in outputs or outcomes providing an indication that the objectives of the intervention are being achieved;
* identifying the baseline data — the data that will be collected prior to the commencement of the intervention, that will be used as the basis of the analysis;
* identifying the data to be collected — the data that will be collected after the commencement of the intervention. This data will be assessed against the baseline data; and
* comparing the outputs and outcomes post-implementation against the baseline data.

The evaluation strategy specified here is provided as a high-level methodology. the Department will develop a more detailed strategy once the proposed Regulations are made and prior to the commencement of the proposed Regulations. This will be undertaken as part of the task of implementing the proposed Regulations. The systems and processes for data collection can be designed with the evaluation in mind.

# Communication and consultation

The Department provides updates and communication to the public and stakeholders in a variety of ways, such as, via the VicRoads website, letters to stakeholders and other stakeholder forums. The Department will be the primary agency to undertake communication and consultation with the public to implement the proposed Regulations.

The consultations included communications to, meetings with, and targeted consultation and information session with stakeholders outlined below through 2020 and 2021. submissions from these stakeholders, through 2016 and 2017. During consultation views were sought on various issues and proposals.

This RIS and exposure draft of the proposed new Regulations is released for further consultation with the community. The RIS consultation process will provide another mechanism by means of which any stakeholders will be able to submit their views on the key issues discussed in this RIS.

The following stakeholders were consulted during the development of the proposed Regulations and this RIS as described in Table 60.

***Table 60 – Stakeholders consulted***

| **Stakeholder** | **Nature of consultation** |
| --- | --- |
| Department of Treasury and Finance | Consulted in relation to recovery of costs via fees |
| Department of Justice and Community Safety | Consulted in relation to a range of proposals involving infringement penalties |
| Energy Safe Victoria | Consulted in relation to registration information requirements for trailers with fixed gas installations |
| Victoria Police | Sought advice on a range of proposals, especially in relation to enforcement. Sought guidance on proposal relating to how to enable the enforcement of offences committed on golf carts |
| **Targeted stakeholder consultation** | **Conducted targeted stakeholder consultation on a range of proposals - November to December 2020** |
| Royal Automobile Club of Victoria |  |
| Victorian Automotive Chamber of Commerce |  |
| Insurance Council of Australia |  |
| Motorcycle Council of Victoria |  |
| Association of Motoring Clubs |  |
| Australian Street Rod Federation |  |
| Federation of Vintage Car Clubs |  |

## Consultation around infrequently used club permits

As at January 2021 there were 431 veteran and 2,261 vintage, 89,527 classic and historic, 1,535 modified, 283 replica, and 1,016 street rod vehicles registered on the club permit scheme. Current interim Regulation 152 allows vehicle owners to apply for 45-day and 90-day permits[[344]](#footnote-344). This provides limited options in terms of club permits as some vehicles are not driven regularly at all. Indeed, most vehicles from such as veteran vehicles manufactured before 1 January 1919; or vintage vehicles, manufactured after 31 December 1918 and before 1 January 1931 – would be infrequently driven on public roads. Such vehicles are unusual and therefore not suitable for modern road conditions due to having, for example, inadequate lighting or braking systems[[345]](#footnote-345).

Feedback form the consultation process has requested the consideration of a permit duration less than 45 days. An unknown number of these vehicles would be driven less than 45-days a year but must currently obtain a 45-day club permit, regardless. The government has looked at this request. Based on inequity, cost of administration and introducing complexity into the scheme and the inability to enforce compliance – the government does not consider that shorter duration permits are warranted.

# Abbreviations and acronyms

| **Abbreviation or acronym** | **Definition** |
| --- | --- |
| ABS (1) | Australian Bureau of Statistics |
| ABS (2) | Anti-lock Braking System – a vehicle safety system that allows the wheels on a motor vehicle to maintain traction while braking, preventing the wheels from locking up (ceasing rotation) and avoiding uncontrollable skidding |
| ACNC | Australian Charities and Not-for-profits Commission – the independent national regulator of charities |
| ADR | Australian Design Rule – national standards for vehicle safety, anti-theft, and emissions |
| ALGA | Australian Local Government Association – the peak body representing Australian local governments (city, shire, and borough councils) |
| APEC | Asia-Pacific Economic Cooperation – a multinational economic forum established in 1989 to promote free trade throughout the Asia-Pacific region |
| AS/NZ | Australian/New Zealand Standard – national standards applicable in Australia and New Zealand relating to making products and services safe, reliable, and fit for purpose |
| Aust | Australia, Australian |
| BITRE | Bureau of Infrastructure, Transport and Regional Economics – a Commonwealth Government agency that provides economic analysis, research and statistics on infrastructure, transport and regional development issues to inform both Commonwealth Government policy development and wider community understanding |
| Clth | Commonwealth (of Australia) |
| CSC | Customer Service Centre – VicRoads offices that provide ‘over the counter’ customer service |
| DJCS | Department of Justice and Community Safety (Victorian Government) |
| DTF | Department of Treasury and Finance (Victorian Government) |
| EU | European Union |
| GVM | Gross Vehicle Mass – the maximum loaded mass of a vehicle |
| HV | Heavy Vehicle – a motor vehicle with a gross vehicle mass that exceeds 4.5 tonnes |
| ICV | Individually Constructed Vehicle – a ‘one off’ motor vehicle that has been built to an individual design or plan or from a kit, that has not been manufactured and marketed in volume for normal road use |
| IMES | Infringement Management and Enforcement Services |
| ISO | International Organization for Standardization – the organisation that manages international standards that apply to making products and services safe, reliable, and fit for purpose |
| IWO | Inspected Write-Off – a repairable write-off that has been repaired, inspected, and re-registered |
| LMCT | Licensed Motor Car Trader – an individual or corporation licensed to sell motor vehicles |
| LMV | Light motor vehicle |
| LV | Light vehicle – a motor vehicle with a gross vehicle mass that does not exceed 4.5 tonnes |
| MC | Motorcycle |
| MCA | Multi Criteria Analysis – the methodology used in this report to evaluate proposals according to multiple criteria with different weights |
| MV | Motor vehicle |
| MVSA | Motor Vehicle Standards Act 1989 (Cwlth) |
| NEVDIS | National Exchange of Vehicle and Driver Information System – a national system that enables road authorities to exchange vehicle registration and driver licence information across state borders |
| NHVR | National Heavy Vehicle Regulator |
| NMVTRC | National Motor Vehicle Theft Reduction Council |
| NRSS | National Road Safety Strategy |
| NSW | New South Wales |
| OCBR | Office of the Commissioner for Better Regulation – provides independent advice to the Victorian Government on improving Victoria’s regulatory performance |
| PMVT | Profit Motivated Vehicle Theft – defined as motor vehicle thefts where the stolen vehicle was not recovered, and is, therefore, believed to have been stripped for parts and scrap metal or re-birthed using another vehicle’s identity |
| PU | Penalty Unit – $165.22 in the 2019/20 financial year[[346]](#footnote-346) |
| RACV | Royal Automobile Club of Victoria – Victoria’s largest motoring club |
| RIS | Regulatory Impact Statement |
| RSA | Road Safety Act 1986 |
| RVSA | Road Vehicles Standards Act 2019 (Clth) – replacing the MVSA in late 2019 |
| RWC | Roadworthy Certificate (unofficial name for Certificate of Roadworthiness) |
| RWO | Repairable Write-Off – a vehicle that has been written off, and is safe to repair and re-register (although it is most likely uneconomical to do so) |
| SLSC | Surf Lifesaving Club |
| SR1 | Street Rod vehicle with no registration history in Australia |
| SR2 | Street Rod vehicle with registration history in Australia |
| SRS | Supplementary Restraint System – vehicle airbags designed to supplement seatbelts in restraining vehicle occupants in a collision |
| SWO | Statutory Write-Off – a vehicle that has been written off, and is not safe to repair and be re-registered |
| SWVKT | Safety-weighted vehicle kilometres travelled – Vehicle kilometres travelled (VKT – see below), weighted for the risk factors of kilometres travelled in different types of vehicle. Cars and light commercial vehicles are weighted 1.0, buses 1.5, trucks 2.0, and motorcycles 26.0. |
| TAC | Transport Accident Commission – the Victorian Government provider of ‘no fault’ compulsory third party road injury insurance |
| TAFE | Technical and Further Education – vocational education and training institutes established as statutory authorities in Australian states and territories |
| UN | United Nations |
| UNECE | United Nations Economic Commission for Europe – the United Nations body with responsibility for promoting sustainable transport which is safe, clean and competitive, through the development of freight and personal mobility by inland transport modes, by improving traffic safety, environmental performance, energy efficiency, inland transport security and efficient service provision in the transport sector |
| UVP | Unregistered Vehicle Permit – a permit that allows an unregistered vehicle to be operated on public roads for a limited time and under limited circumstances |
| VACC | Victorian Automotive Chamber of Commerce – the industry body representing businesses in the motor vehicle sales and repair industry |
| VASS | Vehicle Assessment Signatory Scheme – the Victorian Government scheme whereby individually constructed or imported vehicles are inspected to confirm compliance with Australian Design Rules |
| VET | Vocational Education and Training |
| Vic | Victoria, Victorian |
| VIN | Vehicle Identity Number – a unique 17-character alpha-numeric motor vehicle identifier used worldwide. Therefore, no two vehicles in the world will have the same VIN |
| VIV | Vehicle Identity Validation – an inspection to confirm that the identity of a repairable write-off is that of the previously damaged vehicle and not that of a re-birthed stolen vehicle, and that the vehicle has been repaired to the appropriate standard for re-registration |
| VKT | Vehicle kilometres travelled – a measure of exposure to risk of road trauma. |
| VRIS | Victorian Registration Identification System – the database used by the Department to manage Victorian vehicle registration records |
| VSL | Value of Statistical Life – an objective economic value placed on a human life, used for public policy purposes |
| WHO | World Health Organization – United Nations directing and coordinating authority on international health |
| WOVR | Written-off Vehicle Register – the Victorian Government register of vehicles that have been written off and removed from use on public roads following severe damage that was deemed uneconomic or unsafe to repair |
| WTO | World Trade Organization – an intergovernmental organisation, of which Australia is a member, that regulates international trade |

**Appendix 1 – Main regulatory reform proposals**

Table 61 – Summary of main regulatory reform proposals under the proposed Regulations

| **Proposed Regulation number/term to be defined** | **Proposed Regulation description** |
| --- | --- |
| **r.5 Definitions** |  |
| General | Definitions to r.5 to improve accessibility with readers. As a result, some defined terms have been changed to reduce conflict with other terms (e.g. adding club to ‘club log book’ and ‘club member’). |
| Benevolent  Organisation | Change in definition to: Means a charitable, benevolent or religious institution the principal purpose of which is to provide assistance to the community or animals but does not include a school, college or university or organisations that operate for profit. |
| Charitable  Body | Change in definition to: Means an incorporated entity currently registered as a charity with the Commission established under the Australian Charities and Not-for-Profits Commission Act 2012 of the Commonwealth or a benevolent organisation. |
| Club eligible  vehicle | Change in definition to: Means a vehicle manufactured after 31 December 1930 and more than 30 years before the date of an application for a club permit under regulation 177 |
| Replica | Change in definition to: Means a light motor vehicle that is an individually constructed vehicle that resembles, as close as practicable, the appearance and dimensions of the equivalent production vehicle.  **Note:**  Individually constructed vehicle, production vehicle and a modified production vehicle are defined in VSB 14.  Example:   * 1. An individually constructed vehicle (ICV) is a new vehicle that is not a production vehicle, modified production vehicle or a production vehicle which has had the body or chassis replaced.   2. An ICV must not have been derived or built from structural components such as the floor pan or chassis from a recognised production vehicle which contains did contain or should contain a vehicle identifier.   3. An ICV must be first registered by the individual who built it for their personal use only. Typically an ICV is a one-off type vehicle built to an individual plan or design and includes a vehicle constructed to the builder’s own unique design, certain kit cars and certain replicas of production vehicles.   4. A production vehicle is a vehicle manufactured and marketed in volume for normal road use. A modified production vehicle is one that has undergone modifications that change the original manufacturer’s specifications in some manner. |
| Guidelines for authorised vehicle inspectors | New definition: Means published from to time by the Secretary under r.9 |
| **Authorisations** |  |
| r.9 | 1. New regulation: Secretary may publish guidelines |
| r.10 | Allows the Secretary to authorised persons and officers who are only police and employees of the State to undertake enforcement |
| r.11 | Regulation expanded: Secretary may authorise vehicle inspectors and approved vehicle inspection centres for the purposes of Regulations. |
| r.12 | New regulation: Secretary may give written directions to authorised vehicle inspectors |
| r.13 | New regulation:   * Secretary may require authorised vehicle inspectors to comply with guidelines the written directions |
| r.14 | New regulation:   * written notice to an authorized vehicle inspector for non-compliance with Regulations, guidelines or written directions * on the notice of the revocation, the authority is temporarily suspended to allow for internal review * revocation of the authority   an external review in VCAT. |
| **Approved Forms** |  |
| r.16 | Approved forms have been split to separate application forms for registration and registration permits from approved forms that are reports, labels and certificates which are issued by the Secretary for evidence of compliance with the proposed Regulations.  Under r.16(1): The Secretary may approve application forms |
| r.17 | New regulation: Information to be provided in or with application forms. |
| r.18 | New regulation: Secretary may return incomplete applications. |
| r.19 | New regulation: Approved forms of notices, reports, labels and certificates. |
| r.21 | New regulation: Form and supply of certificate including supply of electronic forms of a certificate in relation to:   * Certificate of Vehicle Identity/e VIC in r.43 * Alternate Fuel Systems Assessment and Certificate Scheme (*e*AFSACS) in r.38 * Vehicle Assessment Signatory Scheme (*e*VASS) in rr.25 and 36, * Certificate of approved operations in r.49 and r.189 * Certificate of registration in r.56 * Vehicle Identity Validation (*e*VIV) certificate in r.114 * Defect Notice Clearance Certificate (*e*DNCC) in r.277 * Certificate of roadworthiness (*e*RWC) in r.255 |
| **Third-party inspection – Compliance Check** |  |
| r.44 | New regulation: Secretary may require certificates to accompany application for registration including:  (a) letter from the manufacturer stating that vehicle complies with the standards of registration;  (b) a VASS certificate issued under r.25;  (c) a certificate of vehicle identity under r.43;  (d) if the vehicle has been modified or imported or individually constructed —a VASS certificate under s.25and r.38;  (e) if the vehicle has an alternative fuel system—an AFSA certificate;  (f) if the vehicle has fixed gas fittings—evidence of a gas compliance plate;; (new)  (g) if the motor vehicle's vehicle identifier is entered on the register of written-off vehicles—a VIV certificate;  (h) if the vehicle is—  (i) a used vehicle that is not a specially constructed motor vehicle; or  (ii) a used motor vehicle that is not to be registered with recreation motor cycle registration; or  (iii) a used heavy trailer—  a certificate of roadworthiness issued by a licensed tester in accordance with r.260; and  (i) If the vehicle requires a defect notice clearance certificate under r.277. |
| **Transfers of Registration** |  |
| r.89 | Electronic transfers to support e-certificate of roadworthiness (eRWC)  This has been enabled by requiring the disposer to complete an application for transfer (disposer) and:   * Lodge it with the Secretary (new) * Give it to the acquirer (same). |
| **Club Permits** |  |
| r.178 | New regulation: The Secretary may require an applicant for a club permit for a club eligible vehicle to submit evidence, in the approved form to the Secretary, verifying the following:   1. the identity of the applicant; 2. that the vehicle is safe to use on a highway; 3. that the vehicle has a roadworthy certificate (if required); 4. that the vehicle complies with the standards for registration (if required); 5. any other information specified by the Secretary in the approved form under r.177;   An appointment with the Secretary for the purpose of verifying any of the matters specified in subregulation may be required. |
| rr.184, 185, 186, 188 and 190 | New penalties for breaches of conditions and log book obligations for club permit |
| **Other changes** |  |
| r.108 | Removal of ’15 years’ from provision around requiring vehicles to be recorded on the WOVR |
| r.30 | Change in the provision around offence to alter, deface, remove, substitute or tamper with a vehicle identifier to include the engine identification number (new) and to apply to all vehicles registered and unregistered (new) |
| r.63 | New requirement to not affix a substance or object to a plate that would prevent successful reading of number for enforcement purposes. |

**Appendix 2 – Vehicle Inspection Process Map – Light Trailer**

Figure 10 – Vehicle Inspection Process Map – Light Trailer



*Source: VicRoads*

**Appendix 3 – Regulated Fees – Current Interim Regulations**

Table 62 – Schedule 4 – Miscellaneous Fees[[347]](#footnote-347)

| ***Item*** | ***Description*** | ***Regulation*** | ***Existing Fee*** | ***Proposed Fee*** | ***% Change*** |
| --- | --- | --- | --- | --- | --- |
| 1 | Fee to make an appointment for a vehicle inspection | 27(2)(a) | 1·28 fee units | 1·28 fee units | 0% |
| 2 | Fee to change the time or place of a vehicle inspection | 27(2)(b) and 28(5)(a) | 1·28 fee units | 1·28 fee units | 0% |
| 3 | Vehicle inspection performed at the Department's or an authorised vehicle inspector's premises | 27(2)(c) and 30(5)(b) | 2·04 fee units | 2·04 fee units | 0% |
| 4 | Vehicle inspection performed outside the Department's or an authorised vehicle inspector's premises | 27(2)(c) and 30(5)(b) | 3·63 fee units | 3·63 fee units | 0% |
| 5 | Fee to make an appointment for verification of supporting evidence provided in relation to an application for vehicle registration if inspection of vehicle is not required | 28 | 1·28 fee units | 1·28 fee units | 0% |
| 6 | Dealer inspection fee | 33(3)(a) | 1.54 fee units | 1.54 fee units | 0% |
| 7 | Issue of a replacement certificate of registration | 39 | 1·24 fee units | 1·24 fee units | 0% |
| 8 | Assignment of registration number | 41(4)(a) | 8·67 fee units | 8·67 fee units | 0% |
| 9 | Issue of a number plate (per plate) | 42(1) | 1·28 fee units | 1·28 fee units | 0% |
| 10 | Issue of national heavy vehicle number plate to a heavy vehicle (per set) or a heavy trailer (per plate)—from 2 June 2020 to 30 June 2020 | 42(1) | $25 | N/A | N/A |
| 11 | Issue of national heavy vehicle number plate to a heavy vehicle (per set) or a heavy trailer (per plate)—on and after 1 July 2020 | 42(1) | $25.90 | $26.10 | 0.7% |
| 12 | Replacement of number plate with standard number plate (per plate) | 43(2)(a) | 2·37 fee units | 2·37 fee units | 0% |
| 13 | Replacement of national heavy vehicle number plate to a heavy vehicle or a heavy trailer (per plate)—from 2 June 2020 to 30 June 2020 | 43(2)(b) | $25 | N/A | N/A |
| 14 | Replacement of national heavy vehicle number plate to a heavy vehicle or a heavy trailer (per plate)—on and after 1 July 2020 | 43(2)(b) | $25.90 | $26.10 | 0.7% |
| 15 | Replacement of number plate with non-standard number plate (per plate) | 43(2)(c) | 2·37 fee units | 2·37 fee units | 0% |
| 16 | Application for transfer of registration of vehicle repossessed by financiers | 73(4)(b) | $4.00 | $4.20 | 5% |
| 17 | VIV certificate books—per book of 50 certificates | 97(2)(a) | 87·91 fee units | 87·91 fee units | 0% |
| 17A | Electronic VIV certificate | 97(2)(b) | 1·75 fee units | 1·75 fee units | 0% |
|  | VASS certificate books—per book of 50 certificates[[348]](#footnote-348) |  | 87·91 fee units | 87·91 fee units | 0% |
|  | Electronic VASS certificate |  | 1·75 fee units | 1·75 fee units | 0% |
| 18 | Transfer of registration—   1. of a light motor vehicle or a category 8, 9 or 11 vehicle referred to in the Table to Schedule 3 from the name of a deceased person, or his or her legal personal representative, to the surviving spouse or domestic partner of the deceased person | 102 | Nil | Nil | N/A |
|  | 1. of a vehicle that is, or that as a result of the transfer becomes, a category 4(1)(b)(viii), 4(2), 4(3), 4(4), 7, 8, 9, 10, 11, 14 or 15 vehicle referred to in the Table to Schedule 3 | 102 | Nil | Nil | N/A |
|  | 1. to a dealer of a motor vehicle other than a motor cycle | 102 | 1·4 fee units | 1·4 fee units | 0% |
|  | 1. of a motor cycle or trailer | 102 | $6.40 | $6.60 | 3.1% |
|  | 1. in any other case | 102 | 2·75 fee units | 2·75 fee units | 0% |
| 19 | Processing a refund relating to cancellation or change of vehicle registration | 104(3) | 1·28 fee units | 1·28 fee units | 0% |
| 20 | Short-term unregistered vehicle permit—for each 28-day period or part of such period of the permit's validity | 131(2) | 1·7 fee units | 1·7 fee units | 0% |
| 21 | Annual fee for general identification mark | 140(1)(a) | 7·97 fee units | 7·97 fee units | 0% |
| 22 | Annual fee for trade plates (per plate) | 140(1)(b) | 3·26 fee units | 3·26 fee units | 0% |
| 23 | Issue or renewal of 45-day club permit | 152(1)(c) and 157(1)(c) | 1·6 fee units | 1·6 fee units | 0% |
| 24 | Issue or renewal of 90-day club permit | 152(1)(c) and 157(1)(c) | 3·2 fee units | 3·2 fee units | 0% |
| 24A | Issue of standard club permit number plate (per plate) | 152(1)(ea) | 1·28 fee units | 1·28 fee units | 0% |
| 25 | Class O permit | 184(5) | 4·77 fee units | 4·77 fee units | 0% |
| 26 | Application for tester's licence or for approval of additional or replacement premises | 192(b) | 8 fee units | 8 fee units | 0% |
| 27 | Renewal of tester's licence | 198(2)(b) | 1·6 fee units | 1·6 fee units | 0% |
| 28 | Replacement tester's licence document | 200 | 1·54 fee units | 1·54 fee units | 0% |
| 29 | Certificate of roadworthiness books—per book of 100 certificates | 220(1)(a) | 21∙46 fee units | 21∙46 fee units | 0% |
| 29A | Electronic certificate of roadworthiness | 220(1)(b) | $3.17 | $3.20 | 0.9% |
| 30 | Fee to clear a vehicle defect notice on weekdays | 235(3) | 1·28 fee units | 1·28 fee units | 0% |
| 31 | Fee to clear a vehicle defect notice on weekends | 235(3) | 1·89 fee units | 1·89 fee units | 0% |

Table 63 – Schedule 5 – Search and extract fees[[349]](#footnote-349)

| ***Item*** | ***Description*** | ***Regulation*** | ***Existing Fee*** | ***Proposed Fee*** | ***% Change*** |
| --- | --- | --- | --- | --- | --- |
| 1 | Certificate under section 84(1) or (4A) of the Act | 103 | $9.50 | $9.80 | 1% |
| 2 | Search or extract of current information | 103 | $9.50 | $9.80 | 1% |
| 3 | Search or extract of historical information | 103 | 1·3 fee units | 1·3 fee units | 0% |
| 4 | Information by telephone on telephone enquiry from a municipal council | 103 | $9.70 | $9.80 | 1% |
| 5 | Search for any other purposes—   1. of current records | 103 | $9.70 | $9.80 | 1% |
|  | 1. of historical record | 103 | 1·3 fee units | 1·3 fee units | 0% |

# Appendix 4 – Key forecast assumptions for VicRoads service delivery cost projections

Table 64 lists the key forecast assumptions that were used in calculating the projected VicRoads cost of delivering services in Table 9 of this RIS.

Table 64 – Key forecast assumptions[[350]](#footnote-350)

| Key Factor | Factor | Applied to | Source |
| --- | --- | --- | --- |
| **Consumer Price Index (CPI)** | 2.50% p.a. | **Costs**: Third party contracts, non-customer-facing business areas, overheads  **Revenue**: Fee rates | DTF – Macro Economic Indicators: CPI forecast FY19/20 and FY20/21[[351]](#footnote-351) |
| **Wage growth** | 3.125% p.a. | **Costs**: Customer-facing business areas – CSC, Call Centre, Licensing and Registration Services (LRS), Medical Review (MR) | DTF – Budget Update 2017/18: Average forecast FY19/20 and FY20/21[[352]](#footnote-352) |
| **New Registration growth** | 3.30% p.a. | **Costs**: New registrations, dealer activities | ABS - New vehicle sales grew by 3.8% between 1994 and 2017. Higher density living is having a dampening impact on new car sales. VicRoads projections are based on 335,072 new motor vehicle sales in Victoria (Dec 2016-Nov 2017) which constitutes a 3.3% growth.[[353]](#footnote-353) |
| **Vehicle growth** | 2.50% p.a. | **Costs**: Registration renewals, transfers  **Revenue**: Registration related volumes | ABS – Motor vehicle growth between 2016 and 2017[[354]](#footnote-354) |
| **New Licence growth** | 5.0% p.a. | **Costs**: Licence computer and on-road tests | VicRoads projections based on natural growth in 17-18yo and migration from local jurisdictions and overseas |
| **Drivers growth** | 1.59% p.a. | **Costs**: Licence renewals  **Revenue**: Licence related volumes | ABS – Victorian population forecast 2021-31[[355]](#footnote-355) |
| **Short-term Registration (STR) take up** | 50.0% for FY18/19 rising to 70% by FY 21/22 | **Costs**: Registration/billing/enquiry transactions  **Revenue**: Registration related volumes | VicRoads projections based on take up rates from other jurisdictions all of which are evolving but give some indications of potential take up.   |  |  |  | | --- | --- | --- | | NSW – 12%  QLD – 50%  SA – 55% | ACT – 60%  NT – 72%  TAS – 27% | WA – 45% | |
| **Discount rate** | 4.0% p.a. | Present Value (PV) calculations | Dept of Transport - Guidance on discount rates[[356]](#footnote-356) |

# Appendix 5 – NSW approach to written-off vehicles

In NSW all written off vehicles that do not meet exemption requirements are classified as SWOs. NSW does not allow written-off vehicles to be re-registered, except under the following circumstances:

* There is no non-repairable damage which includes excessive fire, stripping, water or structural damage or excessive structural damage to three or more of the areas listed:
* Roof
* A pillar
* Firewall
* Longitudinal structural rails
* Floorpan
* The suspension components
* The mechanical components (e.g. the engine block, transmission case, differential housing and/or the axle housing)
* Any or all of the activation or deployment of supplementary restraints (e.g. airbags and/or seat belts), and
* The vehicle fits one of the exempt categories.
* Hail damaged, where you were the registered operator for more than 28 days before the vehicle was hail damaged (contact your insurer)
* Inherited in a will or letters of administration
* Registered in your name for more than 28 days before the damage that caused it to be written off[[357]](#footnote-357).

It is noted by the Auto recyclers Association of Australia that:

*the problem with the previous system was that a great many written-off vehicles were purchased at auction by “back-yard” repairers, cosmetically repaired and put back on the road in an unsafe condition. There was also substantial evidence highlighting that the availability of repairable written-off vehicles was significantly contributing to motor vehicle based crime[[358]](#footnote-358).*

Exempt vehicles in NSW using an unlicensed repairer may be required for the purposes of allowing certification by a licenced repairer to:

* allow a licenced repairer to do a series of inspections at key points during the repair process
* keep a repair diary that describes the repair process
* take photographs of the damaged areas before and after repairs
* keep copies of the pages of relevant standards referred to during repairs[[359]](#footnote-359).

As confirmed by a media statement on the 19th of March 2021, Queensland are looking to adopt a similar approach to NSW such that “Light vehicles, which are considered uneconomical to repair, will be categorised as statutory written-off vehicles and become ineligible for re-registration...[and]…Vehicles will then only be permitted to be repaired where they meet specific exemption criteria.”[[360]](#footnote-360)

# Appendix 6 – Estimation of RWC inspection costs

Table 65 describes how the estimated number and cost of RWC inspections on 802,514 fee-based transfers for light vehicles between December 2019 and November 2020 was calculated in Table 13 of this RIS.

Table 65 – Estimated number and cost of RWC inspections on fee-based transfers, 1 Dec 2019 – 30 Nov 2020

| **Type of transfer** | **Annual transfers[[361]](#footnote-361)** | **Unit cost / price** | **Estimated annual RWC cost** | **Notes** |
| --- | --- | --- | --- | --- |
| **RWC REQUIRED – LARGE DEALER SALES TO PRIVATE BUYERS** | | | | |
| Vehicles more than 3 years old – Top 100 dealers | 101,489 | $69.71[[362]](#footnote-362) | $7,074,791 | RWC inspections likely to be done in-house by dealers’ service centres and built into vehicle price.  Licensed Testers pay $3.18 RWC admin fee to the Department. |
| Vehicles less than 3 years old – Top 100 dealers | 88,333 | $6,157,688 |
| **RWC REQUIRED – SMALL/MEDIUM DEALER SALES TO PRIVATE BUYERS** | | | | |
| Vehicles more than 3 years old – Remaining 1,510 dealers | 140,957 | $180 | $25,820,465 | RWC inspections likely to be done by small/medium Licensed Testers @ average $180 each[[363]](#footnote-363).  Licensed Testers pay $3.18 RWC admin fee to the Department. |
| Vehicles less than 3 years old – Remaining 1,510 dealers | 35,709 | $6,541,184 |
| **RWC REQUIRED – PRIVATE SALES TO PRIVATE BUYERS** | | | | |
| Vehicles more than 3 years old – Private sale | 409,714 | $180 | $75,051,485 | RWC inspections likely to be done by small/medium Licensed Testers @ average $180 each.  Licensed Testers pay $3.18 RWC admin fee to the Department. |
| Vehicles less than 3 years old – Private sale | 26,312 | $4,819,820 |
| Time cost – private seller, 218,000 vehicles more than 3 years old |  | $98.19 | $40,229,858 | Based on three hours at cost of $32.73 per hour.[[364]](#footnote-364) |
| Time cost – private seller, 14,000 vehicles less than 3 years old |  | $98.19 | $2,583,569 |
| **TOTAL** | **802,514** |  | **$168,278,860** |  |

*Source: VicRoads data*

The vehicle transfers data sourced for this analysis comprised 366,488 fee-based transfers from 1,610[[365]](#footnote-365) Victorian used car dealers to private buyers, and 436,026 fee-based transfers from private sellers to private buyers.

The ‘Top 100 dealers’ category is used as a proxy for used car dealers who are large enough to have their own servicing departments and conduct RWC inspections in-house. The RWC cost for these large dealers comprises direct labour and on-costs, and a $3.18 fee payable to the Department.

The ‘Remaining 1,510 dealers’ category is used as a proxy for smaller used car dealers who do not have their own servicing departments and conduct their RWC inspections at nearby Licensed Testers. The cost of their RWCs is the typical price charged by Licensed Testers, which, for this analysis, is estimated at $180.

Private sellers typically pay $180 for RWC inspections conducted at Licensed Testers and incur a ‘time cost’ of $98.19 to take their vehicle to have an RWC inspection. Given that the typical sale price of a nine-year-old best-selling car is around $13,495,[[366]](#footnote-366) RWC-related costs of $69.71 to $180 for used car dealers, and $278.19 for private sellers, represent 0.52% to 1.33% of the typical sale price for dealers, and 2.06% for private sellers.

# Appendix 7 – Other relevant legislation, regulations and agreements

**Australian Design Rules**

The Australian Design Rules (ADRs) are national standards for vehicle safety, anti-theft measures, occupant protection, structures, lighting, noise, engine exhaust emissions, braking, and a range of other items.

Vehicles that are manufactured in or imported into Australia must be certified as complying with ADRs. For ‘production line’ vehicles, each make, model, year and type (e.g. 2015 Ford Territory Ghia AWD, 2010 Volkswagen Passat Highline TDI 2.0 Wagon, and so on), is certified, and this certification is extended to all individual vehicles within these makes and models.

The current standards, the Third Edition ADRs[[367]](#footnote-367), are administered by the Commonwealth Government under the *Motor Vehicle Standards Act 1989* (Cwlth)*[[368]](#footnote-368).* Apart from exemptions by the Administrator of Vehicle Standards (e.g. to road-going plant and machinery), the Act requires that:

“all road vehicles, whether they are newly manufactured in Australia or are imported as new or second hand vehicles, to comply with the relevant ADRs at the time of manufacture and supply to the Australian market. When a road vehicle is first used on Australian roads the relevant state or territory government's legislation generally requires that it continue to comply with the relevant ADRs as at the time of manufacture.”[[369]](#footnote-369)

**Alignment with National Standards**

New Commonwealth legislation is to be implemented on the 1st of July 2021 with the *Road Vehicle Standards Act 2018* (Cwlth)*[[370]](#footnote-370)* provisions coming into full effect[[371]](#footnote-371). The requirements of the *Road Vehicle Standards Act 2018* (Cwlth) will revoke the *Motor Vehicle Standards Act 1989* (Cwlth) for new vehicles or vehicles coming into Australia. However, the Third Edition ADRs will continue to be administered under the *Motor Vehicle Standards Act 1989* with respect to vehicles registered/imported from overseas prior to the 1st July 2021.

**Vehicle Assessment Signatory Scheme**

Vehicles with a gross vehicle mass up to 4,500 kg that are imported privately, individually constructed, or modified[[372]](#footnote-372) in Victoria are required to be assessed to the same levels as stipulated by the *National Code of Practice for Light Vehicle Construction and Modification* published by the Department of Infrastructure, Regional Development and Cities as *Vehicle Standards Bulletin No. 14[[373]](#footnote-373)*. These vehicles are checked and certified individually under the VASS in Victoria only.

Vehicles with a gross vehicle mass over 4500 kg are required to be assessed to the same levels as stipulated by the *Code of Practice for the Approval of Heavy Vehicle Modifications* published by the National Heavy Vehicle Regulator[[374]](#footnote-374), and the *National Code of Practice for Light Vehicle Construction and Modification* published by the Department of Infrastructure, Regional Development and Cities as *Vehicle Standards Bulletin No. 14[[375]](#footnote-375)*. These vehicles are checked and certified individually under the Vehicle Assessment Signatory Scheme (VASS) in Victoria or by interstate equivalents recognised by the NHVR.

The VASS operates under Regulation 15 of the Road Safety (Vehicles) Interim Regulations 2020[[376]](#footnote-376). This regulation provides for VicRoads and its authorised officers to apply the national standards described above.

**International Vehicle Regulations**

The Commonwealth Government’s policy is to harmonise national vehicle safety standards with international regulations, where possible, and to consider the adoption of the international regulations of the United Nations Economic Commission for Europe (UNECE)[[377]](#footnote-377). Australia is a signatory to the UNECE 1958 Agreement[[378]](#footnote-378) and has also adopted the UNECE 1998 Agreement[[379]](#footnote-379). The policy to harmonise is also important to fulfil World Trade Organisation (WTO) and Asia Pacific Economic Cooperation (APEC) commitments, e.g. not to use excessively stringent vehicle standards as a trade barrier to protect local manufacturers.

**United Nations Convention on Road Traffic**

National standards relating to identifying vehicles and their operators are derived from Australia being a signatory to the *United Nations Convention on Road Traffic 1949[[380]](#footnote-380)*. This convention established international standards for the identification and recording of information relating to vehicles and their operators. Various international standards, such as those relating to Vehicle Identification Numbers[[381]](#footnote-381) (VIN) and number plates[[382]](#footnote-382), are derived from this convention.

**National protocol for identifying vehicles and operators**

Australia has open borders between its states and territories. These borders allow free movement of vehicles and other forms of transport between the various states and territories, all of which operate a vehicle registration scheme for motor vehicles and trailers. To that end, the existence of a Victorian vehicle registration scheme represents the Victorian Government’s compliance with national vehicle registration and proof of identity[[383]](#footnote-383) standards.

Austroads, the peak organisation of Australian and New Zealand road transport and traffic agencies, maintains a standing Registration and Licensing Task Force to:

* develop and promote national policies and procedures;
* increase consistency and efficiency in registration across jurisdictions;
* enhance security of Australian vehicle identification; and
* encourage use of safe and efficient vehicles[[384]](#footnote-384).

Austroads’ members include DoT and its equivalent road agencies in other Australian States and Territories and New Zealand, the Commonwealth Department of Infrastructure, Regional Development and Cities, and the Australian Local Government Association.

Austroads also administers the National Exchange of Vehicle and Driver Information System (NEVDIS), NEVDIS is national system that enables road safety authorities to exchange vehicle registration and driver licensing information across jurisdictions with its primary purpose being to prevent fraud and theft by ensuring ‘one vehicle, one Vehicle Identification Number (VIN)’ and ‘one person, one driver licence’.[[385]](#footnote-385) NEVDIS collects:

* information supplied by road agencies;
* VIN data for compliance from vehicle wholesalers; and
* information on stolen vehicles from police. [[386]](#footnote-386)

NEVIDS also provides information to public and private sector organisations to facilitate:

* provenance[[387]](#footnote-387) checking on vehicles;
* matching of biographic details on licenses;
* motor vehicle insurance underwriting; and
* vehicle safety recalls.[[388]](#footnote-388)

**Section 88 Crimes Act 1958**

Under section 88 of the *Crimes Act 1958[[389]](#footnote-389)* charges such as handling stolen property may be laid where vehicle identifier-related offences are committed and are treated as indictable offences with a 15-year maximum term of imprisonment.

**National Roadworthiness Standards**

National roadworthiness standards for heavy vehicles (gross vehicle mass more than 4.5 tonnes) are documented in Schedule 2, Part 2 of the *Heavy Vehicle (Vehicle Standards) National Regulations 2013[[390]](#footnote-390).* This standard was developed by the National Heavy Vehicle Regulator (NHVR)[[391]](#footnote-391), which reports to the Transport and Infrastructure Council (TIC), the collective forum for Commonwealth, State, Territory and New Zealand transport and infrastructure ministers.

There is no national roadworthiness standard for light vehicles (gross vehicle mass 4.5 tonnes or less).

**National Standard for the Classification of Statutory Write-offs**

The *Damage Assessment Criteria for the Classification of Statutory Write-Offs[[392]](#footnote-392)* is the national standard for determining the level of damage required for light vehicles to be classified as statutory write-offs. These assessment criteria were developed by the National Motor Vehicle Theft Reduction Council (NMVTRC) and Austroads and are incorporated in section 16BA of the *RSA[[393]](#footnote-393)*. These criteria were developed in 2013 by contracted forensic engineering experts in consultation with an Expert Reference Group (ERG) made up of twenty-one stakeholder representatives drawn nationally from a cross-section of transport agencies, police, insurers, and the motor trades[[394]](#footnote-394). The national framework promotes the consistent application of more stringent assessment criteria for the classification of written off vehicles, and includes cars, motorcycles, trailers and caravans[[395]](#footnote-395). The original criteria applied under the introduction of WOVR in 2002 was intended to be applied to vehicles under 15 years of age as these were identified as the ‘most likely’ to be re-birthed.

# Appendix 8 – VACC Support for eCertificates



1. These numbers were compiled before the current COVID-19 pandemic. The effect of the Pandemic on volumes and costs are unknown at this time. [↑](#footnote-ref-1)
2. *Road Safety Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-2)
3. Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-3)
4. *Subordinate Legislation Act 1994* <https://www.legislation.vic.gov.au/in-force/acts/subordinate-legislation-act-1994/042> (accessed 8 January 2021) [↑](#footnote-ref-4)
5. General conditions include such matters as providing a vehicle for inspection, notifying change of name or change of vehicle, or use of vehicle for non-commercial purposes etc. [↑](#footnote-ref-5)
6. Operating conditions included for example, at what speed the vehicle should be operated on and at what speed. [↑](#footnote-ref-6)
7. World Health Organization, *Global Status Report on Road Safety*, 2013 <https://www.who.int/violence_injury_prevention/road_safety_status/2013/en/> (accessed 8 January 2021) [↑](#footnote-ref-7)
8. Australian Transport Council, *National Road Safety Strategy 2011-2020*, 20 May 2011 <https://www.roadsafety.gov.au/sites/default/files/2019-11/nrss_2011_2020.pdf> (accessed 8 January 2021) [↑](#footnote-ref-8)
9. <https://www.roadsafety.gov.au/nrss/safe-system> (accessed 8 January 2021) [↑](#footnote-ref-9)
10. <https://www.roadsafety.gov.au/nrss/directions> (accessed 8 January 2021) [↑](#footnote-ref-10)
11. <https://www.roadsafety.gov.au/nrss/inquiry> (accessed 8 January 2021) [↑](#footnote-ref-11)
12. Inquiry into The National Road Safety Strategy 2011-2020, September 2018 <https://www.roadsafety.gov.au/sites/default/files/2019-11/nrss_inquiry_factsheet_september_2018.pdf> (accessed 9 January 2021) [↑](#footnote-ref-12)
13. 2011-2020 National Road Safety Strategy Inquiry <https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Road_Safety/RoadSafety/Report/section?id=committees%2Freportjnt%2F024344%2F73712> (accessed 8 January 2021) [↑](#footnote-ref-13)
14. <https://www.roadsafety.gov.au/nrss/nrss-2021-30> (accessed 8 January 2021) [↑](#footnote-ref-14)
15. <https://www.roadsafety.gov.au/action-plan/2018-2020/post_2020> (accessed 8 January 2021) [↑](#footnote-ref-15)
16. Department of Infrastructure, Transport, Cities and Regional Development, *Review of National Road Safety Governance Arrangements Final Report*, Commonwealth of Australia, 2019 <https://www.roadsafety.gov.au/sites/default/files/2019-11/stp_review_of_national_road_safety_governance_arrangements.pdf> (accessed 9 January 2021) [↑](#footnote-ref-16)
17. Victoria Department of Transport, *Victorian Road Safety Strategy 2021-30*, 2020 <https://transport.vic.gov.au/about/governance/reporting> (accessed 8 January 2021) [↑](#footnote-ref-17)
18. <https://visionzeronetwork.org/about/what-is-vision-zero/> (accessed 8 January 2021) [↑](#footnote-ref-18)
19. <https://www.roadsafety.gov.au/rsa/state-territories> (accessed 8 January 20201) [↑](#footnote-ref-19)
20. <https://www.facebook.com/DanielAndrewsMP/posts/3692313110833198> (accessed 15 January 2021) [↑](#footnote-ref-20)
21. Refer to second reading speech for Zero and Low Emission Vehicle Distance-based Charge Bill 2021 <https://www.legislation.vic.gov.au/bills/zero-and-low-emission-vehicle-distance-based-charge-bill-2021> (accessed 15 April 2021) [↑](#footnote-ref-21)
22. <https://www.vicroads.vic.gov.au/registration/registration-fees/zlev-road-user-charge> (accessed 1 April 2021) [↑](#footnote-ref-22)
23. Victoria Department of Transport, *Victorian Road Safety Strategy 2021-30*, 2020 <https://transport.vic.gov.au/about/governance/reporting> (accessed 8 January 2021) [↑](#footnote-ref-23)
24. Australian Transport Council, *National Road Safety Strategy 2011-2020*, 20 May 2011 <https://www.roadsafety.gov.au/sites/default/files/2019-11/nrss_2011_2020.pdf> (accessed 8 January 2021) [↑](#footnote-ref-24)
25. Became effective from 1 July 1988 as national standards on 2 August 1989 (Gazette number S 264). [↑](#footnote-ref-25)
26. *Motor Vehicle Standards Act 1989*: <http://www6.austlii.edu.au/cgi-bin/viewdb/au/legis/cth/consol_act/mvsa1989245/> (accessed 9 January 2021) [↑](#footnote-ref-26)
27. *Motor Vehicle Standards Act 2018*: <https://www.legislation.gov.au/Details/C2018A00163> (accessed 9 January 2021) [↑](#footnote-ref-27)
28. <https://www.unece.org/trans/welcome.html> (accessed 9 January 2021) [↑](#footnote-ref-28)
29. Department of Infrastructure, Regional Development and Cities, *National Code of Practice for Light Vehicle Construction and Modification (NCOP)*, Jan 2011: <https://infrastructure.gov.au/roads/vehicle_regulation/bulletin/vsb_ncop.aspx> (accessed 9 January 2021) [↑](#footnote-ref-29)
30. National Heavy Vehicle Regulator, *Code of Practice for the Approval of Heavy Vehicle Modifications*, July 2020 version 2.2: <https://www.nhvr.gov.au/files/201812-0136-code-of-practice-approval-heavy-vehicle-modifications.pdf> (accessed 9 January 2021) [↑](#footnote-ref-30)
31. <https://austroads.com.au/drivers-and-vehicles/nevdis> (accessed 9 January 2021) [↑](#footnote-ref-31)
32. National Motor Vehicle Theft Reduction Council, Damage Assessment Criteria for the Classification of Statutory Write-Offs: <https://carsafe.com.au/assets/DamagedVehicleAssessmentCriteriaForStatutoryWrittenOffVehiclesTechnicalGuideHighRes.pdf> (accessed 9 January 2021) [↑](#footnote-ref-32)
33. VicRoads Data. [↑](#footnote-ref-33)
34. Section 95(6) of the RSA enables Secretary to charge a fee in relation to driver licences and learner permits, and the registration of motor vehicles or trailers that is not limited to the cost of the service. [↑](#footnote-ref-34)
35. Relates to granting a permission or authorising a service provider to perform a service on behalf of the Department. [↑](#footnote-ref-35)
36. A fee unit is equal to $14.81 in 2020/21. See DTF <https://www.dtf.vic.gov.au/financial-management-government/indexation-fees-and-penalties> (accessed 23 January 2021) [↑](#footnote-ref-36)
37. <https://transport.vic.gov.au/about/governance/reporting#annualreports> (accessed 23 February 2021) [↑](#footnote-ref-37)
38. The costs for FY19/20 are substantially above the FY16/17 actual due mainly to the introduction of the Short-term Registration (STR) capability. The STR service was introduced from January 2018 and is projected to add $19.7m pa costs. Take up rates and technology advances may vary this cost, but it remains too early to modify the base assumptions. [↑](#footnote-ref-38)
39. Projected Licence holders (excluding learners) [↑](#footnote-ref-39)
40. Additional Merchant Service fees of approximately $4.5m (PV) and the introduction of Short-Term Registration in 2018 adds approximately $18m (PV) to the cost base. [↑](#footnote-ref-40)
41. Department of Treasury and Finance, *Cost Recovery Guidelines,* January 2013 – Section 2.1 [↑](#footnote-ref-41)
42. *Subordinate Legislation Act 1994*: <https://www.legislation.vic.gov.au/in-force/acts/subordinate-legislation-act-1994/042> (accessed 21 July 2021) [↑](#footnote-ref-42)
43. *Motor Vehicle Standards Act 1989 (Cwlth)*: <http://www6.austlii.edu.au/cgi-bin/viewdb/au/legis/cth/consol_act/mvsa1989245/> (accessed 9 January 2021) [↑](#footnote-ref-43)
44. *Crimes Act 1958*: <https://www.legislation.vic.gov.au/in-force/acts/crimes-act-1958/292> (accessed 9 January 2021) [↑](#footnote-ref-44)
45. *Heavy Vehicle (Vehicle Standards) National Regulation 2013*: <https://www.legislation.qld.gov.au/view/pdf/inforce/current/sl-2013-0076> (accessed 9 January 2021) [↑](#footnote-ref-45)
46. Department of Infrastructure, Regional Development and Cities, *National Code of Practice for Light Vehicle Construction and Modification (NCOP)*, Jan 2011: <https://infrastructure.gov.au/roads/vehicle_regulation/bulletin/vsb_ncop.aspx> (accessed 9 January 2021) [↑](#footnote-ref-46)
47. International Organization for Standardization, *ISO 3779:2009 Road vehicles – Vehicle identification number (VIN) – Content and structure*, 2009: <https://www.iso.org/standard/52200.html> (accessed 9 January 2021) [↑](#footnote-ref-47)
48. See Section 5AA, *Road Safety Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-48)
49. <https://www.tac.vic.gov.au/about-the-tac/media-room/news-and-events/2010-media-releases/provisional-2010-road-toll-data-released> (accessed 13 January 2021) [↑](#footnote-ref-49)
50. <http://www.tac.vic.gov.au/road-safety/statistics/lives-lost-annual> (accessed 13 January 2021) [↑](#footnote-ref-50)
51. <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1301.0~2012~Main%20Features~Population%20size%20and%20growth~47> (accessed 13 January 2021) [↑](#footnote-ref-51)
52. <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/jun-2020> (accessed 13 January 2021) [↑](#footnote-ref-52)
53. VicRoads registration data [↑](#footnote-ref-53)
54. Jack McLean’s publication and qualifications can be seen here <http://casr.adelaide.edu.au/staff/jack_mclean/> (accessed 13 January 2021) [↑](#footnote-ref-54)
55. <https://www.atap.gov.au/parameter-values/road-transport/4-crash-costs> (accessed 15 February 2021) [↑](#footnote-ref-55)
56. Wage Price Index used for June 2013 and June 2020 of 115.7 and 134.4, respectively: (115.7/134.4)\*($7,425,629\*34.12%+$7,342,167\*65.88%) (2013 estimates) = $8,577,320 (See: ABS, Wage Price Index, Cat. No. 6345.0, Table 1, Column G <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release#data-download> (accessed 15 February 2021)) Weightings based on annual lives lost in urban Melbourne and non-urban classifications see: <http://www.tac.vic.gov.au/road-safety/statistics/lives-lost-annual> (accessed 13 January 2021) [↑](#footnote-ref-56)
57. <http://www.tac.vic.gov.au/road-safety/statistics/lives-lost-annual> (accessed 13 January 2021) [↑](#footnote-ref-57)
58. <http://www.tac.vic.gov.au/road-safety/statistics/lives-lost-annual> (accessed 13 January 2021) [↑](#footnote-ref-58)
59. Bureau of Infrastructure, Transport and Regional Economics, *Cost of road crashes in Australia 2006*, Research Report 118, Jan 2009, p.11: <https://www.bitre.gov.au/sites/default/files/report_118.pdf> (accessed 13 January 2021) [↑](#footnote-ref-59)
60. Transport Accident Commission, TAC Hospitalisation Reports, (June 2019 - July 2020) calculated using the following database <http://www.tac.vic.gov.au/road-safety/statistics/online-crash-database/search-crash-data> (accessed 13 January 2021) [↑](#footnote-ref-60)
61. CPI Index used for 2014 and 2020 of 106.6 and 116.2, respectively: 116.2/106.6 \* $4,200,000 = $4,578,236 <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-download> (accessed 13 January 2021) [↑](#footnote-ref-61)
62. Calculated as the ratio of total cost of hospitalised injuries – TAC claims to the number of hospitalised injuries. [↑](#footnote-ref-62)
63. Calculated as the product of the average cost per fatality and the number of fatalities for that year. [↑](#footnote-ref-63)
64. $675.233 million in 2006 dollars, Transport Accident Commission *Financial Report 2005/06* p.5: <https://www.tac.vic.gov.au/about-the-tac/media-room/annual-reports/archive/tac_ar_financials.pdf> (accessed 13 January 2021) CPI Index used for 2006 and 2020 of 86.6 and 116.2, respectively: 116.2/86.6 \* $675.233 million = $906.02 million <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-download> (accessed 13 January 2021) [↑](#footnote-ref-64)
65. Transport Accident Commission *Annual Report 2019/20,* 29 October 2020, p.70: <https://www.tac.vic.gov.au/__data/assets/pdf_file/0011/470576/TAC-ANNUAL-REPORT-WEB.pdf> (accessed, 13 January 2021) [↑](#footnote-ref-65)
66. This is a conservative estimate. According to the Cameras Save lives website, the monetary cost of road trauma in Victoria is estimated to be between $4b and $6b per year (<https://www.camerassavelives.vic.gov.au/fines-penalties/revenue-from-fines>) (accessed 13 January 2021). [↑](#footnote-ref-66)
67. Bureau of Infrastructure, Transport and Regional Economics, *Cost of road crashes in Australia 2006*, Research Report 118, Jan 2009: <https://www.bitre.gov.au/sites/default/files/report_118.pdf> (accessed 13 January 2021) [↑](#footnote-ref-67)
68. Average annualised inflation rate for 2006-18 = 2.3% - Reserve Bank of Australia, *Measures of Consumer Price Inflation*: <https://www.rba.gov.au/inflation/measures-cpi.html> (accessed 13 January 2021) [↑](#footnote-ref-68)
69. <https://www.towardszero.vic.gov.au/> (accessed 8 January 2021) [↑](#footnote-ref-69)
70. Victoria Department of Transport, *Victorian Road Safety Strategy 2021-30*, 2020 <https://transport.vic.gov.au/about/governance/reporting> (accessed 8 January 2021) [↑](#footnote-ref-70)
71. <https://www.camerassavelives.vic.gov.au/fine-amounts-by-camera-and-system-2019-20> (accessed 20 February 2021) [↑](#footnote-ref-71)
72. Infringement Management and Enforcement Services (IMES) traffic infringement notice data [↑](#footnote-ref-72)
73. <http://www.monash.edu.au/pubs/monmag/issue15-2005/opinion/roadtoll.html> [↑](#footnote-ref-73)
74. Bureau of Infrastructure, Transport and Regional Economics, *Modelling road safety in Australian states and territories*, Information Sheet 94, Mar 2018: <https://www.bitre.gov.au/sites/default/files/is_94.pdf> (accessed 14 January 2021) [↑](#footnote-ref-74)
75. <http://www.tac.vic.gov.au/road-safety/tac-campaigns> (accessed 14 January 2021) [↑](#footnote-ref-75)
76. <https://www.police.vic.gov.au/road-safety-0> (accessed 14 January 2021) [↑](#footnote-ref-76)
77. Research on the effect of Australian campaigns can be found here <https://www.infrastructure.gov.au/roads/safety/publications/1993/pdf/Edu_Media_1.pdf> (accessed 14 January 2021) [↑](#footnote-ref-77)
78. See Modelling Road Safety in Australian States and Territories road-safety-modelling-2018.xlsx: <https://www.bitre.gov.au/publications/2018/is_94> (accessed 15 March 2021) [↑](#footnote-ref-78)
79. <https://www.bitre.gov.au/sites/default/files/report_141.pdf> (accessed 20 February 2021) [↑](#footnote-ref-79)
80. See Table 2 for source of estimates. [↑](#footnote-ref-80)
81. Transport Accident Commission, TAC Hospitalisation Reports, (June 2019 - July 2020) calculated using the following database <http://www.tac.vic.gov.au/road-safety/statistics/online-crash-database/search-crash-data> (accessed 13 January 2021) [↑](#footnote-ref-81)
82. Section 16D, *Road Safety Act 1986*: <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-82)
83. Section 16F, *Road Safety Act 1986*: <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-83)
84. An Economic Write-off is considered to be a repairable write-off which is too expensive to fix. [↑](#footnote-ref-84)
85. See Appendix 5 for detailed discussion. [↑](#footnote-ref-85)
86. See “Queensland brings written-off vehicles into line - Ministerial Media Statements” <https://statements.qld.gov.au/statements/91737> (accessed 31 March 2021) [↑](#footnote-ref-86)
87. Data provided by VicRoads. [↑](#footnote-ref-87)
88. Data provided by VicRoads. [↑](#footnote-ref-88)
89. See Table 16 in this RIS [↑](#footnote-ref-89)
90. See <https://www.caradvice.com.au/907501/used-car-listings-are-drying-up-as-demand-soars/>

    (accessed 23 December 2020) and

    <https://www.carsales.com.au/editorial/details/used-car-prices-hit-13-month-high-126414/> (accessed 23 December 2020). [↑](#footnote-ref-90)
91. Incorrect damage assessment and recording of damage information on WOVR [↑](#footnote-ref-91)
92. Difficulty in obtaining manufacturer’s repair standards for modern (post 1990 vehicles) to ensure vehicles are adequately repaired. [↑](#footnote-ref-92)
93. Written-Off Vehicles Register (WOVR) data from January 2007 to October 2018 [↑](#footnote-ref-93)
94. Based on data-matching by number plate of inspected write-off vehicles recorded in the WOVR and serious crashes in the Road Crash Information System database [↑](#footnote-ref-94)
95. Data from VicRoads provided 14 January 2021 [↑](#footnote-ref-95)
96. VicRoads has reported that airbags in accident damaged vehicles have been replaced with T-shirts. [↑](#footnote-ref-96)
97. <https://www.ppsr.gov.au/sites/default/files/2020-08/Case%20study%20Yosef%E2%80%99s%20repairable%20write-off_0.PDF> (accessed 15 January 2021) [↑](#footnote-ref-97)
98. The Victorian WOVR has been coded to restrict vehicles over the age of 15. [↑](#footnote-ref-98)
99. Since 1989, vehicles that comply with ADRs and national standards have been fitted with an identification plate showing the vehicle’s year and month of manufacture and its VIN or chassis number. [↑](#footnote-ref-99)
100. Open’ indicates that the vehicle may still be pending police advice, or a resolution could not be reached, i.e. the original vehicle identification could not be confirmed, and on this basis no replacement identifier has been issued. [↑](#footnote-ref-100)
101. <https://carsafe.com.au/statistics> (accessed 14 January 2021) [↑](#footnote-ref-101)
102. VicRoads database. [↑](#footnote-ref-102)
103. <https://carsafe.com.au/statistics> (accessed 14 January 2021) [↑](#footnote-ref-103)
104. <https://carsafe.com.au/statistics> (accessed 14 January 2021) [↑](#footnote-ref-104)
105. <https://carsafe.com.au/statistics> (accessed 15 January 2021) [↑](#footnote-ref-105)
106. National Motor Vehicle Theft Reduction Council, *Strategic Plan 2018-2020*: <https://carsafe.com.au/assets/Strategic_Plan_2018.pdf>, p.16 (accessed 14 January 2021) [↑](#footnote-ref-106)
107. <https://carsafe.com.au/statistics> (accessed 29 January 2021) [↑](#footnote-ref-107)
108. Regulation 254, Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-108)
109. Section 95(8)(b), *Road Safety Act 1986*: <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-109)
110. <https://www.vicroads.vic.gov.au/business-and-industry/licensed-vehicle-testers/roadworthiness-scheme> (accessed 15 January 2021) [↑](#footnote-ref-110)
111. Section 14, *Road Safety Act 1986*: <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-111)
112. Section 43A, *Environment Protection Act 1970*: <https://www.legislation.vic.gov.au/in-force/acts/environment-protection-act-1970/215> (accessed 15 January 2021) [↑](#footnote-ref-112)
113. Based on VicRoads Data for 1 Dec 2019 to 20 November 2020 (see Appendix 5 for source of estimates) [↑](#footnote-ref-113)
114. Based on VicRoads Data for 2020 [↑](#footnote-ref-114)
115. Based on VicRoads Data for FY19/20 [↑](#footnote-ref-115)
116. Based on an average of $160 to $200 paid to LVTs for RWC on advice from VicRoads. [↑](#footnote-ref-116)
117. Generally speaking, VicRoads advise that this is the case with the exception of some vehicles which are driven at high milage such as ride-share vehicles, transport vehicles, taxis, and buses. [↑](#footnote-ref-117)
118. VicRoads ‘eCertificate’ online RWC application data [↑](#footnote-ref-118)
119. Minimum age 0 years, maximum age 48 years, median age 7 years [↑](#footnote-ref-119)
120. VicRoads ‘eCertificate’ online RWC application data [↑](#footnote-ref-120)
121. ABS sample size calculator – calculated margins of error are at a 95% confidence level and based on a population size of approx. 550,000 RWC inspections each year: <http://www.abs.gov.au/websitedbs/D3310114.nsf/home/Sample+Size+Calculator> (accessed 15 January 2021) [↑](#footnote-ref-121)
122. If owners get work done to prepare their car for sale, then this number may be a conservatively low for the broader fleet. [↑](#footnote-ref-122)
123. <https://www.science.org.au/curious/technology-future/death-defying-designs-car-safety> accessed 21 February 2021 [↑](#footnote-ref-123)
124. See Appendix 6 for source of estimates and calculations. [↑](#footnote-ref-124)
125. Manufacturer warranties are now commonly extending to 5, 7 and even 10 years. [↑](#footnote-ref-125)
126. Analysis of BITRE crash data and VicRoads VRIS registration data [↑](#footnote-ref-126)
127. Care should be taken in attributing causality e.g. newer vehicles will tend to have more safety features and be more expensive and so driven by older, experienced drivers who can afford to buy them. The under-representation of newer vehicles in serious crashes may be due to a compounding of several effects [↑](#footnote-ref-127)
128. VicRoads ‘*eCertificate*’ online RWC application data [↑](#footnote-ref-128)
129. Margin of error ±2.7% at 95% confidence interval [↑](#footnote-ref-129)
130. New motor vehicles being registered for the first time can be inspected and fitted with number plates by some licensed motor car traders (LMCTs). [↑](#footnote-ref-130)
131. VicRoads data. [↑](#footnote-ref-131)
132. Regulation 229, Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-132)
133. VicRoads data. [↑](#footnote-ref-133)
134. Estimate assumes full time adult average weekly ordinary time earnings in May 2020 were $1,713.90 *before tax* (Seasonally adjusted). This equates to $32.73 per hour *after tax* based on 44 hours of work per week. Australian Bureau of Statistics, *6302.0 Average Weekly earnings, Australia, May 2020*: <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release> (accessed 23 January 2021). [↑](#footnote-ref-134)
135. Whilst aesthetics is not considered, the VASS encapsulates everything from a vehicle lift on a 4x4 to the fitment of an alternative engine as well as the extension of a truck wheelbase. [↑](#footnote-ref-135)
136. National Heavy Vehicle Regulator, *Code of Practice for the Approval of Heavy Vehicle Modifications*, July 2020 version 2.2: <https://www.nhvr.gov.au/files/201812-0136-code-of-practice-approval-heavy-vehicle-modifications.pdf> (accessed 9 January 2021) [↑](#footnote-ref-136)
137. Department of Infrastructure, Regional Development and Cities, *National Code of Practice for Light Vehicle Construction and Modification (NCOP)*, Jan 2011: <https://infrastructure.gov.au/roads/vehicle_regulation/bulletin/vsb_ncop.aspx> (accessed 9 January 2021) [↑](#footnote-ref-137)
138. [Road Safety (Vehilces) Interim Regulations 2021](https://tinyurl.com/y38vqf89) <https://www.legislation.vic.gov.au/as-made/statutory-rules/road-safety-vehicles-interim-regulations-2020> (accessed 8 January 2021) [↑](#footnote-ref-138)
139. VicRoads advice. [↑](#footnote-ref-139)
140. VicRoads data. [↑](#footnote-ref-140)
141. Head count cost of the compliance team at VicRoads is estimated to be $242,000 per annum). [↑](#footnote-ref-141)
142. <https://esv.vic.gov.au/pdfs/gas-standards-asnzs-5601-2/> (accessed 28 April 2021) [↑](#footnote-ref-142)
143. <https://www.legislation.vic.gov.au/in-force/acts/gas-safety-act-1997/044> (accessed 17 January 2021) [↑](#footnote-ref-143)
144. VicRoads data received 3 February 2021 [↑](#footnote-ref-144)
145. Situations of light trailers under 200kg such as where a welding machine is permanently affixed to a light trailer and used for business; or where someone is running a barbeque business with the barbeque affixed to the light trailer – are not exempt from registration. [↑](#footnote-ref-145)
146. See Section 2.1.2.1 or source of VSL estimate. [↑](#footnote-ref-146)
147. Dealer Online is an online VicRoads application that used vehicle dealers can use to perform online transfers of Victorian registered vehicles - <https://www.vicroads.vic.gov.au/business-and-industry/new-and-used-vehicle-dealers/used-car-trader-agreement> [↑](#footnote-ref-147)
148. <https://ablis.business.gov.au/service/vic/australian-standard-as-1425-lp-gas-fuel-systems-for-vehicle-engines/38153> (accessed 17 January 2021) [↑](#footnote-ref-148)
149. <https://www.parliament.vic.gov.au/images/stories/committees/SCEI/Electric_Vehicles/Submissions/S24-AAFRB.pdf> (accessed 21 February 2021) [↑](#footnote-ref-149)
150. United Nations Convention on Road Traffic, 19 Sep 1949 (revised 22 Oct 1964): <http://www.unece.org/fileadmin/DAM/trans/conventn/Convention_on_Road_Traffic_of_1949.pdf> (accessed 17 January 2021); International Organization for Standardization, *ISO 3779:2009 Road vehicles – Vehicle identification number (VIN) – Content and structure*, 2009: <https://www.iso.org/standard/52200.html> (accessed 17 January 2021); International Organization for Standardization, *ISO 7591:1982 Road vehicles – Retro-reflective registration plates for motor vehicles and trailers – Specification*, 1982: <https://www.iso.org/standard/14380.html> (accessed 17 January 2021) [↑](#footnote-ref-150)
151. ‘Motor vehicles’ include motorcycles [↑](#footnote-ref-151)
152. ABS Motor vehicle census 1 January 2020 <https://www.abs.gov.au/statistics/industry/tourism-and-transport/motor-vehicle-census-australia/latest-release> (accessed 26 January 2021) [↑](#footnote-ref-152)
153. The total number of Unregistered Vehicle Permits issued in FY 19/20 was 341,384. [↑](#footnote-ref-153)
154. VicRoads Data [↑](#footnote-ref-154)
155. Attorney-General’s Department, *National Identity Proofing Guidelines,* 2016: <https://www.ag.gov.au/RightsAndProtections/IdentitySecurity/Documents/NationalIdentityProofingGuidelines.pdf> (accessed 17 January 2021) [↑](#footnote-ref-155)
156. Austroads Registration & Licensing Task Force Working Group, *Interim Administrative Guideline: Minimum Evidence of Identity Requirements*, Aug 2005: <https://austroads.com.au/__data/assets/pdf_file/0016/104803/51992295-1D47-AE85-FDC7-F9C744D71AD2.pdf> (accessed 17 January 2021) [↑](#footnote-ref-156)
157. The garage address determines the TAC charging zone and fee applied to the registration record. Collection of garage address is a TAC requirement. [↑](#footnote-ref-157)
158. Transport Accident Commission Annual Report 2019/20, 29 October 2020: <https://www.tac.vic.gov.au/__data/assets/pdf_file/0011/470576/TAC-ANNUAL-REPORT-WEB.pdf> (accessed 17 January 2021) [↑](#footnote-ref-158)
159. International Organization for Standardization, *ISO 3779:2009 Road vehicles – Vehicle identification number (VIN) – Content and structure*, 2009: <https://www.iso.org/standard/52200.html> (accessed 17 January 2021) [↑](#footnote-ref-159)
160. <http://www.austroads.com.au/drivers-vehicles/registration-licensing-program/registration-licensing-program> [↑](#footnote-ref-160)
161. International Organization for Standardization, *ISO 7591:1982 Road vehicles – Retro-reflective registration plates for motor vehicles and trailers – Specification*, 1982: <https://www.iso.org/standard/14380.html> [↑](#footnote-ref-161)
162. Section 72(1A), *Road Safety Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-162)
163. Regulation 239, [Road Safety (Vehilces) Interim Regulations 2020](file:///C:\Users\georg\Desktop\Road%20Safety%20(Vehilces)%20Interim%20Regulations%202020)  <https://www.legislation.vic.gov.au/as-made/statutory-rules/road-safety-vehicles-interim-regulations-2020> (accessed 8 January 2021) [↑](#footnote-ref-163)
164. Section 72(1A), *Road Safety Act 1986*: *Road Safety Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-164)
165. <http://www.acnc.gov.au/> (accessed 17 January 2021) [↑](#footnote-ref-165)
166. Regulation 45(e), Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-166)
167. Data provided by Fines and Enforcement Services, Department of Justice and Community Safety. [↑](#footnote-ref-167)
168. VicRoads business objects data. [↑](#footnote-ref-168)
169. Dictionary: <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-road-rules-2017/009> (accessed 15 January 2021) [↑](#footnote-ref-169)
170. <https://www.legislation.vic.gov.au/as-made/statutory-rules/road-safety-drivers-regulations-2019> (accessed 15 April 2021) [↑](#footnote-ref-170)
171. VicRoads business objects data. [↑](#footnote-ref-171)
172. For example, rate code PH refers to Private Use – Health Care Card Concession whereas rate code PR refers to Private Use – Pensioner Concession. [↑](#footnote-ref-172)
173. VicRoads business objects data. [↑](#footnote-ref-173)
174. For example, TAC code 10 refers to any motor vehicle with sedan, station wagon or related body-type (including 4WD passenger vehicle) not included in any other class whereas code 20 refers to any motor vehicle designed, constructed or primarily used for carrying goods up to and including two tonnes carrying capacity (Gross Vehicle Mass minus Tare) including utility.

     self-propelled caravan; ambulance; hearse or mourning coach. [↑](#footnote-ref-174)
175. Includes motorcycle safety levy [↑](#footnote-ref-175)
176. <http://www.rms.nsw.gov.au/roads/registration/unregistered.html> (accessed 16 January 2021) [↑](#footnote-ref-176)
177. <https://www.qld.gov.au/transport/registration/concession/cheaper> (accessed 16 January 2021) [↑](#footnote-ref-177)
178. <https://www.transport.wa.gov.au/licensing/concessions.asp> (accessed 16 January 2021) [↑](#footnote-ref-178)
179. Because exempt vehicles do not have to be registered, by definition there are no data on how many of them there are, and therefore it is not possible to estimate the value of these exemptions [↑](#footnote-ref-179)
180. <https://www.vicroads.vic.gov.au/safety-and-road-rules/road-rules/a-to-z-of-road-rules/golf-carts-and-ride-on-lawn-mowers> (accessed 17 January 2021) [↑](#footnote-ref-180)
181. There is no defined list of ‘approved’ countries for which registrations are recognised for vehicles operating temporarily in Victoria. Law enforcement agencies have the right to issue defect notices if these vehicles are not roadworthy. [↑](#footnote-ref-181)
182. There is no set duration for which a vehicle registered in another Australian state or territory, or another country, can continue operating in Victoria while it remains registered outside Victoria. Law enforcement agencies interpret this exception based on the operator’s intent, i.e. have they taken residence in Victoria or are they just visiting? [↑](#footnote-ref-182)
183. Club permit registration charges are lower because they apply for either 45-days or 90-days per day. The current regulations governing club permits are described at <https://www.vicroads.vic.gov.au/registration/limited-use-permits/club-permit-scheme/car-club-permits>. (accessed 16 January 2021) [↑](#footnote-ref-183)
184. This does not include the cost of number plates. [↑](#footnote-ref-184)
185. Based on light passenger vehicle located in Melbourne metropolitan area. Note, TAC does vary it’s cost for “High, Medium, or Low” risk areas for Club Permits. <https://www.vicroads.vic.gov.au/registration/limited-use-permits/club-rally-and-unregistered-vehicle-permit-fees> (accessed 21 January 2021) [↑](#footnote-ref-185)
186. Based on metropolitan vehicle location <https://www.vicroads.vic.gov.au/registration/registration-fees/vehicle-registration-fees> (accessed 21 January 2021) [↑](#footnote-ref-186)
187. Based on VicRoads Data. [↑](#footnote-ref-187)
188. <https://www.vicroads.vic.gov.au/-/media/files/documents/safety-and-road-rules/vsi9.ashx?la=en&hash=19A172BF80F0650D1B070AB1FC9933B1> (accessed 17 January 2021) [↑](#footnote-ref-188)
189. VicRoads data provided 3 February 2021. [↑](#footnote-ref-189)
190. Ibid. [↑](#footnote-ref-190)
191. Ibid. [↑](#footnote-ref-191)
192. Data provided by Victoria Police (March 2021) [↑](#footnote-ref-192)
193. <https://www.rms.nsw.gov.au/roads/vehicle-registration/conditional-seasonal/conditional/vehicle-sheets/golf-buggy.html> (accessed 17 January 2021) [↑](#footnote-ref-193)
194. <https://www.publications.qld.gov.au/dataset/conditional-registration-of-recreational-vehicles/resource/09e65a7e-ba2b-4ea9-af6f-cd5614c55915> (accessed 17 January 2021) [↑](#footnote-ref-194)
195. <https://ablis.business.gov.au/service/tas/conditional-registration-of-a-motor-vehicle/36800> (accessed 17 January 2021). [↑](#footnote-ref-195)
196. <https://www.sa.gov.au/topics/driving-and-transport/registration/conditional-registration/restricted-miscellaneous-vehicle> (accessed 17 January 2021) [↑](#footnote-ref-196)
197. <https://www.vicroads.vic.gov.au/registration/limited-use-permits/club-permit-scheme/car-club-permits> (accessed 16 January 2021) [↑](#footnote-ref-197)
198. Regulation 154 (2), Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-198)
199. <https://www.rms.nsw.gov.au/roads/vehicle-registration/how-to-register-a-vehicle/historic-vehicles/registering.html> (accessed 15 January 2021); [↑](#footnote-ref-199)
200. <https://www.sa.gov.au/__data/assets/pdf_file/0017/10439/Club-Registration-Code-of-Practice-1-July-2017.pdf> (accessed 15 January 2021) [↑](#footnote-ref-200)
201. <https://www.transport.wa.gov.au/licensing/concessions.asp> (accessed 15 January 2021) [↑](#footnote-ref-201)
202. <https://www.qld.gov.au/transport/registration/fees/concession/special-interest/eligible> (accessed 15 January 2021) [↑](#footnote-ref-202)
203. <https://nt.gov.au/__data/assets/pdf_file/0015/164310/nt-motor-vehicle-enthusiast-club-registration-scheme-guidelines-final-29-march-2019.pdf> (accessed 15 January 2021) [↑](#footnote-ref-203)
204. <https://www.accesscanberra.act.gov.au/app/answers/detail/a_id/1801/~/veteran%2C-vintage-and-historic-motor-vehicle-registration> (accessed 15 January 2021) [↑](#footnote-ref-204)
205. <https://www.transport.tas.gov.au/registration/options/vintage_and_street_rod_registration_club_event> (accessed 15 January 2021) [↑](#footnote-ref-205)
206. Regulation 154 (2), Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-206)
207. VicRoads data. [↑](#footnote-ref-207)
208. Regulation 149, Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-208)
209. VicRoads data [↑](#footnote-ref-209)
210. Government of Victoria, January 2013, Cost Recovery Guidelines, Department of Treasury and Finance, Melbourne [↑](#footnote-ref-210)
211. Estimates are in 2020 dollars. [↑](#footnote-ref-211)
212. Section 9(1), *Road Safety Act 1986*: *Road Safety Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) Bold italics added for emphasis. [↑](#footnote-ref-212)
213. Section 5AA, *Road Safety Act 1986*: *Road Safety Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-213)
214. Based on the NSW model [↑](#footnote-ref-214)
215. <https://www.sa.gov.au/__data/assets/pdf_file/0003/8922/MR1466.pdf> (accessed 28 January 2021) [↑](#footnote-ref-215)
216. See approach of end to end repair process for unlicenced repairers for NSW in Appendix 5. [↑](#footnote-ref-216)
217. <https://www.rms.nsw.gov.au/roads/vehicle-registration/written-off/index.html> (accessed 15 March 2021) [↑](#footnote-ref-217)
218. <https://www.qld.gov.au/transport/vehicle-safety/written-off-vehicles/about> (accessed 15 March 2021) [↑](#footnote-ref-218)
219. <https://www.sa.gov.au/topics/driving-and-transport/vehicles/vehicle-inspections/written-off-vehicles> (accessed 15 March 2021) [↑](#footnote-ref-219)
220. <https://www.transport.wa.gov.au/licensing/write-off-a-vehicle.asp> (accessed 15 March 2021) [↑](#footnote-ref-220)
221. <https://nt.gov.au/driving/rego/abandoned-stolen-or-written-off-vehicles/nt-written-off-vehicle-register> (accessed 15 March 2021) [↑](#footnote-ref-221)
222. <https://www.transport.tas.gov.au/registration/written_off_vehicles_register> (accessed 15 March 2021) [↑](#footnote-ref-222)
223. <https://www.accesscanberra.act.gov.au/app/answers/detail/a_id/2120/~/written-off-motor-vehicles> (accessed 15 March 2021) [↑](#footnote-ref-223)
224. See Section 2.2.2.1 of this RIS [↑](#footnote-ref-224)
225. The existing requirements are set out at Part 2.8 of the 2020 interim Regulations, section 67(3) [↑](#footnote-ref-225)
226. <https://www.caradvice.com.au/714908/vfacts-2018-annual-sales-wrap/> (accessed 2 February 2021) [↑](#footnote-ref-226)
227. Section 42A, *Motor Car Traders Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/motor-car-traders-act-1986/084> (accessed 3 February 2021) [↑](#footnote-ref-227)
228. Australian light vehicles travel on average around 12,000 kilometres per year (<http://www.roymorgan.com/findings/australian-moterists-drive-average-15530km-201305090702>) (accessed 3 February 2021). Therefore, a light vehicle that has travelled 60,000 kilometres will be about five years old on average. [↑](#footnote-ref-228)
229. A light vehicle that has travelled 80,000 kilometres will be about six and a half years old on average. [↑](#footnote-ref-229)
230. Section 95(8)(b), *Road Safety Act 1986*: <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-230)
231. See Section 2.1.2.1 or source of VSL estimate. [↑](#footnote-ref-231)
232. See proposed Regulation 11E(2) (a) and (b) [↑](#footnote-ref-232)
233. See proposed Regulation 26(A) and 67 (RWC for person) and 68 (RWC for dealers) [↑](#footnote-ref-233)
234. <https://www.rms.nsw.gov.au/roads/vehicle-registration/how-to-register-a-vehicle/historic-vehicles/registering.html> (accessed 15 January 2021); [↑](#footnote-ref-234)
235. <https://www.sa.gov.au/__data/assets/pdf_file/0017/10439/Club-Registration-Code-of-Practice-1-July-2017.pdf> (accessed 15 January 2021) [↑](#footnote-ref-235)
236. <https://www.transport.wa.gov.au/licensing/concessions.asp> (accessed 15 January 2021) [↑](#footnote-ref-236)
237. <https://www.qld.gov.au/transport/registration/fees/concession/special-interest/eligible> (accessed 15 January 2021) [↑](#footnote-ref-237)
238. <https://nt.gov.au/__data/assets/pdf_file/0015/164310/nt-motor-vehicle-enthusiast-club-registration-scheme-guidelines-final-29-march-2019.pdf> (accessed 15 January 2021) [↑](#footnote-ref-238)
239. <https://www.accesscanberra.act.gov.au/app/answers/detail/a_id/1801/~/veteran%2C-vintage-and-historic-motor-vehicle-registration> (accessed 15 January 2021) [↑](#footnote-ref-239)
240. <https://www.transport.tas.gov.au/registration/options/vintage_and_street_rod_registration_club_event> (accessed 15 January 2021) [↑](#footnote-ref-240)
241. It is unknown what percentage of these are buses or ex-military vehicles however there were 359 buses out of 95,053 or registered vehicles on the CPS as at January 2021. [↑](#footnote-ref-241)
242. VicRoads CPS permit data. [↑](#footnote-ref-242)
243. VicRoads data. [↑](#footnote-ref-243)
244. VicRoads data [↑](#footnote-ref-244)
245. To the extent that data and information is available and reliable. [↑](#footnote-ref-245)
246. Effects on competition and small business [↑](#footnote-ref-246)
247. This is the incremental safety change notwithstanding that people may choose to avoid going through insurance (or be uninsured) for vehicles of any age. [↑](#footnote-ref-247)
248. Consultation with VACC 17 February 2021 [↑](#footnote-ref-248)
249. VicRoads have reported airbags in accident damaged vehicles being replaced with T-shirts [↑](#footnote-ref-249)
250. <https://ppsrcheck.net.au/?gclid=CjwKCAiAhbeCBhBcEiwAkv2cY7mmrutqWkJZJWJJHOsUjiRGE162D-iFpOSEpO0j4MA_kaPoensniBoCyz0QAvD_BwE> (accessed 15 March 2021). [↑](#footnote-ref-250)
251. See Section 2.2.1.3 for source of estimate. [↑](#footnote-ref-251)
252. See Table 8 in this RIS [↑](#footnote-ref-252)
253. Consultation with VACC 17 February 2021 [↑](#footnote-ref-253)
254. Source: Road Safety Victoria [↑](#footnote-ref-254)
255. $536.60 x 2,000 vehicles. [↑](#footnote-ref-255)
256. Discounted using a real discount rate of 4%. [↑](#footnote-ref-256)
257. $165 x 2,000 vehicles. [↑](#footnote-ref-257)
258. $220 x 2,000 vehicles. [↑](#footnote-ref-258)
259. Discounted using a real discount rate of 4%. [↑](#footnote-ref-259)
260. See Section 2.1.2.1 or source of VSL estimate. [↑](#footnote-ref-260)
261. As at January 2021 there were approximately 177,000 caravans/semi caravans/campervans currently registered (Based on VicRoads data). [↑](#footnote-ref-261)
262. As at 3 February there were 58,131 registered light trailers under 200kg (Based on VicRoads data). [↑](#footnote-ref-262)
263. VicRoads data. [↑](#footnote-ref-263)
264. A maximum cost provided as part of any of the reform proposals is $12.3 million in present value terms which is awarded the maximum score of -10. Scores for all other costs/benefits are prorated based on the ratio of these amounts to $12.3 million. The scores included are based on relativity. In this example the score is calculated for 0.3 million as $0.3/$12.3 x 10 = +0.24. [↑](#footnote-ref-264)
265. As at 3 February there were 358,363 registered light trailers between 200kg and up to 750kg (Based on VicRoads data). [↑](#footnote-ref-265)
266. Full time adult average weekly ordinary time earnings in May 2020 were $1,713.90 *before tax* (Seasonally adjusted). This equates to $32.73 per hour *after tax* based on 44 hours of work per week. Australian Bureau of Statistics, *6302.0 Average Weekly earnings, Australia, May 2020*: <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release> (accessed 23 January 2021). [↑](#footnote-ref-266)
267. Based on 6,131,531 vehicles registered as at 31 December 2020 (see Table 15 of this RIS) and 325,388 new registrations in FY19/20 (see Table 16 of this RIS). [↑](#footnote-ref-267)
268. 18,900 additional registrations per annum requiring 5 minutes @$32.73 per hour. [↑](#footnote-ref-268)
269. <http://esv.reddev.com.au/gas-technical-information-sheets/50-application-of-asnzs-5601/> (accessed 17 January 2021) [↑](#footnote-ref-269)
270. <https://www.legislation.vic.gov.au/in-force/acts/gas-safety-act-1997/044> (accessed 17 January 2021) [↑](#footnote-ref-270)
271. There are approximately 644 LVTs currently enrolled and using the eRWC (Roadworthy or Licenced Vehicle Tester Scheme e-Certificate) application – covering just under 110,000 certificates affected per annum (see Table 15 in this RIS). [↑](#footnote-ref-271)
272. 81 out of 81 VASS signatories have signed up to the Vehicle Assessment Signatory Scheme e-Certificate. [↑](#footnote-ref-272)
273. A number of AFSAC and around 40% of 14,370 VASS certificates (in 2020) issued by VicRoads in hardcopy form fail to be returned to VicRoads. [↑](#footnote-ref-273)
274. As the cost per book of 100 paper-based certificate or 100 electronic certificates is identical there are no cost savings established for authorised vehicle inspectors. [↑](#footnote-ref-274)
275. Estimate assumes full time adult average weekly ordinary time earnings in May 2020 were $1,713.90 *before tax* (Seasonally adjusted). This equates to $32.73 per hour *after tax* based on 44 hours of work per week. Australian Bureau of Statistics, *6302.0 Average Weekly earnings, Australia, May 2020*: <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release> (accessed 23 January 2021). [↑](#footnote-ref-275)
276. Data for estimating this potential cost savings is unavailable. [↑](#footnote-ref-276)
277. <https://www.rms.nsw.gov.au/roads/vehicle-registration/how-to-register-a-vehicle/historic-vehicles/registering.html> (accessed 15 January 2021); [↑](#footnote-ref-277)
278. <https://www.sa.gov.au/__data/assets/pdf_file/0017/10439/Club-Registration-Code-of-Practice-1-July-2017.pdf> (accessed 15 January 2021) [↑](#footnote-ref-278)
279. <https://www.transport.wa.gov.au/licensing/concessions.asp> (accessed 15 January 2021) [↑](#footnote-ref-279)
280. <https://www.qld.gov.au/transport/registration/fees/concession/special-interest/eligible> (accessed 15 January 2021) [↑](#footnote-ref-280)
281. <https://nt.gov.au/__data/assets/pdf_file/0015/164310/nt-motor-vehicle-enthusiast-club-registration-scheme-guidelines-final-29-march-2019.pdf> (accessed 15 January 2021) [↑](#footnote-ref-281)
282. <https://www.accesscanberra.act.gov.au/app/answers/detail/a_id/1801/~/veteran%2C-vintage-and-historic-motor-vehicle-registration> (accessed 15 January 2021) [↑](#footnote-ref-282)
283. <https://www.transport.tas.gov.au/registration/options/vintage_and_street_rod_registration_club_event> (accessed 15 January 2021) [↑](#footnote-ref-283)
284. It is unknown what percentage of these are buses or ex-military vehicles however there were 359 buses out of 95,053 or registered vehicles on the CPS as at January 2021. [↑](#footnote-ref-284)
285. VicRoads CPS permit data. [↑](#footnote-ref-285)
286. Based on VicRoads data on new permits effected. [↑](#footnote-ref-286)
287. Calculated as: 79.5% x 1,800 vehicles x $717.20 (loss of savings for no longer being eligible for a 45-day permit) + 20.5% x 1,800 vehicles x $642.90 (loss of savings for no longer being eligible for a 90-day permit) = $1,263,567.98 [↑](#footnote-ref-287)
288. Calculated as: $19 x 2 plates x 1,800 vehicles (no longer eligible for the CPS). [↑](#footnote-ref-288)
289. Calculated as: 79.5% x 1,800 vehicles x $717.20 (loss of savings for no longer being eligible for a 45-day permit) + 20.5% x 1,800 vehicles x $642.90 (loss of savings for no longer being eligible for a 90-day permit) = $1,263,567.98 [↑](#footnote-ref-289)
290. VicRoads data [↑](#footnote-ref-290)
291. VicRoads data [↑](#footnote-ref-291)
292. VicRoads data [↑](#footnote-ref-292)
293. Calculated as: 79.5% x up to 121 vehicles x $717.20 (loss of savings for no longer being eligible for a 45-day permit) + 20.5% x up to 121 vehicles x $642.90 (loss of savings for no longer being eligible for a 90-day permit) = up to $84,940 [↑](#footnote-ref-293)
294. Calculated as: 79.5% x 283 vehicles x $717.20 (loss of savings for no longer being eligible for a 45-day permit) + 20.5% x 283 vehicles x $642.90 (loss of savings for no longer being eligible for a 90-day permit) = $198,661 [↑](#footnote-ref-294)
295. Calculated as: $19 x 2 plates x up to 121 vehicles (no longer eligible for the CPS). [↑](#footnote-ref-295)
296. Calculated as: $19 x 2 plates x 283 vehicles (no longer eligible for the CPS). [↑](#footnote-ref-296)
297. See <https://www.caradvice.com.au/907501/used-car-listings-are-drying-up-as-demand-soars/>

     (accessed 23 December 2020) and

     <https://www.carsales.com.au/editorial/details/used-car-prices-hit-13-month-high-126414/> (accessed 23 December 2020). [↑](#footnote-ref-297)
298. 14,370 paper-based VASS certificates were provided to VIV inspectors in 2020. [↑](#footnote-ref-298)
299. VicRoads Data [↑](#footnote-ref-299)
300. VIV inspectors are also LVTs and have other revenue channels [↑](#footnote-ref-300)
301. The existing requirements are set out at Part 2.8 of the 2020 interim Regulations, section 67(3) [↑](#footnote-ref-301)
302. The reason for the failure is not provided. [↑](#footnote-ref-302)
303. Including the RWC cost and time cost for private individuals. This cost would range from $69.71 to $180 for dealers with and without internal roadworthiness inspectors. [↑](#footnote-ref-303)
304. See Table 18 of this RIS for source of estimate [↑](#footnote-ref-304)
305. See Table 19 in this RIS for source of estimate. [↑](#footnote-ref-305)
306. See Table 20 in this RIS for source of estimate. [↑](#footnote-ref-306)
307. Calculated by replacing values in the Revised Motor Cycle Registration Fee column with 30% of the Current Registration Fee – Car column instead of 20% in Table 19. [↑](#footnote-ref-307)
308. Light trailers 751kg and up to and including 4.5 tonnes are inspected by VicRoads at CSCs. [↑](#footnote-ref-308)
309. <https://www.vicroads.vic.gov.au/registration/new-registration/register-a-trailer-or-caravan> (accessed 7 February 2021) [↑](#footnote-ref-309)
310. VicRoads data. [↑](#footnote-ref-310)
311. Assumes a fee unit equal to $14.81 applicable for FY20/21 [↑](#footnote-ref-311)
312. This fee is currently not applied but is to be retained should VicRoads seek to provide the service on weekends. This may eventuate if added capacity is required at CSCs or the activity is outsourced to a third party. [↑](#footnote-ref-312)
313. <https://www.rms.nsw.gov.au/roads/vehicle-registration/registration-fees-concessions-forms/registration-fees.html#Transferringregistrationfees> (accessed 28 March 2021) [↑](#footnote-ref-313)
314. <https://www.qld.gov.au/transport/registration/fees/cost> (accessed 28 March 2021) [↑](#footnote-ref-314)
315. <https://www.sa.gov.au/topics/driving-and-transport/motoring-fees/other-motoring-fees> (accessed 28 March 2021) [↑](#footnote-ref-315)
316. <https://www.vicroads.vic.gov.au/registration/registration-fees/transfer-and-motor-vehicle-duty-fees#C1> (accessed 28 March 2021) [↑](#footnote-ref-316)
317. <https://www.rms.nsw.gov.au/roads/licence/fees/index.html#RequestsforCertificateandInformationfees(includingdrivingrecord)> (accessed 28 March 2021) [↑](#footnote-ref-317)
318. <https://www.qld.gov.au/transport/licensing/driver-licensing/fees> (accessed 7 February 2021) [↑](#footnote-ref-318)
319. <https://www.sa.gov.au/topics/driving-and-transport/licences/licence-details/check-your-driving-history> (accessed 28 March 2021) [↑](#footnote-ref-319)
320. <https://www.vicroads.vic.gov.au/licences/licence-fees/licence-extract-and-work-diary-fees> (accessed 28 March 2021) [↑](#footnote-ref-320)
321. This fee was previously described in the body of the Regulations rather than in the schedule. The inserting in the schedule is for consistency purposes only. [↑](#footnote-ref-321)
322. The Issue of logbook or replacement log book for permit holder fee (club permit holders) is an existing fee but not itemised in Regulations, with the charge levied under the *RSA* Section 97A as an administrative fee. [↑](#footnote-ref-322)
323. <https://www.rms.nsw.gov.au/roads/vehicle-registration/registration-fees-concessions-forms/registration-fees.html#Transferringregistrationfees> (accessed 28 March 2021) [↑](#footnote-ref-323)
324. <https://www.qld.gov.au/transport/registration/fees/cost> (accessed 28 March 2021) [↑](#footnote-ref-324)
325. Fees provided by VicRoads. [↑](#footnote-ref-325)
326. Fee provided by Road Safety, Policy & Research Department for Infrastructure and Transport South Australia. Represents a motor vehicle having 4 cylinders or less and includes commercial vehicles less than 1000kg. [↑](#footnote-ref-326)
327. <https://www.sa.gov.au/topics/driving-and-transport/motoring-fees/unregistered-vehicle-permit-fees> (accessed 28 March 2021) [↑](#footnote-ref-327)
328. Conditional registration in NSW including administration fee of $22 and number plate fee of $47 [↑](#footnote-ref-328)
329. Fee provided by Road Safety, Policy & Research Department for Infrastructure and Transport South Australia. [↑](#footnote-ref-329)
330. <https://www.rms.nsw.gov.au/business-industry/motor-dealers/index.html#Trader%E2%80%99splates> (accessed 28 March 2021) [↑](#footnote-ref-330)
331. Where a registration number (plate) is transferred from one vehicle to another whether it be a standard issue or custom plate. For example, where an operator purchases a new vehicle and wishes to keep the plate from a previous vehicle. [↑](#footnote-ref-331)
332. When a standard Victorian plate for a heavy vehicle is replaced or damaged that a national heavy vehicle plate will be issued. [↑](#footnote-ref-332)
333. Given a 4.4% vehicle scrapping rate annually the average life would approximate 17-18 years - refer <http://www.caradvice.com.au/574207/australia-average-vehicle-age-is-10-1-years> (accessed 7 February 2021) [↑](#footnote-ref-333)
334. <http://www.rms.nsw.gov.au/roads/licence/fees.html> (accessed 7 February 2021) [↑](#footnote-ref-334)
335. <https://www.qld.gov.au/transport/licensing/driver-licensing/fees> (accessed 7 February 2021) [↑](#footnote-ref-335)
336. <https://www.sa.gov.au/topics/driving-and-transport/motoring-fees/driver-s-licence-and-permit-fees> (accessed 7 February 2021) [↑](#footnote-ref-336)
337. <https://www.vicroads.vic.gov.au/licences/licence-fees/driver-licence-and-learner-permit-fees> (accessed 7 February 2021) [↑](#footnote-ref-337)
338. The Dealer administrative fee is an existing fee but not specified in the Regulations, with the charge levied under the *RSA* Section 97A as an administrative fee. [↑](#footnote-ref-338)
339. This fee is rarely used but still applicable. [↑](#footnote-ref-339)
340. These numbers were compiled before the current COVID-19 pandemic. The effect of the Pandemic on volumes and costs are unknown at this time. [↑](#footnote-ref-340)
341. Consultation with VACC 17 February 2021 [↑](#footnote-ref-341)
342. Government of Victoria, 2016, *Victorian Guide to Regulation*: A handbook for policy-makers in Victoria, Department of Treasury and Finance, Melbourne [↑](#footnote-ref-342)
343. Consultation with VACC 17 February 2021 [↑](#footnote-ref-343)
344. Regulation 145, Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-344)
345. [↑](#footnote-ref-345)
346. <http://www.dtf.vic.gov.au/Victorias-Economy/Economic-policy-and-guidelines/Indexation-of-fees-and-penalties> [↑](#footnote-ref-346)
347. Road Safety (Vehicles) Interim Regulations 2020 <https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-347)
348. This is a current fee charged by VicRoads however it has not been included in the Interim Regulations and is being incorporated under the Proposed Regulations with no change in the amount being charged. [↑](#footnote-ref-348)
349. Road Safety (Vehicles) Interim Regulations 2020<https://www.legislation.vic.gov.au/in-force/statutory-rules/road-safety-vehicles-interim-regulations-2020/001> (accessed 2 February 2021) [↑](#footnote-ref-349)
350. The current COVID-19 pandemic will impact on these forecasts. The actual impact is unknown. [↑](#footnote-ref-350)
351. <http://www.dtf.vic.gov.au/Publications/Victoria-Economy-publications/Macroeconomic-indicators> (accessed 23 January 2021) [↑](#footnote-ref-351)
352. <http://www.dtf.vic.gov.au/Publications/State-Budget-publications/2017-18-State-Budget/2017-18-Budget-Papers> [↑](#footnote-ref-352)
353. <http://www.abs.gov.au/ausstats/abs@.nsf/mf/9314.0> (accessed 23 January 2021) [↑](#footnote-ref-353)
354. <http://www.abs.gov.au/ausstats/abs@.nsf/mf/9309.0> (accessed 23 January 2021) [↑](#footnote-ref-354)
355. <https://apo.org.au/sites/default/files/resource-files/2016-07/apo-nid65560.pdf> (accessed 23 January 2021) (refer page12) [↑](#footnote-ref-355)
356. <https://economicdevelopment.vic.gov.au/about-us/overview/the-economic-assessment-information-portal/i-am-looking-for-guidance-on-particular-economic-assessment-processes,-methods-and-variables> (accessed 23 January 2021) – “A real discount rate of four per cent is recommended for regulatory and legislative proposals” [↑](#footnote-ref-356)
357. <https://www.rms.nsw.gov.au/roads/vehicle-registration/written-off/re-registering-a-light-vehicle.html#Whichwritten-offvehiclescanbere-registered> (accessed 14 January 2021) [↑](#footnote-ref-357)
358. <http://www.autorecycle.com.au/story/written-vehicle-laws-nsw> (accessed 14 January 2021) [↑](#footnote-ref-358)
359. Roads and Maritime Services of New South Wales, *Written-Off Vehicles Repair and certification: Administrative procedures* *for vehicle repairers and certifiers* <https://www.rms.nsw.gov.au/documents/roads/registration/get-nsw-registration/written-off-vehicles-administrative-procedures.pdf> (accessed 14 January 2021) [↑](#footnote-ref-359)
360. See “Queensland brings written-off vehicles into line - Ministerial Media Statements” <https://statements.qld.gov.au/statements/91737> (accessed 31 March 2021) [↑](#footnote-ref-360)
361. VicRoads data and apportionment of the total 873,479 annual fee-based transfers is based on % sub categories of data provided by previously by VicRoads on a sample of 427,000 transfers. [↑](#footnote-ref-361)
362. Calculated by taking the weeks wage, divided by hours worked per week, multiplied by the number of weeks in a year divided by the weeks worked in a year, multiplied by the on-cost scaling of 1.15, multiplied by the time taken to perform a RWC of 1.5hrs, plus $3.18 RWC admin fee payable to VicRoads (applicable in 2020-21). Labour cost based on average weekly wage of $1,436 for mechanics 44 hours of work per week, from JobOutlook: <https://joboutlook.gov.au/Occupation?search=alpha&code=3212>. (accessed 23 January 2021) [↑](#footnote-ref-362)
363. Based on average of $160 to $200 charged by an LVT for a RWC based on VicRoads advice. [↑](#footnote-ref-363)
364. Full time adult average weekly ordinary time earnings in May 2020 were $1,713.90 *before tax* (Seasonally adjusted). This equates to $32.73 per hour *after tax* based on 44 hours of work per week. Australian Bureau of Statistics, *6302.0 Average Weekly earnings, Australia, May 2020*: <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release> (accessed 23 January 2021). [↑](#footnote-ref-364)
365. VicRoads notes that this figure is fairly stable in terms of additions and cancellations to registered LMCTs and is based off the 2018 estimate. [↑](#footnote-ref-365)
366. Nine years is the average age of the Victorian light motor vehicle fleet. Typical sale price is based on valuations for 2011 Toyota Corolla base model hatchback with automatic transmission between $11,000 and $17,990. (see <https://www.carsales.com.au/> (accessed 24 January 2021)) [↑](#footnote-ref-366)
367. Became effective from 1 July 1988 as national standards on 2 August 1989 (Gazette number S 264). [↑](#footnote-ref-367)
368. *Motor Vehicle Standards Act 1989 (Cwlth)*: <http://www6.austlii.edu.au/cgi-bin/viewdb/au/legis/cth/consol_act/mvsa1989245/> (accessed 9 January 2021) [↑](#footnote-ref-368)
369. <https://www.infrastructure.gov.au/vehicles/design/> (accessed 9 January 2021) [↑](#footnote-ref-369)
370. *Road Vehicle Standards Act 2018* (Cwlth): <https://www.legislation.gov.au/Details/C2018A00163> (accessed 9 January 2021) [↑](#footnote-ref-370)
371. The first two parts of the *Road Vehicle Standards Act 2018* (Cwlth) are already in effect. [↑](#footnote-ref-371)
372. Not all modifications for light vehicles are required to be assessed and certified by VASS. [↑](#footnote-ref-372)
373. Department of Infrastructure, Regional Development and Cities, *National Code of Practice for Light Vehicle Construction and Modification (NCOP)*, Jan 2011: <https://infrastructure.gov.au/roads/vehicle_regulation/bulletin/vsb_ncop.aspx> (accessed 9 January 2021) [↑](#footnote-ref-373)
374. National Heavy Vehicle Regulator, *Code of Practice for the Approval of Heavy Vehicle Modifications*, July 2020 version 2.2: <https://www.nhvr.gov.au/files/201812-0136-code-of-practice-approval-heavy-vehicle-modifications.pdf> (accessed 9 January 2021) [↑](#footnote-ref-374)
375. Department of Infrastructure, Regional Development and Cities, *National Code of Practice for Light Vehicle Construction and Modification (NCOP)*, Jan 2011: <https://infrastructure.gov.au/roads/vehicle_regulation/bulletin/vsb_ncop.aspx> (accessed 9 January 2021) [↑](#footnote-ref-375)
376. [Road Safety (Vehilces) Interim Regulations 2021](https://tinyurl.com/y38vqf89) <https://www.legislation.vic.gov.au/as-made/statutory-rules/road-safety-vehicles-interim-regulations-2020> (accessed 8 January 2021) [↑](#footnote-ref-376)
377. <https://www.unece.org/trans/welcome.html> (accessed 9 January 2021) [↑](#footnote-ref-377)
378. <https://unece.org/trans/main/wp29/wp29regs> (accessed 9 January 2021) [↑](#footnote-ref-378)
379. <https://unece.org/text-1998-agreement> (accessed 9 January 2021) [↑](#footnote-ref-379)
380. United Nations Convention on Road Traffic, 19 Sep 1949 (revised 22 Oct 1964): <http://www.unece.org/fileadmin/DAM/trans/conventn/Convention_on_Road_Traffic_of_1949.pdf> (accessed 9 January 2021) [↑](#footnote-ref-380)
381. International Organization for Standardization, *ISO 3779:2009 Road vehicles – Vehicle identification number (VIN) – Content and structure*, 2009: <https://www.iso.org/standard/52200.html> (accessed 9 January 2021) [↑](#footnote-ref-381)
382. International Organization for Standardization, *ISO 7591:1982 Road vehicles – Retro-reflective registration plates for motor vehicles and trailers – Specification*, 1982: <https://www.iso.org/standard/14380.html> (accessed 9 January 2021) [↑](#footnote-ref-382)
383. Attorney-General’s Department, *National Identity Proofing Guidelines 2014*, Commonwealth of Australia 2016: <https://www.ag.gov.au/RightsAndProtections/IdentitySecurity/Documents/NationalIdentityProofingGuidelines.pdf> (accessed 9 January 2021) [↑](#footnote-ref-383)
384. <https://austroads.com.au/drivers-and-vehicles/registration-and-licensing/registration-and-licensing-task-force-and-projects> (accessed 9 January 2021) [↑](#footnote-ref-384)
385. Austroads Ltd, 2019-20 Annual Report <https://austroads.com.au/__data/assets/pdf_file/0029/385265/AP-C20-20_Austroads_Annual_Report_2019-20.pdf> (accessed 23 January 2021) [↑](#footnote-ref-385)
386. Austroads Ltd, 2019-20 Annual Report <https://austroads.com.au/__data/assets/pdf_file/0029/385265/AP-C20-20_Austroads_Annual_Report_2019-20.pdf> (accessed 23 January 2021) [↑](#footnote-ref-386)
387. Chronology of ownership [↑](#footnote-ref-387)
388. Austroads Ltd, 2019-20 Annual Report <https://austroads.com.au/__data/assets/pdf_file/0029/385265/AP-C20-20_Austroads_Annual_Report_2019-20.pdf> (accessed 23 January 2021) [↑](#footnote-ref-388)
389. <https://www.legislation.vic.gov.au/in-force/acts/crimes-act-1958/292> (accessed 9 January 2021) [↑](#footnote-ref-389)
390. *Heavy Vehicle (Vehicle Standards) National Regulation 2013*: <https://www.legislation.qld.gov.au/view/pdf/inforce/current/sl-2013-0076> (accessed 9 January 2021) [↑](#footnote-ref-390)
391. <https://www.nhvr.gov.au/about-us/who-we-are> (accessed 9 January 2021) [↑](#footnote-ref-391)
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393. *Road Safety Act 1986* <https://www.legislation.vic.gov.au/in-force/acts/road-safety-act-1986/203> (accessed 8 January 2021) [↑](#footnote-ref-393)
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395. <https://insurancelaw.org.au/factsheets/your-vehicle-has-been-written-off-factsheet/> (accessed 28 January 2021) [↑](#footnote-ref-395)