

Queensland



Regulatory Impact Statement for SL 1999 No. 213

Transport Operations (Road Use Management) Act 1995

TRANSPORT OPERATIONS (ROAD USE MANAGEMENT—VEHICLE STANDARDS AND SAFETY) REGULATION 1999

Name of the legislation

Transport Operations (Road Use Management—Vehicle Standards and Safety) Regulation 1999.

Policy objectives of the proposed legislation

The proposed changes are designed to improve the safety of second hand vehicles using the Queensland road network. This will be achieved through more efficient use of departmental resources, more efficient inspection regimes and greater flexibility to the community and business for inspections.

Sections 76 and 85 of the *Transport Operations (Road Use Management) Act 1995* provide the heads of power to enable the proposed regulation to be implemented.

The objective of the *Transport Operations (Road Use Management—Motor Vehicles Safety) Regulation 1999* is to incorporate policy changes to provide improved inspection systems, which will ensure that all vehicles meet required safety standards, with a resultant reduction in the inspection workload for Queensland Transport and a more attractive program for industry.

The regulation will provide for—

- (a) the introduction of an expanded Approved Inspection Station (AIS) Scheme to provide for a mobile AIS system; and
- (b) the introduction of a safety certificate to replace the current certificate of roadworthiness for light vehicles up to 4.5 tonnes Gross Vehicle Mass (GVM) and for motorcycles and caravans and trailers over 0.75 tonnes up to 3.5 tonnes Aggregate Trailer Mass (ATM); and
- (c) the requirement for any vehicle offered for sale to have displayed a current safety certificate; and
- (d) the ability for an AIS to clear certain categories of defect notices issued by Queensland Transport inspectors and Queensland police officers; and
- (e) the introduction of Penalty Infringement Notices (PINs) for failure to display and/or failure to possess a safety certificate for any registered vehicle offered for sale.

Who is likely to be affected?

- (a) industry—
 - road transport—vehicle repairers/motor traders
- (b) community—
 - vehicle owners (especially when a second hand vehicle is sold)
- (c) government—
 - Queensland Transport/ Queensland Police Service.

Costs of the regulation

Business

Dealers may incur additional costs due to the requirement to display a current safety certificate on all registered vehicles presented, displayed or advertised for sale. Safety certificates applicable to dealer vehicles will be valid for a period of 90 days or 1 000 kilometres, after which a new safety certificate is required.

Government

The cost to government will remain at a similar level to that experienced under the current certificate of roadworthiness. Broad costs to Government associated with vehicles accidents caused by defective vehicles should be reduced.

Consumer and social

Consumer

Persons wishing to sell a car will be required to obtain a safety certificate before the vehicle is offered for sale. The cost of the safety certificate will be similar to that of the current certificate of roadworthiness \$42. The validity period of the safety certificate for persons other than dealers is 60 days or 2 000 kilometres. If a vehicle is not sold within this time or distance a new safety certificate is required for the vehicle. A registered vehicle will be required to display a current safety certificate at all times whilst it is offered for sale.

To obtain a safety certificate from an AIS to clear a defect notice, a person will need to pay a prescribed fee (eg for cars the prescribed fee is \$42).

Social

Increases in on-road inspection activities will expand the probability of large numbers of defective vehicles being detected. The resultant repair costs that defective vehicle owners are likely to incur will increase their respective costs of living expenses and may impact on other necessary social costs of living expenses.

This social cost is considered unavoidable if the community road safety outcomes are to be achieved and to ensure that vehicles are better maintained and safety related defects are not overlooked.

Benefits of the regulation

Business

Business opportunities for new and existing AIS's will be increased due to a greater range and number of vehicles being directed to AIS for reinspections.

Reduced delays and increased efficiency for the transport industry, by providing operators with greater flexibility to schedule and obtain vehicle inspections through AIS and allowing accredited fleet operators to inspect their own fleet vehicles, subject to approval from the chief executive.

The introduction of mobile AIS's will further enhance the business opportunities to those who wish to take up this option, especially in rural areas.

Business opportunities will also be increased by the fact that a safety certificate is required for any vehicle offered for sale and the safety certificate will have a set validity period after which a new safety certificate will need to be obtained.

Government

Significant efficiency gains will flow for Queensland Transport through better use of resources to investigate complaints. This is largely due to an increased amount of defect clearance work that will be carried out by the private sector.

With the expected increase in participants in the AIS scheme, an increase in consolidated revenue is also likely through accreditation fees and the sale of safety certificate books.

There is also potential for savings in road safety costs due to a higher number of vehicle intercepts resulting in a lesser number of dangerously defective vehicles on Queensland roads. This will reduce the likelihood of accidents due to poorly maintained vehicles.

Consumer and social

An increase in consumer protection by reducing opportunities for the sale of unsafe vehicles.

Also, a reduced risk of injury and attendant social costs to road users by increasing the number of safe vehicles using the road through increased detection and repair of unsafe or defective vehicles.

The provision of mobile Approved Inspection Stations for the inspection of light and heavy vehicles in rural areas will provide more flexibility for vehicle owners, heavy vehicle operators and primary producers to obtain a safety certificate or certificate of inspection without lengthy delays in waiting for Queensland Transport inspectors to visit the area, or extensive travelling to the nearest AIS.

The proposed changes will provide some boost to the economies of rural communities through the increased defect clearance work which will flow to the private sector.

This creates an environment which encourages motor repair businesses in rural locations to become part of the Approved Inspection Station scheme.

Approved Inspection Stations may also undertake the reinspection of certain defective vehicles which have been issued with a defect notice by a Queensland Transport inspector or Queensland police officer.

Identity and analysis of the main alternatives

Option 1—Deregulate

Costs

- no consumer protection to ensure the sale of safe vehicles
- increased risk to safety of all road users due to anticipated increase in defective vehicle related accidents as a result of the increased number of unsafe vehicles using the road network
- potential increase in social costs due to the anticipated increase in the number of road accidents, which would be unacceptably high in comparison to any administrative and consumer saving.

Benefits

- reduced vehicle operating costs for both industry and private consumers
- increased efficiency for transport operators by reducing delays due to inspection requirements and commitments
- reduced business operating costs for motor vehicle traders

Option 2—No change to regulations

Costs

- no reduction in the number of unsafe vehicles using the road network
- no reduction in delay costs for industry in obtaining vehicle inspections and no greater flexibility to obtain inspections through AIS. Business opportunities for new and existing AIS and fleet operators will not be enhanced
- this option will result in no increased safety for road users but could result in a decrease in vehicle safety with the continued use of defective motorcycles, trailers and caravans.
- there will be limited scope to improve the increased demand for efficient use of departmental resources to deliver inspection services

Benefits

- there will be no additional costs to the consumer for disposal and transfer of registration for light vehicle and no change to operating costs for motor traders

Option 3—Change legislation to incorporate industry involvement in vehicle inspections and introduce a vehicle safety inspection regime

Costs

- increased costs for some consumers due to a larger number of vehicle owners being required to obtain a safety certificate prior to sale of a vehicle and to clear certain categories of defect notices

Benefits

- greater consumer safety and protection benefits at little cost
- reduced delay costs and efficiency gains for the transport industry and individual vehicle owners by the provision of more flexible inspection arrangements
- this option will enhance vehicle safety standards, consumer protection, administrative flexibility and increase industry involvement and efficiencies at marginal cost, while at the same time, substantially improving road safety for all road users

Preferred course of action

What is the preferred course of action?

Option 3.

What is the basis upon which it is preferred?

- enhanced vehicle safety standards
- greater business opportunities
- industry efficiency gains
- enhanced delivery of inspection services
- enhanced consumer protection
- enhanced road safety benefits

What would happen without changes?

- reduction in quality of vehicle safety standards
- the regulation is currently targeted to achieve high standards of vehicle safety. With its repeal, the number of defective vehicles would significantly increase and the mechanical standards would deteriorate, consequently, safety of road users would be seriously jeopardised
- potential increase in social costs due to the anticipated increase in the number of road accidents, which would be unacceptably high in comparison to any administrative and consumer savings

What is the probability or likelihood of it happening?

The probability of significant increases in vehicle defectiveness due to repeal of the legislation is high.

What industry and community groups have been consulted?**Industry**

- Royal Automobile Club of Queensland
- Motor Traders Association of Queensland
- Institute of Automotive Mechanical Engineers
- Queensland Road Transport Association
- Caravan Trade and Industries Association
- Boating Industry Association of Queensland

Government

- Queensland Transport
- Queensland Police Service
- Department of Justice and Attorney-General

- Office of Rural Communities
- Office of Consumer Affairs.

Economic argument for proceeding as proposed?

- opportunities enhanced by allowing industry to inspect a greater range of heavy vehicles
- reduced cost to industry by the provision of more flexible inspection arrangements
- more efficient use of government financial resources to deliver enhanced inspection services for all road users

Fundamental legislative principles

The regulation is consistent with fundamental legislative principles and does not limit or restrict the rights and liberties of individuals.

ENDNOTES

1. Laid before the Legislative Assembly on . . .
2. The administering agency is the Department of Transport.