



Submission regarding

**Streamlining Victoria's Roadworthiness
System 2013**

Conducted by
VicRoads

26 August 2013

RACV has reviewed the three options proposed in the consultation paper and takes the following view on each.

Option 1. *Remove the requirement for vehicles less than three years of age to present a roadworthiness certificate on transfer of ownership.*

RACV recognises that three years represents a typical period for which many new vehicles will be kept by its first owner or operator. This length of ownership coincides with and is influenced by this being the most common warranty period offered by manufacturers. During the warranty period vehicles are typically regularly maintained by owners looking to enhance the resale value of their vehicle. The recent widespread practice by manufacturers of offering capped price servicing has also increased this trend.

RACV believes that since the first change of ownership on private vehicles often takes place on or about the three year milestone the proposed exemption is unlikely in practice to make much difference to the current situation. One possibly detrimental outcome may come about as a result of the first owner selling the car slightly before the three year expiry period to a second owner who may keep the vehicle for a considerable time thereafter. Throughout this period the vehicle will not have been subject to a roadworthy.

Another concern is that whilst the average passenger vehicle in Victoria travels approximately 13,200 km per annum there is a proportion of the fleet that travels significantly more. This potentially exposes a risk that consumable items on these vehicles such as tyres and brakes may be significantly degraded prior to the three year limit. If the vehicle is sold before three years, there will be no checks on such items.

RACV in principle supports the proposal to remove the requirement for a vehicle under three years old to undergo a roadworthy test on transfer. However we suggest a limitation on the vehicle kilometres in addition to the three year age limit. This is a similar practice to that applied by many manufacturers in setting the limits of vehicle warranties.

RACV believes that the kilometre limit should be no greater than 60,000km. This represents an upper limit which one could reasonably expect a set of tyres to last and a yearly travelling distance considerably higher than average. RACV further believes that application of a simplified test to vehicles under three years of age that have travelled more than 60,000km would be appropriate.

Option 2. *Remove the requirement for vehicles less than three years of age to present a roadworthiness certificate on transfer of ownership and develop a shorter roadworthiness test to reduce the costs involved.*

As per option 1, RACV supports in principle the proposal to remove the requirement for vehicles less than three years of age to present a roadworthiness certificate on transfer of ownership. Again the proviso would be that the distance travelled by the vehicle was no greater than 60,000km.

RACV believe it is reasonable that vehicles that have travelled more than 60,000km but are under three years of age could be subject to a simplified roadworthy test predominately looking at items such as tyres, brakes and steering. This acknowledges the fact that such vehicles are still likely to be well maintained and covered by warranty but may have increased exposure to wear on consumable items like tyres and brake components that would go undetected without a mileage limit.

RACV does not support extending the simplified test to vehicles older than three years of age. We do not believe that the time and cost of a more thorough testing process at vehicle transfer represents a particularly onerous burden in relation to typical ongoing vehicle maintenance costs.

Option 3. *Remove the requirement for vehicles less than five years of age to present a roadworthiness certificate on transfer of ownership and develop a shorter roadworthiness test to reduce the costs involved.*

RACV does not support the proposal outlined in option 3. A concern is that a proposed five year roadworthy free period does not naturally correspond to the typical warranty period and first ownership length of three years. After this period, maintenance often becomes less frequent and/or less thorough as the vehicle degrades in value.

Vehicles that have been in service for five years will usually exhibit signs of wear simply by virtue of age and distance travelled and may have been exposed to accident damage. If this proposal were to be enacted, it is likely that by the time the first roadworthy certificate is required, the vehicle may well have passed into the custody of the second or third owner without any kind of check.

Summary of RACV's position on each option proposed:

	Option 1	Option 2	Option 3
Proposal detail	Remove the requirement for vehicles less than three years of age to present a roadworthiness certificate on transfer of ownership.	Remove the requirement for vehicles less than three years of age to present a roadworthiness certificate on transfer of ownership and develop a shorter roadworthiness test to reduce the costs involved.	Remove the requirement for vehicles less than five years of age to present a roadworthiness certificate on transfer of ownership and develop a shorter roadworthiness test to reduce the costs involved.
RACV Position	Support with additional mileage requirements and apply simplified test only to vehicles younger than three years.	Support with additional mileage requirements and apply simplified test only to vehicles younger than three years.	Not supported.
RACV Commentary	RACV supports this proposal provided that the vehicle in question has travelled less than 60,000km. A simplified test could be applied to vehicles less than three years old that have travelled in excess of 60,000km.	RACV supports this proposal provided that the vehicle in question has travelled less than 60,000km. A simplified test could be applied to vehicles less than three years old that have travelled in excess of 60,000km.	RACV believes that based on typical vehicle condition five years is an unacceptably long period for a roadworthy certificate not to be required.