

SECOND READING SPEECH

THE HON DAVID O'BYRNE, MP

VEHICLE AND TRAFFIC AMENDMENT (WRITTEN – OFF VEHICLES) BILL 2013

Mr Speaker, I present to the House the *Vehicle and Traffic Amendment (Written-Off Vehicles) Bill 2013*.

Mr Speaker, the purpose of this Bill is to amend the definition of a Statutory Written-off Vehicle to be consistent with a new nationally agreed Damage Assessment Criteria of Statutory Write-Offs. It is expected that this will lead to improved vehicle safety and a reduction in vehicle theft throughout Australia.

Honourable Members may be aware that in 1999 Australian States and Territories Transport Ministers agreed to the introduction of a nationally consistent Written-Off Vehicle Register. In 2002, the State Government passed legislation which facilitated this objective in Tasmania. All other jurisdictions amended legislation to facilitate the introduction of a similar register at about the same time.

Under the national framework for the management of written off vehicles, any vehicle declared by an insurer to be a total loss must be classified to be a Statutory Write-Off or a Repairable Write-Off. A set of technical assessment criteria determine when a Written-Off Vehicle should be classified as a Statutory Write-Off or a Repairable Write-Off. The insurer then typically sells the vehicle at public auction to recover some of the costs of the claim. A Statutory Write-Off may only be sold

subject to a statutory restriction that it may not be re-registered, which effectively means that the vehicle is only useful for parts or metal recycling. A Repairable Write-Off may be repaired and re-registered subject to passing specific safety and identification inspections.

The pronouncement of vehicles as total losses and either a Statutory Write-Off or a Repairable Write-Off was designed to improve vehicle safety and to disrupt the activities of profit-motivated criminals seeking to exploit gaps in government and industry practices to convert stolen vehicles into cash. For example, stolen vehicles were relatively easily re-birthed as other Repairable Written-Off vehicles, if those vehicles had been written-off. Re-birthing occurs when identifiers of a Repairable Written-Off vehicle are used to change the identity of a stolen vehicle. This means that stolen vehicles can be re-registered as the Repairable Written-Off vehicle. It was anticipated that the introduction of the Written-Off Vehicle Register would significantly reduce the re-birthing of stolen vehicles.

Mr Speaker, since the introduction of the Written-Off Vehicle Register in 2002, there has, nation-wide, been a significant reduction in the amount of total vehicle thefts. However, whilst the number of thefts has continued to reduce, there has been little change in the number of unrecovered stolen vehicles throughout Australia and this leads to the conclusion that these vehicles are being used to re-birth Written-Off Vehicles. This national trend led the National Motor Vehicle Theft Reduction Council to commission a Regulatory Impact Statement.

The Regulatory Impact Statement reported that the old criteria are too simple when applied to most modern vehicles. For instance, changes in

vehicle construction over recent years and the rapid acceleration in the use of new and composite materials mean that it is increasingly more complex to ensure a complete and safe repair of a modern vehicle. As such, some severely damaged vehicles are being categorised as Repairable Write-Offs even though the repairs are most unlikely to result in a safe vehicle.

As a result, the National Motor Vehicle Theft Reduction Council and Austroads developed a new Damage Assessment Criteria for the Classification of Statutory Written-Off Vehicles. It is based on more rigorous criteria which require a greater application of engineering principles in the assessment process to ensure that vehicles which pose a structural repair risk are identified and classified appropriately.

It is designed to consistently identify and appropriately classify those Written-Off Vehicles that should not be repaired on safety grounds and are suitable only for dismantling or scrap. Vehicles will be assessed and classified by prescribed persons to be a Statutory Write-Off in accordance with the Criteria. It is also expected to reduce the volume of Written-Off Vehicles assessed to be repairable by 30 percent. This will further reduce the ability of profit-motivated thieves to manipulate related re-registration processes.

Mr Speaker, all States and Territories are expected to have amended their legislation enabling use of the new criteria by mid 2013.

Mr Speaker, I commend this Bill to the House.