



Victoria Government Gazette

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Road Management Act 2004

VARIATION OF SECTION 110 THRESHOLD AMOUNT FOR 2007–08

I, Tim Pallas, Minister for Roads and Ports and Minister administering the **Road Management Act 2004**, publish this notice in accordance with section 111(5) of that Act.

Background

Section 110 of the **Road Management Act 2004** (“the Act”) provides that a road authority is not liable for property damages (as defined in that section) where the value of the damage is equal to or less than the “threshold amount”. It further provides that the amount which may be recovered against a road authority in a claim for property damages which exceeds the threshold amount is to be reduced by the threshold amount.

“Threshold amount” is defined by section 110(1) as the amount of \$1,000 as varied under section 111. Section 111(1) of the Act provides a formula for the variation of the original \$1,000 threshold amount in respect of the 2005–06 financial year and each subsequent financial year:

$$A \times \frac{B}{C}$$

where—

- ‘A’ is the amount referred to in section 110.
- ‘B’ is the all groups consumer price index for Melbourne as at 15 June in the preceding financial year last published by the Australian Statistician in respect of the December quarter of that financial year.
- ‘C’ is the all groups consumer price index for Melbourne as at 15 June in the year preceding the preceding financial year published by the Australian Statistician in respect of the December quarter preceding that 15 June.

Section 111(2) requires rounding to the nearest whole \$10 for amounts of \$1,000 or more.

Section 111(5) requires the Minister to cause a notice to be published in the Government Gazette specifying the amount as varied for the purposes of section 110 in respect of the relevant financial year.

Calculation of varied threshold amount for 2007–08

For the purposes of the calculation of the threshold amount in respect of the 2007–08 financial year, the actual values are as follows:

- A = \$1,050 being the amount referred to in section 110 as varied under section 111 — see definition of “threshold amount” in section 110(1) and the notice specifying the threshold amount in respect of the 2006–07 financial year published in the Victoria Government Gazette G26 of 29 June 2006, pp 1346–47;
- B = 153.5 being the all groups consumer price index for Melbourne as at 15 June 2007 last published by the Australian Statistician in respect of the December quarter of the 2006–07 financial year;
- C = 149.2 being the all groups consumer price index for Melbourne as at 15 June 2006 published by the Australian Statistician in respect of the December quarter of the 2005–06 financial year.

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The calculation of the threshold amount in respect of the 2007–08 financial year is therefore as follows:

$$\$1,050 \times \frac{153.5}{149.2} = 1,080.26$$

This figure must be rounded down to \$1,080 in accordance with section 111(2)(b) of the Act.

Specification of varied threshold amount for 2007–2008

In accordance with section 111(5) of the **Road Management Act 2004**, I specify \$1,080 to be the threshold amount for the purposes of section 110 (as varied in accordance with section 111) of that Act, in respect of the financial year beginning on 1 July 2007.

Dated 25 June 2007

TIM PALLAS

Minister for Roads and Ports

Note: The threshold amount specified in this notice applies to property damages claims (as defined in section 110) which arise out of incidents that occur during the 2007–08 financial year. Claims which arise out of incidents in earlier years are subject to the threshold amount which applied in that year.

The following table sets out, for reference purposes, threshold amounts in respect of claims arising during financial years since 1 July 2004.

Year in which claim arose	Threshold amount	Reference
2004–2005	\$1,000	RMA, s. 110
2005–2006	\$1,020	Government Gazette G26, 30 June 2005, pp 1415–16
2006–2007	\$1,050	Government Gazette G26, 29 June 2006, pp 1346–47
2007–2008	\$1,080	See notice above

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