



# Victoria Government Gazette

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## Road Management Act 2004

### VARIATION OF SECTION 110 THRESHOLD AMOUNT FOR 2013–14

I, Terry Mulder, Minister for Roads 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 of \$1,000 as varied under section 111.
- '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.

#### Calculation of varied threshold amount for 2013–14

For the purposes of the calculation of the threshold amount in respect of the 2013–14 financial year, the values of A, B and C are as follows:

- A = \$1,260 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 2012–13 financial year published in the Victoria Government Gazette S208, 22 June 2012, pp 1–2;
- B = 102.0 being the all groups consumer price index for Melbourne as at 15 June 2013 last published by the Australian Statistician in respect of the December quarter of the 2012–13 financial year;
- C = 99.9 being the all groups consumer price index for Melbourne as at 15 June 2012 published by the Australian Statistician in respect of the December quarter of the 2011–12 financial year (see Note 1).

The calculation of the threshold amount in respect of the 2013–14 financial year is therefore as follows:

$$\$1,260 \times \frac{102.0}{99.9} = \$1,286.49$$

This figure is rounded up to \$1,290 in accordance with section 111(2)(b) of the Act.

**SPECIAL**

**Specification of varied threshold amount for 2013-2014**

In accordance with section 111(5) of the **Road Management Act 2004**, I specify \$1,290 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 2013.

Dated 26 June 2013

TERRY MULDER MP  
Minister for Roads

Note 1: In the September quarter of 2012, the Australia Bureau of Statistics, in relation to the all groups consumer price index for Melbourne, undertook a process known as re-referencing. Re-referencing is the process which sets a new 'index reference period' for a consumer price index.

The index reference period is the period for which the consumer price index is set to 100.0 and all consumer price index numbers (before and after the index reference period) are re-calculated on that basis. From the September quarter of 2012, the index reference period was the 2011–12 financial year.

In the current notice, it is the re-referenced values of the all groups consumer price index for Melbourne that have been used (for both the December quarter of the 2011–12 financial year and the December quarter of the 2012–13 financial year). It is for this reason that the value of the all groups consumer price index for Melbourne quoted in this notice in relation to the December quarter of the 2011–12 financial year differs from the value quoted for the same time period in the previous notice (see Government Gazette S208, 22 June 2012, pp 1–2).

Note 2: 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 2013–14 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.

<b>Year in which claim arose</b>	<b>Threshold amount</b>	<b>Reference</b>
2004–2005	\$1,000	Section 110 of the <b>Road Management Act 2004</b>
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	Government Gazette S139, 28 June 2007, pp 1–2
2008–2009	\$1,120	Government Gazette S180, 30 June 2008, pp 1–2
2009–2010	\$1,160	Government Gazette S203, 25 June 2009, pp 1–2
2010–2011	\$1,180	Government Gazette S251, 29 June 2010, pp 1–2
2011–2012	\$1,220	Government Gazette S199, 27 June 2011, pp 1–2
2012–2013	\$1,260	Government Gazette S208, 22 June 2012, pp 1–2
2013–2014	\$1,290	See notice above

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