



Damage Assessment Criteria for Heavy Vehicle Write-offs

Frequently Asked Questions
August 2018

Questions

[Why does Australia need a written-off vehicle scheme for heavy vehicles?](#)

[What type of vehicles are affected?](#)

[How were the damage criteria developed?](#)

[Where can I get full details of the technical criteria?](#)

[When will the new criteria take effect?](#)

[What is being done to communicate the changes to affected parties?](#)

[How are the assessment criteria applied to a stolen vehicle that has been recovered after the relevant insurance claim has been settled?](#)

[Who has to notify the registration agency of a written-off vehicle or change in a written-off vehicle's status?](#)

[What penalties apply for the incorrect classification, or failure to notify, a vehicle?](#)

[Is there a national notification form?](#)

Why does Australia need a written-off vehicle scheme for heavy vehicles?

In May 2017, the Transport and Infrastructure Council (TIC)¹ agreed to implement a Heavy Vehicle Written-off Vehicle Register to improve vehicle safety and mitigate theft risks. An equivalent scheme for light vehicles has operated in Australia since 2004.

The central element of the scheme will be a set of technical criteria to identify when a heavy vehicle involved in a crash or other event that has resulted in it being declared a total loss should be classified to be a statutory write-off (SWO).

The term total loss is an insurance expression to describe a vehicle that has been assessed as uneconomical to repair. Whilst the precise form of words used for calculation purposes may vary slightly between insurers and/or jurisdictional law, in plain English it refers to a scenario where the vehicle's market value, less its salvage value is less than its estimated cost of repair.

An SWO may only be used for dismantling salvageable parts for reuse, or processing as scrap.

What type of vehicles are affected?

The criteria apply to rigid trucks, prime movers, trailers and buses with a gross mass (GVM) of more than 4.5 tonnes.

The Expert Reference Group that helped develop the criteria also recommend that they extend down to 3.5 tonnes GVM for rigid trucks and buses. This is because the cab/ chassis construction of those vehicles is not compatible with the equivalent light vehicle criteria which are primarily influenced by the monocoque structure of the modern passenger vehicle.

Items of plant and equipment are not affected.

¹ The Transport and Infrastructure Council comprises the Commonwealth, State, Territory and New Zealand Ministers with responsibility for transport and infrastructure issues, as well as the Australian Local Government Association.

How were the damage criteria developed?

The TIC asked Transport for New South Wales (TfNSW) to work with industry stakeholders and the National Heavy Vehicle Regulator to establish a working group to develop an operating framework.

In June 2017, Austroads and the National Motor Vehicle Theft Reduction Council (NMVTRC) agreed to co-fund the technical development work and established an Expert Reference Group (ERG) of industry and government stakeholders to oversee the work of a specialist engineering consultant. The ERG comprised more than twenty stakeholder representatives drawn nationally from a cross-section of transport agencies, police, insurers, manufacturing, industry associations and the motor trades.

Accident investigation and forensic engineering consultancy Delta V Experts was appointed as technical adviser. The key principles that underlined development of the criteria were to:

- ensure the application of sound engineering principles in respect of the kinetic energy associated with heavy vehicle crashes, manufacturers' repairs standards and safe repair practices;
- err on the side of safety where there has been any doubt about the best technical approach; and
- rely on an expert, in-situ visual assessment by an insurance assessor without recourse to scientific or destructive testing.

After the ERG reached in-principle agreement on an 'advanced draft criteria set', the NMVTRC agreed to co-ordinate in-field testing to measure their practical effect and identify any areas requiring refinement as to ease of application, comprehension, interpretation and consistency. A group of insurance and independently selected assessors trialled the proposed criteria on a mix of more than 50 heavy vehicles prior to their public auction.

The results of the in-field trial assisted the ERG to refine the final criteria in respect of the treatment of some vehicle components and the threshold at which multiple, separate areas of damage should render a vehicle to be an SWO.

You can download a copy of the [report on the in-field test here](#).

Where can I get full details of the technical criteria?

The criteria are explained in full in the technical guide *Damage Assessment Criteria for the Classification of Heavy Vehicle Statutory Write-Offs* (August 2018) published by the Austroads and the NMVTRC. You can download a free PDF version of the guide from the publications page of Austroads website (www.austroads.com.au).

If you wish to integrate the technical guide with your own system or software application, please contact Geoff Hughes info@carsafe.com.au at the NMVTRC to discuss options.

When will the new criteria take effect?

The new criteria will require a local law change to adopt them. It is expected that NSW will be the first jurisdiction to implement them in late 2018.

Implementation dates for other jurisdictions are yet to be determined and this document will be updated as dates are confirmed.

What is being done to communicate the changes to affected parties?

Peak industry bodies and key agencies have been kept informed of progress throughout the development process through the ERG process and other communications.

Austroads will also work closely with local road agencies to ensure affected parties understand how the new criteria apply well in advance of implementation.

Austrroads is also funding the development and delivery of a comprehensive industry training program that will be delivered around 4-8 weeks prior to implementation. The program is primarily aimed at insurance assessors but may also be of value to allied professionals, select road agency personnel and specialist police.

How are the assessment criteria applied to a stolen vehicle that has been recovered after the relevant insurance claim has been settled?

If there is no damage to the vehicle then the vehicle can be sold without any classification or reporting. If the vehicle is damaged, it is to be classified according to the damage sustained.

Who has to notify the registration agency of a written-off vehicle or change in a written-off vehicle's status?

The range of persons defined as notifiers will be specified in the related law of each jurisdiction. However, it may extend to insurers, self-insurers, auction houses, motor traders, and automotive dismantlers or recyclers or vehicle owners.

What penalties apply for the incorrect classification, or failure to notify, a vehicle?

Penalties will be set by local laws and generally expressed as a number of penalty units applied to all breaches of law in that state or territory. Notifiers should contact their local registration authority for details of the number (and value) of penalty units for related offences and how they apply.

Is there a national notification form?

That is the aim but is not yet confirmed. Because forms also carry important local information there may be minor variations around a national template.