

Jacinda de Witts
Deputy Secretary, People, Legal and Governance
Department of Transport and Planning
Level 11, 1 Spring Street
MELBOURNE VIC 3000

02 April 2026

Dear Ms de Witts,

REGULATORY IMPACT STATEMENT FOR THE ROAD MANAGEMENT REGULATIONS 2026

I would like to thank your staff at the Department of Transport and Planning (the Department) for working with the team at Better Regulation Victoria to prepare a Regulatory Impact Statement (RIS) for the proposed Road Management Regulations 2026.

The Commissioner for Better Regulation provides independent advice on the adequacy of the analysis provided in all RISs in Victoria. A RIS is deemed to be adequate when it contains analysis that is logical, draws on relevant evidence, is transparent about any assumptions made, and is proportionate to the proposal's expected effects. The RIS also needs to be written clearly so that it can be a suitable basis for public consultation.

I am pleased to advise that the final version of the RIS received by us on 17 March 2026 meets the adequacy requirements set out in the *Subordinate Legislation Act 1994*.

BACKGROUND

The *Road Management Act 2004* (the Act) provides the framework for managing public roads. Under the Act, Road authorities¹ must maintain public roads. It also bans works from being done on roads without the coordinating road authority's consent. The Act is supported by the Road Management (Works and Infrastructure) Regulations 2015 and

¹ The Act distinguishes between 'coordinating road authorities' and 'responsible road authorities'. Coordinating road authorities fulfil coordinating functions, including approving the installation of infrastructure and works on roads. Responsible road authorities fulfil operational functions, including providing and maintaining roads. Table 1 of the RIS explains the relevant authorities for different types of roads.

the Road Management (General Regulations) 2016 (collectively, the current Regulations), which are due to sunset in 2026.

The Department explains that the key parts of the Road Management (Works and Infrastructure) Regulations 2015:

- provide exemptions from the Act, such as exemptions from needing to get written consent from the coordinating road authority when conducting works, and to give notice when works are completed,
- prescribe the details needed in certain consent applications,
- reduce the timeframe by which a coordinating road authority has to respond to a consent application before consent is automatically given, and
- set out fees for applying for consent to do works.

The Department also explains that the key parts of the Road Management (General) Regulations 2016:

- provide exemptions from consultation requirements before discontinuing a road
- specify the content required in a notice of incident and specify the details required in a condition report²,
- protect roads and property by (for example) prohibiting damaging or removal of road infrastructure without a permit, prohibiting climbing on bridges, and prohibiting camping on the roadside,
- prescribe requirements when removing vehicles and other objects on roads,
- enable fees to be charged when removing objects and materials on roads,
- specify what to consider and what fees to charge when assessing applications for advertising on roads, and
- set out fees charged for requesting information relating to roads and properties.

PROBLEMS

In the RIS, the Department explains the problems of allowing the current Regulations to sunset and problems associated with the current Regulations.

If the current Regulations were to sunset, the Department explains that:

1. there would be fewer exemptions (as noted above), and that this would increase the administrative burden on several parties including (road authorities, utility companies and fire authorities),
2. no procedural or administrative guidance would exist around applying particular requirements of the Act (e.g., what must be in a consent to conduct works application, and how often road management plans must be reviewed),

² A condition report is done when there is an incident (e.g., damage to someone's car) that arises due to the condition of the road.

3. additional offences that protect people and infrastructure would not be prescribed as they are not contained in the Act, resulting in additional avoidable costs relating to personal injury and damage to vehicles, and
4. there would be no mechanism to set fees for the applications and requests, which would result in under-recovery of the costs incurred by road authorities, and that the burden of assessing these applications would fall on taxpayers more broadly. The RIS estimates that processing the Melbourne metro region's consent for works applications alone costs the Department \$1.1 million to \$1.4 million each year.

The Department also outlines additional problems that are occurring under the current Regulations:

1. The Regulations are not specific about what needs to be in a consent for works application. This causes disputes between applicants and road authorities, particularly regarding whether sufficient information has been provided – leading to unnecessary delays to road works.
2. The Regulations lack a mechanism to issue infringement notices for people leaving objects (other than vehicles) on roads. As such, objects can be left on roads longer than necessary creating significant obstructions on roads. Offences for leaving objects on roads need to be pursued in Court which can be timely and costly.
3. When a municipal road bridge is built over a railway line the responsibility defaults to the local council (as per the Act). However, compared to Head, Transport for Victoria, councils have less expertise regarding railway infrastructure's complex oversight needs. This has led to bespoke arrangements being made which in some cases have led to nobody being responsible for the bridge. Both of these cases risk the upkeep of these bridges not being adequately managed.
4. For the fees collected by the current Regulations in the Department's Melbourne metro region there is an estimated under recovery of \$202,000 to \$360,000 for application fees for the consent to conduct roadworks applications. In the same region there is an over-recovery of \$36,000 to \$59,000 for property inquiry fees. This is a problem as if fees are over or under-recovered, then they are not aligned with costs of providing that service, which is inequitable.

OPTIONS AND ANALYSIS FOR NON-FEE ELEMENTS

The Department assesses one option (Option 1) for remaking the non-fee elements of Regulations. The Department explains that only one option is considered because initial consultation with stakeholders such as local councils, state government departments, and utility providers indicated that the Regulations are largely working as intended.

Option 1 proposes to remake the Regulations with additional minor amendments:

- introduction of minimum requirements for applications for consent to do works,
- introduction of the Head, Transport for Victoria as the responsible entity for bridges over railways when it would have otherwise been the responsibility of the relevant council, and

- introduction of an offence for leaving non-vehicle objects (e.g., skip bins) on the road.

This option is assessed against the base case of the Regulations sunseting using a multi-criteria analysis (MCA) with the following criteria and weightings

	Criterion	Weighting
Benefits	Protection of public roads	20 per cent
	Management of public roads, including works	20 per cent
	Maintenance of public roads	5 per cent
	Safety	5 per cent
Costs	Costs to entities carrying out works	25 per cent
	Costs to road authorities	15 per cent
	Costs to road users and the broader community	10 per cent

Option 1 scored a net positive relative to the base case and is therefore the Department's preferred option. The Department assesses that Option 1 has significant benefits for the protection, management and maintenance of roads when compared to the base case. This is because without the Regulations, roads would have less protections from unauthorised damage. Without the Regulations there would also be unclear processes resulting in delays. The changes from the status quo improve safety outcomes. They also reduce the administrative burden on the coordinating road authorities. However, Option 1 increases the administrative burden on the entities carrying out works, resulting in moderately higher costs for these parties. Similarly, road users and road authorities will see slightly higher costs. The Department does not quantify any costs or benefits associated with non-fee elements of the RIS, but argues that the costs are outweighed by the benefits.

OPTIONS AND ANALYSIS FOR FEES

The Department assesses two options to remake the fee elements of the Regulations:

1. Option 1 – Remake the fees as they are, and
2. Option 2 – Remake the fees to enable full cost recovery. There are three sub-options of Option 2:
 - a. Option 2a: Increase fees to cost recovery for application for consent fees.
 - b. Option 2b: Reduce fees for property inquiries to cost recovery.
 - c. Option 2c: Remove fees for hoardings and advertisement applications.

These options are assessed against the base case of the Regulations sunseting using an MCA with the following criteria and weightings:

Criterion	Weighting
Efficiency	35 per cent
Equity	35 per cent
Compliance and Safety	15 per cent
Small business and participation	15 per cent

While Option 2 receives the highest score in the MCA, the Department considers the cost impacts on stakeholders to be uncertain, potentially increasing costs to entities carrying out works by \$270,000 each year. Given this uncertainty, Option 1 is selected as the Department's preferred option. Through the MCA, the Department assesses that Option 2 performs better than Option 1 for efficiency and equity because it reduces cross-subsidisation. However, the Department assesses that higher fees under Option 2 may reduce incentives to comply, which would impact compliance and safety. The Department also assesses that Option 2 may discourage small businesses from participating in the market. The RIS estimates that Option 2 will increase the fees paid by entities conducting road works by \$216,000 to \$270,000 each year. The RIS estimates that the current Regulations (Option 1) generate at least \$1 million in fee revenue each year, but notes that this figure doesn't include all of the fees and regions.


The Department presents the fee restructure in the RIS to inform stakeholders of a probable future change. Through this and consultation they seek further data, evidence and feedback to understand the appropriateness of any fee restructure.

IMPLEMENTATION AND EVALUATION

The Department explains that the proposed Regulations will commence by mid-2026. The RIS explains that road authorities such as the Department and councils will need to communicate with industry and the public about the new Regulations to inform necessary changes.

Should you wish to discuss any issues raised in this letter, please do not hesitate to contact my office on (03) 7005 9772.

Yours sincerely,



Katrina McKenzie

Commissioner for Better Regulation