**Explanatory Statement**

Issued by the authority of the Administrator of the Territory of Cocos (Keeling) Islands

*Cocos (Keeling) Islands Act 1955 (Cth)*

*Cocos (Keeling) Islands Utilities and Services Ordinance 2016*

**Cocos (Keeling) Islands Utilities and Services (Vehicle Examination Fees) Amendment (2025 Measures No. 1) Determination 2025**

**Authority**

Section 6 of the Cocos (Keeling) Islands Utilities and Services Ordinance 2016 (the Ordinance) authorises the Administrator of Cocos (Keeling) Islands to arrange for the supply and use of utilities and services about, amongst other things, vehicle examinations on Cocos (Keeling) Islands. Vehicle examinations are not specifically mentioned as a “utility or service” in the Ordinance, however the ordinary meaning of “utilities or services” includes vehicle examinations. Section 7 of the Ordinance provides that the Administrator may impose a fee for the provision of such utilities and services.

**Purpose and Operation**

The Cocos (Keeling) Islands Utilities and Services (Vehicle Examination Fees) Amendment (2025 Measures No. 1) Determination 2025 amends the Cocos (Keeling) Islands Utilities and Services (Vehicle Examination Fees) Determination 2019 (the Principal Determination).

The purpose of the amendment is to update the vehicle examination fees that apply for motor vehicle licensing and registration on Cocos (Keeling) Islands.

Under the Cocos (Keeling) Islands Act 1958, Western Australian laws apply to Cocos (Keeling) Islands. However, Cocos (Keeling) Islands is not listed as a regional area for the purposes of the Western Australian law providing for vehicle examination fees, being the Road Traffic (Vehicles) Regulations 2014 (WA)(CI) (WA Regulations). This means that under the WA Regulations, fees for vehicle inspection in non-regional areas would apply. These are not appropriate for Cocos (Keeling) Islands.

The Principal Determination and the amendment in this instrument ensure that the fees for vehicle examination are aligned with those charged in the Kimberley Region of Western Australia. This region is the most comparable region to Cocos (Keeling) Islands, warranting the imposition of the same fees.

As per the current arrangement, customers do not pay the fees to the authorised inspecting service, but directly to the Shire of Cocos (Keeling) Islands (Motor Vehicle Registry). The Shire of Cocos (Keeling) Islands is engaged by the Western Australian (WA) Department of Transport to provide motor vehicle registry services on behalf of the Australian Government in the Cocos (Keeling) Islands.

**Impact and Effect**

The Determination does not create any additional regulatory impacts for vehicle owners.

The Determination increases vehicle examination fees currently paid by customers for vehicle examinations on Cocos (Keeling) Islands by an average of 19.14 per cent.

The Determination aligns the vehicle examination fees with the Western Australian Department of Transport’s Kimberley region as set out in the WA Regulations in force on 1 July 2025.

The fees for vehicle examination services on Cocos (Keeling) Islands displace any fees that otherwise apply under an applied WA law. These fees are not to be indexed, and are to continue to apply until this instrument is amended or repealed.

**Basis for Determining Charges for Service**

The Australian Government’s objective is to align, as far as practical, conditions and standards in the Indian Ocean Territories, which includes Cocos (Keeling) Islands, with those in comparable communities in the rest of Australia. It aims for full cost recovery across the range of operations, however it is acknowledged that for some locations this may not be achievable. Cocos (Keeling) Islands is a place where recouped fees are currently less than the cost of providing those services.

It is Australian Government policy that, wherever possible, there should be parity in the cost of the provision of state-type services on Cocos (Keeling) Islands with those applied in similar remote Australian mainland locations. The Australian Government contracts the Western Australian Department of Transport to deliver transport services to Cocos (Keeling) Islands. This relationship is managed through a Service Delivery Arrangement (SDA) between the Western Australian Department of Transport and the Australian Government. As part of the SDA, the Western Australian Department of Transport provides advice in relation to the cost of providing vehicle examination fees.

Vehicle examination fees for Cocos (Keeling) Islands are derived from fees set by the WA Department of Transport for the Kimberley region of Western Australia (as defined by the Western Australian Department of Transport). In 2021, the Kimberley region was selected as the most comparable region with Cocos (Keeling) Islands given the Australian Government Commonwealth Grants Commission report on the Indian Ocean Territories 2007, which lists a number of towns in the Kimberley as ‘comparable communities’.

The Western Australian Department of Transport vehicle inspection fee schedules are reviewed annually through a survey of Approved Inspection Stations (AIS) providers in the Perth metropolitan area to collect their current hourly mechanical rates and the average time it takes to carry out different types of inspections. Fees are based on an average market rate for mechanical services (hourly rate) multiplied by the time taken to perform an inspection, rates and times. The amount is then increased by the relevant Regional Price Index (RPI) and an administration fee added. The RPI, developed by the Western Australian Department of Primary Industries and Regional Development, is considered the most appropriate measure available for calculating the cost differentials between Perth and the regions. Vehicle inspection fees for the Kimberley region are increasing in 2025 due to an increase of the mechanical market rate for vehicle examinations, inspection times, and, AIS providers reporting spending more time on administrative tasks to meet Department of Transport requirements.

**Consultation**

There was no consultation with residents of Cocos (Keeling) Islands because the Determination is administrative in nature and contributes to the ongoing cost of operating this service.

As the vehicle examination fees are reviewed annually and are based on the same methodology as is used for remote WA locations, it is considered that the independent scrutiny of the WA Government is the most thorough process to adopt.

The Western Australian Department of Transport vehicle examination fee schedules are reported annually in the WA State Budget - Budget Paper No. 3 Economic and Fiscal Outlook.

Following registration of the Determination on the Federal Register of Legislation, the

Cocos (Keeling) Islands community is informed of the vehicle examination fees through a Community Bulletin issued by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts.

**Summary of the Determination**

The Determination amends the Principal Determination to update the fees payable for vehicle examination fees on Cocos (Keeling) Islands.

The Determination is a legislative instrument for the purposes of the *Legislation Act 2003* and is not subject to the default sunsetting requirements and disallowance*.* The Determination commences the day it is registered.

Details of the Determination are set out in Attachment A.

**Statement of Compatibility with Human Rights**

*Prepared in Accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Attachment A**

**Details of the Cocos (Keeling) Islands Utilities and Services (Vehicle Examination Fees) Amendment (2025 Measures No. 1) Determination 2025**

**Section 1 – Name**

This section provides that the name of this Determination is the *Cocos (Keeling) Islands Utilities and Services (Vehicle Examination Fees) Amendment (2025 Measures No. 1) Determination 2025.*

**Section 2 – Commencement**

This section provides that this Determination is to commence on 4 July 2025.

**Section 3 – Authority**

This section provides that this Determination is made under paragraph 7(2)(a) of the *Cocos (Keeling) Islands Utilities and Services Ordinance 2016.*

**Section 4 – Schedules**

This section indicates that instruments specified in a Schedule to this instrument are amended or repealed as set out in the applicable items in the Schedule concerned.

**Schedule 1 – Amendments**

*Cocos (Keeling) Islands Utilities and Services (Vehicle Examination Fees) Amendment (2025 Measures No. 1) Determination 2025*

This Schedule provides the following amendments to the Principal Determination.

Schedule 1(1) repeals table in Subsection 5(1) (table items 1 to 4) and replaces with a new table which has the effect of amending vehicle examination fees payable in Cocos (Keeling) Islands.

|  |  |  |
| --- | --- | --- |
| 1 | Heavy vehicle | (a) first examination—$ 306.25;(b) subsequent examination—$ 183.80 |
| 2 | Trailer without brakes, motor cycle, motor carrier | (a) first examination—$ 195.25;(b) subsequent examination—$ 155.25 |
| 3 | Vehicle not covered by table item 1 or 2 | (a) first examination—$ 241.05;(b) subsequent examination—$ 163.80 |
| 4 | Any vehicle covered by table item 1, 2 or 3 | verifying the vehicle’s identity or specifications—$ 175.30 |

Schedule 1(2) omits the wording in Subsection 5(2) ‘1 July 2024’ and substitutes with ‘4 July 2025’.

**Attachment B**

## Statement of Compatibility with Human Rights

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

**Cocos (Keeling) Islands Utilities and Services (Vehicle Examination Fees) Amendment (2025 Measures No. 1) Determination 2025**

***Overview***

The Determination amends the Principal Determination to update the fees payable for vehicle examination fees on Cocos (Keeling) Islands.

***Human rights implications***

Nil.

***Conclusion***

The instrument is compatible with human rights as it does not raise any human rights issues.