



Brotherhood
of St Laurence

Working for an Australia free of poverty

Submission to the Victorian Parliament's Law
Reform, Road and Community Safety Committee

Inquiry into Lowering the Probationary
Driving Age in Victoria to 17

Brotherhood of St Laurence

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Introduction

The Brotherhood of St Laurence's experience in delivering micro-credit products and services over a number of years has highlighted the significant role that inadequate transport, particularly private transport, plays in the lives of Australians experiencing financial exclusion. As the principal means of maintaining employment as well as social connectedness, the private motor vehicle is an essential asset for many Australians. Reliance is particularly strong in outer-suburban Melbourne and regional areas. Low-income individuals and families heavily dependent on private vehicles confront situations in which the cost of maintaining private transport impacts disproportionately on family income, and in extreme cases exceeds it.

This submission focuses on the relationship between having a driving licence, employment and financial capability, the last being the vital means by which many young Victorians can access the transport they need. Importantly, while the Committee's terms of reference require it to examine impacts of the driving licence age in regional Victoria, the submission argues that significant licensing impacts are also felt in outer suburban Melbourne due to the high dependency on private vehicle access in those suburbs.

Private vehicle dependency in Victoria

Victorians living in outer suburban and regional areas are critically dependent on private vehicle transportation for employment and training. The 2008 Eddington Report into Melbourne's East West transport needs reported that:

Transport systems play an important role in reducing social disadvantage by providing access to jobs, services and social networks. People and households without access to sufficient affordable transport are considered to be 'transport disadvantaged'. In areas where public transport is not readily available, people without access to a car are likely to experience significant disadvantage. In particular, older people, people with a disability, young people and people who have difficulty understanding English are more likely to have problems accessing transport and are more likely to experience longer travel times to services, jobs and activities.¹

Car dependency does not vary as much between outer suburban Melbourne and regional Victoria as it does between outer and inner suburban Melbourne. Car use for employment rises with distance from the CBD. ABS data reveals that two-thirds of those aged 15 or older relied on cars to transport themselves to work, the vast majority as drivers rather than passengers (see Table 1).

¹R Eddington 2008, *Investing in transport: East West Link Needs Assessment report*, p. 40.

Table 1: Car dependency for employment in outer suburbs and regional Victoria

Suburb	Direct distance from CBD (km)	Population aged 15 yrs + using cars for employment (%)	Percentage points different from Vic. average of 66.0%
Coldstream	37	69.8	+ 3.8
Craigieburn	36	74.9	+ 8.9
Pakenham	61	76.0	+ 10.0
Pearcedale	49	72.9	+ 6.9
Whittlesea	36	74.4	+ 8.4
Wyndham Vale	31	73.2	+ 7.2
Traralgon	145	76.3	+ 10.3
Shepparton South	180	78.9	+ 12.9
Portland	335	73.2	+ 7.2

Source: Calculations from ABS Census 2011 QuickStats data

A measure of the necessity of cars for outer suburban Melbourne residents is provided by the following comparison. ABS data recorded Pearcedale's population in 2011 as 3,871, of whom 3,080 were aged 15 or older. Vehicle ownership figures indicate that 200 households operated one vehicle, 523 households operated two vehicles and 476 households operated three or more. Thus, a population of 3,080 aged 15+ operated at least 2,674 vehicles. Excluding 15, 16 and 17-year-olds produces an adult population comparable to the number of vehicles. In contrast, inner-city Richmond had an estimated 22,830 residents aged 18+ with at least 12,343 cars. This represents approximately half the vehicle dependency of the outer suburb.²

Links between private vehicle access and employment and training

Detailed research into the role of private vehicles in the Australian labour market is scanty and BSL believes further local research should be undertaken. An indication of the extent of car dependency for employment and training in regional areas can be gleaned, however, from reports such as the Department of Employment's Gippsland Regional Education, Skills & Job Plan 2012–2014 which identified transport connectivity as a key issue:

The Gippsland Tertiary Education Plan identifies that a major factor for not participating in higher education was reported as cost, largely relating to the costs of travel, relocation and accommodation incurred due to the need to relocate away from home to undertake further education. Other factors were availability of part-time work to supplement income; and the need to rely on private vehicles due to the lack of reliable and timely public transport.³

The plan anticipated employment growth in sectors including construction, horticulture and tourism that are, due to location and seasonality, more dependent than others on worker mobility. At the same time the plan recognised that:

many older people will exit the workforce over the next five years, replaced by part-time and casual workers. According to Skills Victoria, Gippsland school leavers and other young

² ABS Quick Stats at < <http://www.abs.gov.au/census>>

³ Department of Employment 2013, *Regional Education, Skills and Jobs Plan – Victoria – Gippsland*, p. 11.

people migrate to cities in search of better employment and education prospects and are not likely to fill the part-time and casual jobs available.⁴

The inability of Gippsland school leavers to overcome transport barriers to access local employment and training not only encourages them to gravitate to Melbourne but creates challenges in filling future vacancies in local industries.

The lack of Australian research into the role that private vehicles play in employment and further training contrasts with numerous US studies on the impact of affordable car provision programs. Over the past two decades more than a hundred different services have operated in the United States, many based on concessional loans for reliable vehicles. Findings include:

- A 2011 evaluation of *Ways to Work* found that over 90% of respondents indicated a program-provided car helped them to maintain or improve their employment circumstances while 26% indicated they had increased their educational attainment since receiving the program loan.⁵
- A 2002 analysis of West Virginia's *Good News Mountaineer Garage* program by researchers Marilyn Lucas (University of Vermont) and Charles Nicholson (Cornell University) found recipients reported a higher quality of life, increased school activities for their children and better access to child care and medical care, concluding that it resulted in 'a statistically significant increase in both earned income and the probability of employment'.⁶ A later 2010 report found 80% of the program clients were working a year later, the vast majority of them no longer receiving welfare support.⁷
- In 2005 the *Journal of Urban Economics* published research undertaken by the University of Tennessee's Tami Gurley and Donald Bruce into the effects of car access on employment, weekly hours of work and hourly wages of Tennessee welfare recipients, concluding that:

car access generally increases the probability of being employed and leaving welfare. Car access also leads to more hours of work for welfare recipients with a work requirement and enables participants to find better-paying jobs.⁸

Much US research necessarily reflects the generally poorer provision of public transport across metropolitan areas than is the case in Australia. However, some US researchers have examined the role and impact of cars in localities where public transport is well developed. For example, a study published in 2000 by the University of California Transport Centre into the value of transportation in welfare to work transitions examined welfare recipients in two Californian counties and found that car ownership, along with educational attainment, increased the likelihood of a successful move into work. Significantly, the research identified that increased 'automobility' had a much stronger transitional impact than improvements in transit mobility.⁹

Similarly, in 2006 the *Journal of Poverty* published data from Sara Lichtenwalter's study of low-income Pittsburgh mothers, comparing outcomes of those with car access to those dependent on public transport. Lichtenwalter found that women with private vehicles reported higher 'transportation advantage' and employment outcomes than even those with the best public transport

⁴ *ibid.*, p. 12.

⁵ Ways to Work 2011, *Evaluation of the National Ways to Work Program*, p. 29.

⁶ <http://dyson.cornell.edu/research/researchpdf/wp/2002/Cornell_Dyson_wp0224.pdf>

⁷ <www.goodnewsmountaineergarage.com/docs/RoadToSuccess>

⁸ <<http://web.utk.edu/~dbruce/jue05.pdf>>, p.1.

⁹ R Cervero, J Landis, JO Sandoval, & M Duncan 2000, *The transition from welfare-to-work: policies to stimulate employment and reduce welfare dependency*, University of California Transportation Centre.

services.¹⁰ Her work reinforces an earlier study which found that welfare recipients in Atlanta, Baltimore, Dallas, Denver, Milwaukee and Portland, cities featuring better than average urban public transport and regional employment access, ‘were not more likely to find employment and leave public assistance compared with other TANF recipients’.¹¹

While none of the research cited above specifically related to employment outcomes for younger Americans, BSL believes that, notwithstanding the differences between the Australian and US labour markets, it is reasonable to conclude that access to affordable and reliable vehicles generates positive employment outcomes regardless of the age of the worker involved.

Recommendation 1:

That the Victorian Government, through the Department of Economic Development, Jobs, Transport and Resources, initiate research to accurately measure private vehicle dependency for employment and training in regional areas and outer suburban growth corridors by reference to young jobseekers’ licence and vehicle access status information held by job service providers as well as other information sources.

Victoria’s supervised driving obligation

The introduction of mandated supervised driving for learner drivers aged under 21 across Australia represents a new era in the licensing process. State legislatures have justified the new requirement in terms of the reduced risk of road trauma. As Table 2 shows, however, there is little consistency among the different regimes, with minimum requirements varying from 50 to 120 hours, alongside an inconsistent minimum graduated licensing age. The two territories have no supervised driving obligation at all.

Of the six jurisdictions to adopt mandated learner driver hours, Victoria’s requirements are the most onerous. Learner drivers under the age of 21 are required to accumulate 120 hours of logged supervised driving prior to a licence test, at least 10 of these at night. The New South Wales concession of registered driving instructor supervision counting for three times the hours of volunteer supervision is not available. In Victoria exemptions are available where applicants can:

demonstrate to VicRoads, by providing supporting documentation, that he or she and/or their immediate family will suffer undue hardship as a result of completing the Learner Log Book requirements due to the nature of the learner’s occupation, employment or family circumstances.¹²

It is not known how many exemptions are granted or on what grounds.

¹⁰ S Lichtenwalter, G Koeske & E Sales 2006, ‘Examining transportation and employment outcomes: evidence for moving beyond the bus pass’, *Journal of Poverty*, vol. 10, no. 1, pp. 93–115.

¹¹ T Sanchez, Q Shen, & Z Peng 2004, ‘Transport mobility, job access and low income labour participation in US metropolitan areas’, *Urban Studies*, vol. 41, no. 7, pp. 1313–31.

¹² VicRoads online application form

Table 2 Mandated learner driver supervision in Australia 2016

State or territory	Minimum learner driver age	Total mandated learner hours	Minimum night driving hours	Minimum probationary or provisional licence age
ACT	15.75	0	0	17
NSW*	16	120	20	17
NT	16	0	0	16.5
QLD	16	100	10	17
SA	16	75	15	17
TAS	16	50	0	17
VIC	16	120	10	18
WA	16	50	0	17

* NSW has trialled a special remote area licence which allows people in specified areas to obtain a restricted licence after only 50 hours of supervised driving experience, including 10 hours of night driving. The aim of the trial was to facilitate access to work, education and medical appointments.

An obligation of 120 hours entails a very significant commitment of time for both learner drivers and their supervisors. For the learner driver who attains their permit at age 16 and intends to gain a licence at 18, the obligation averages five hours per month. Practicalities, however, push this average higher. For example, learners are commonly advised to achieve more than the 120 hours to ensure that they are not disadvantaged by log book discrepancies that can result in some recorded hours being disregarded. Also many young people do not attain their learner permits immediately on turning 16, thus reducing the time for supervised driving before turning 18. Given the challenge of maintaining regular driving sessions amid school and other commitments, the average supervised driving requirement can be considerably higher than five hours per month.

At the time the Victorian mandated supervision was adopted, it was assumed that supervision could easily be drawn from family resources. This is not a reasonable presumption for all Victorian families. Single parents, for example, would find the supervision impossible if younger children cannot be left alone. Similarly, parental shift work, lack of access to a reliable vehicle and unlicensed parents all make achieving the target harder for some learner drivers.

Apart from an unknown number of exemptions from mandated driving supervision, the Victorian Government's recognition of the inability of some younger Victorians to source family supervision consists of its support of the L2P program, a Rotary Club initiative that has grown into a state-wide service supported by local government. The program typically involves a funded program coordinator who liaises with clients, volunteers (also known as mentors) prepared to supervise learner drivers, and professional driving instructors who provide limited support. Mentors undergo a four-week training and accreditation course involving a total of about ten hours of instruction. In all cases dedicated cars are provided and their use coordinated through an on-line booking program accessed by mentors.

The L2P program plays a vital role in assisting learners but has serious limitations. Program cars have to be collected from storage points and mentors are not always located close to learner drivers. In addition to the actual supervision the mentor may spend at least as long in collecting the vehicle and driving to the agreed meeting point. The experience of a BSL Senior Manager, Tony Robinson, who acted as a mentor driver in a Wesley Youth L2P program is instructive. Two and a

half years of partnering with a learner driver living 11 kilometres away achieved only 50 hours of logged driving, less than half the required total. BSL's Kangan Youth Foyer has a similar experience, Senior Manager Sally James noting that:

The Hume L2P program has generously allotted two mentor drivers to exclusively mentor Foyer students. However, considering nine students need to gain 120 hours each (all are currently under 10 hours) it is in the region of 1,000 hours of mentor time to get to a point of qualifying for P plates. It will take two mentors years to make up these numbers.

L2P mentors can also be difficult to recruit. The Hume L2P program struggled to maintain enough volunteers to make full use of its vehicles, with one eventually removed from the program.

When Australia's graduated licensing system (GLS) is viewed in isolation, the case for deferring the age of licensing is easily substantiated by data that suggests older drivers with more driving experience are safer drivers. Indeed, on this basis measures encouraging older age licensing were recommended in 2014 by the Austroads Road Safety Taskforce.¹³ But is it reasonable to allow policy to be formulated without considering the importance of private vehicle to the engagement of young Australians aged 18 to 21 in the labour market, higher education and training? The GLS is the gateway to independent private vehicle access: without a licence, participation in employment and training becomes more difficult. This is particularly the case for those young Australians unable to secure from their family the voluntary supervisory support that is now an implicit part of the GLS. The Victorian Government's insistence on a strict mandatory supervised driving obligation has created an unintentional barrier for younger Victorians seeking licences, albeit one that can be justified in terms of its contribution to reducing road trauma. Any consideration of lowering the probationary licence age to 17 must take into account the additional pressure this will place on young Victorians and the existing L2P program.

Recommendation 2:

That the Victorian Government boost funding for the state-wide L2P program, in order to speed up the rate at which learner drivers can progress through their mandated driving hours.

Recommendation 3:

That the Victorian Government consider the substantial additional demand that will be placed on the L2P program as part of any consideration it gives to lowering the driving licence age.

Recommendation 4:

That part of the funding boost to L2P be used to encourage more volunteers to join the program as mentor drivers.

¹³ Transport NSW Centre for Road Safety 2014, *Australian graduated licensing scheme policy framework*, p. 6.

The risk of licensing non-compliance

Any consideration of the current Victorian GLS needs to include the risk of non-compliance. Given the difficulties that some young Victorians face in accessing the supervision needed prior to obtaining a licence, it is reasonable to assume that some, not willing to delay driving until the obligation no longer applies at age 21, choose instead to drive while unlicensed. This presents far more than inconvenience for regulators; unlicensed driving involves significantly greater risks. A 2013 Austroads report reviewed literature about unlicensed driving which showed that:

driving illegally by those without a valid licence is common on Australian roads and ... unlicensed motorists have a greater risk of crash involvement than appropriately licensed motorists. Among those without licences, between 30% and 70% drive at least sometimes. Fatal crash data indicate that between 10% and 20% of such crashes involve unlicensed motorists.¹⁴

Those driving unlicensed were those whose licences had been suspended and those who had never been licensed. They were:

more likely to be male, aged in their twenties, Indigenous, to have criminal histories, and to drink and drive. Rural or remote locations and a lower socioeconomic status are also over represented. Those who have never held a licence are more likely to use drugs and to engage in sensation-seeking behaviours.¹⁵

Reasons for unlicensed driving varied but:

many unlicensed motorists cite the need to drive for employment. In remote and regional areas, the long distances that need to be travelled and the lack of available alternative transport options make it difficult to manage without driving. Many will weigh up the inconvenience of not driving with the perceived low likelihood of detection for driving without a valid licence, and will choose to drive.¹⁶

The report recommended 'encouraging the uptake of licences for people who, for whatever reason, are outside of the licensing system'.¹⁷

In the absence of resources to overcome the burden of the new obligation to complete 120 hours of supervised driving, it is reasonable to presume that more young Victorians will drive while unlicensed than prior to 2008, exposing themselves and others on the roads to greater risk of injury.

While unlicensed and inexperienced drivers face the greatest risk of injury, road injury risks remain higher in regional areas. South Australian research considered the link when introducing its mandated supervised driving requirements:

Some of the proposed changes will affect the independence of young drivers, their families and friends, particularly in rural communities. However, it is important to note that young drivers aged 16 to 19 years in rural South Australia are 2½ times more likely to die or be injured in a crash than their peers in metropolitan Adelaide. Saving young people's lives

¹⁴ Austroads 2013, *Developing measures to reduce unlicensed driving*, p. 2.

¹⁵ *ibid.*

¹⁶ *ibid.*, p. 3.

¹⁷ *ibid.*

must take precedence over concerns about mobility and inconvenience, particularly when some restrictions would apply only to one year of a person's life.¹⁸

The Brotherhood of St Laurence believes that achieving licensed driver status is vital to enable young Victorians living in outer suburban and regional locations to enter the workforce and access post-secondary school training. Failure to obtain a licence increases the likelihood of unemployment and social disconnection, at the same time increasing the risks of unlicensed and unsafe driving. Gaining a licence helps prepare young Victorians for life beyond school and, in locations of high private vehicle dependency, the interest in obtaining a licence coincides with the later years of secondary schooling. BSL therefore believes that a specialised driving assistance program for secondary students lacking the family support needed to achieve the mandated 120 hours is warranted, particularly in areas with both high unemployment and high car dependency. The aim of a specialised service would be to provide, via a full-time supervisor and new complementary volunteer resources, intensive driving supervision to help each participant more quickly obtain their driving licence, ideally as soon as practicable after their 18th birthday.

Recommendation 5:

That the Victorian government provide funding to the L2P program to develop and pilot a specialised intensive supervised driving service in an area with high unemployment and vehicle dependency. The pilot should be developed in consultation with local secondary schools so that students lacking the family support needed to obtain a licence can be given priority.

Access to reliable vehicles

Although the Committee's terms of reference are based on the Victorian driving licence regime, it should not be presumed that obtaining a licence is the only barrier to improving access to employment and training in outer suburban and regional areas. Many Victorians lack access to a reliable vehicle, making it difficult to secure and maintain employment or training placements.

Unreliable vehicles are not just an impediment to employment and training but a drain on the limited resources of low-income Australians. Data from a range of concessional lending programs provides an insight into the impact on low-income families of the ongoing maintenance and repair demands of cheap, unreliable vehicles:

- A 2013 Centre for Social Impact review of StepUp loans revealed that motor vehicles were the primary purpose of almost 64% of 500 loans analysed in the report.¹⁹
- A 2009 evaluation of *Progress Loans*, a since discontinued concessional product developed by ANZ with the assistance of BSL, found that about a third of loans issued were for vehicle-related purposes. In response the maximum loan was raised from \$3000 to \$5000. The subsequent 2011 evaluation indicated car-related loans had doubled, to almost 60% of loans issued.²⁰

¹⁸ South Australia Police 2013, *Talkin' road safety*, no. 2, special edition, <https://www.police.sa.gov.au/__data/assets/pdf_file/0019/2638/road_safety_newsletter_special_editions_issue_2.pdf>

¹⁹ The Centre for Social Impact 2013, *A little help goes a long way: measuring the impact of the StepUp Loan program*, p. 19. Step Up loans are offered by NAB at a concessional rate of interest.

²⁰ Vawser & Associates 2011, *Progress Loans evaluation*.

- The In-Roads CDFI pilot, aimed at low-income earners, issued 23.4% of its concessional loans for vehicle-related purposes. One of the agencies delivering the program, St Luke's Anglicare, identified private vehicles as the main purpose for loans.²¹

In addition, a review of payday lending in Victoria in 2008 drew upon work by the Consumer Action Law Centre (CALC) which identified over 20% of payday lender loans being used for car repairs.²²

Anecdotal advice from NLS providers is that some car-purpose loans are for compulsory registration fees. At the same time it is widely accepted that a small percentage of Victorian drivers do not register their vehicles and a greater number are unable to pay for insurance cover that protects them from financial loss arising from theft or accident.

The above evidence supports the view that low-income households, particularly those in outer suburban Melbourne and regional Victoria, face greater financial challenges in maintaining private vehicle access. Teenagers in these families face the dual obstacle of not only having to secure family or community resources to complete their 120 hours of supervised driving but also needing access to a reliable vehicle. The age at which the driving licence might be obtained is immaterial where no vehicle is available to the young jobseeker or post-secondary student.

BSL believes that optimising employment and training opportunities for younger Victorians in outer suburban and regional areas will only be possible if pathways to secure, reliable and affordable motor vehicles can be developed. BSL believes the Victorian Government should assist the piloting of an affordable car provision program, the preferred model being one in which vehicles are leased at affordable rates to eligible jobseekers. The extensive US experience of affordable car provision programs provides useful guidance as to how such an initiative could operate in Victoria.

Recommendation 6:

That the Victorian Government seek expressions of interest from the community sector for the development of a pilot vehicle access program that will provide young Victorians the opportunity to access affordable and reliable private vehicles in order to secure and maintain employment. The pilot site will be an area of identified transport disadvantage and a condition of the pilot will be that vehicles remain insured and registered by the provider for the duration of their provision.

²¹ A Plant & S Warth 2013, *Community Development Financial Institution Pilot evaluation report*, p. 66.

²² R Scott MP 2008, *Report of the Small Amount Lending Inquiry*, p. 18.