

2002

**THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY**

ROAD TRANSPORT (GENERAL) ACT 1999

**DECLARATION THAT THE ROAD TRANSPORT LEGISLATION
DOES NOT APPLY ROADS AND ROAD RELATED AREAS**

EXPLANATORY STATEMENT

Circulated by authority of

Bill Wood MLA
Minister for Urban Services

AUSTRALIAN CAPITAL TERRITORY

DISALLOWABLE INSTRUMENT DI2002 - 20

EXPLANATORY STATEMENT

Subsection 12(1) of the *Road Transport (General) Act 1999* empowers the Minister to declare that the road transport legislation does not apply to a road or road related area. The notice, by virtue of subsection 12(3), is a disallowable instrument for the purposes of section 10 of the *Subordinate Laws Act 1989*.

This instrument declares that the road transport legislation does not apply to the roads and road related areas used by a vehicle participating in rally car testing in remote forest areas in the ACT, as part of preparation arrangements for competing in the Subaru Rally of Canberra.

The event is held under the auspices of the Confederation of Australian Motor Sport (CAMS). The CAMS Motor Sport Policy provides up to \$100 million of general liability cover for any one occurrence, subject to the terms, conditions and limitations of the Policy. However, this Policy does not cover third party injury claims where Compulsory Third Party (CTP) insurance is in force, except where specifically excluded by law.

The declaration removes the CTP provisions from applying during the rally car testing session, thereby enabling the CAMS liability insurance to take over responsibility for motor accident injury claims arising from the event.

Even though this instrument declares that the CTP provisions do not apply to certain road and road related areas used for rally testing activities, the declaration does not remove the indemnity provided to a CTP insured vehicle. The owner and driver of an at-fault CTP insured vehicle continue to be indemnified against claims by an injured party. The declaration cannot override the contract that exists between the insured (ie the owner/driver of the vehicle) and the ACT CTP insurer (ie NRMA Insurance Limited). It does, however, operate to remove an element of cross-subsidisation of motor sport participants by the general motoring community by shifting any injury claim costs from the NRMA (and ultimately ACT motorists) to the CAMS insurer.

The declaration also has the effect of suspending the road rules during the testing session, in particular rules regarding speeding vehicles.