

2001

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

INSTRUMENT NO. 107 OF 2001

ROAD TRANSPORT (GENERAL) ACT 1999

EXPLANATORY STATEMENT

Circulated by authority of

Brendan Smyth MLA
Minister for Urban Services

AUSTRALIAN CAPITAL TERRITORY

INSTRUMENT No. 107 OF 2001

EXPLANATORY STATEMENT

The *Road Transport (General) Act 1999*, under subsection 13(1) empowers the Minister to declare that a provision of the road transport legislation does not apply to a person or vehicle in a place or circumstance by notice published in the Gazette. The notice, by virtue of subsection 12(3), is a disallowable instrument for the purposes of section 10 of the *Subordinate Laws Act 1989*.

The GMC 400 V8 Supercar Race and a number of support races will be conducted on a road circuit in the Parliamentary Triangle from 8 January 2001 to 10 January 2001.

As the cars competing in this event are unregistered and hold no compulsory third party insurance, the ACT Nominal Defendant is on risk for any injury arising from the use of these vehicles where fault is proven. Similarly, the ACT CTP insurer is on risk in relation to any ACT road registered and CTP insured vehicles participating in support events. The cost of claims against the Nominal Defendant or the CTP insurer (NRMA) ultimately impacts on the CTP scheme costs.

The event is held under the auspices of the Confederation of Australian Motor Sport (CAMS). The CAMS motor sport insurance provides up to \$100 million of general liability cover for any one occurrence. The CAMS policy will not respond to motor vehicle injury claims except where CTP insurance is specifically excluded by law.

This instrument seeks to exclude the CTP provisions from applying to the owners and drivers of competing and support vehicles while operating on the race circuit. This action will have the effect of shifting possible claim costs from the Nominal Defendant and the NRMA (costs which will ultimately be borne by the ACT motorist through higher premiums) to the CAMS insurer.

The instrument does not remove the right of an injured person to claim against the CTP scheme where the NRMA is the CTP insurer of the vehicle. The declaration cannot override the contract that exists between the insured (owner/driver of the vehicle) and the insurer. The removal of the CTP legislation does however enable the CAMS liability insurance to expand to assume responsibility for motor accident claims arising from the event, thereby removing an element of cross-subsidisation of motor sports participants by the general motoring community.

Interstate CTP insured vehicles are unaffected by the declaration.