

1992

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

NRMA - ACT ROAD SAFETY TRUST BILL 1992

EXPLANATORY MEMORANDUM

Circulated by Authority of the Minister For Urban Services

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Authorised by the ACT Parliamentary Counsel—also accessible at www.legislation.act.gov.au

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Explanatory Memorandum

Background

In 1991, the NRMA announced that it had accrued excess profits from compulsory third party insurance premiums and sought an equitable way to distribute the funds. As it would have been impracticable to return the moneys to NRMA members, it was decided that a trust fund would be established containing a sum of \$10 million for the purposes of projects which enhanced motoring safety in the ACT. This would not only benefit NRMA members, but other members of the community as well.

This Bill formally establishes the NRMA - ACT Road Safety Trust as a charitable trust that will operate for public charitable purposes. Legislation is necessary because execution of the Trust Deed by itself cannot guarantee that the objects and purposes of the trust will be held to be charitable. If the objects and purposes are not held to be charitable the Trust will fail and the ACT may not get the proposed benefits.

The objectives and purposes of the Trust, the powers and responsibilities of the Trustees and other matters relating to the proposed functions and operations of the Trust are set out in the Trust Deed contained in the Schedule to the Bill. The Trust will be administered by five Trustees, two of whom are ACT Government nominees. The Trust itself is independent of the ACT Government or NRMA Insurance Ltd.

The Bill also exempts from any legal liability the Trustees, the NRMA, the Territory and any person acting under their direction. This is particularly important for non-Government Trustees who might not have the same protection afforded to employees of the Government. This will ensure that the Trust's activities can be carried out effectively without unnecessarily restrictive constraints imposed by potential legal actions that might otherwise arise.

Financial Considerations

There are no direct costs associated with the Bill.

Details of the Bill are included in the Attachment

ATTACHMENT

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Clauses 1 & 2 deal with the short title of the Bill and matters which are necessary for an understanding of the Bill.

Clause 3 provides that the Bill becomes effective when a document which complies substantially in form with the Trust Deed contained in the Schedule, is executed.

Clause 4 has the effect of binding the Crown so that the Territory Government and its officers and employees must comply with the provisions of the Bill, other than clause 6.

Clause 5 specifies that the Trust referred to in the Bill is a valid charitable trust and the Trust Fund is established for public charitable purposes.

Clause 6 protects the ACT Government, NKMA Insurance Ltd, their nominated Trustees and any persons acting under the direction or authority of the foregoing from any legal action, suit or proceeding that could arise from any act either done or omitted to be done, in good faith, in pursuance of the purposes of the Trust, or in connection with matters pertaining to the activities of the Trust.

Schedule This contains the form of the Trust Deed to be executed in order to give effect to the proposal. It deals with matters such as the parties to the Deed, the objects and purposes of the Trust, the types of grants which may be made from the Trust Fund, the powers of the Trustees, the liability and indemnities of the Trustees and various administrative procedures.