

2001

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

ROAD TRANSPORT (GENERAL) ACT 1999

**DECLARATION THAT A PROVISION OF THE ROAD
TRANSPORT LEGISLATION DOES NOT APPLY TO
CERTAIN PERSONS AND VEHICLES**

INSTRUMENT No. 1 OF 2002

EXPLANATORY STATEMENT

Circulated by authority of

Bill Wood MLA
Minister for Urban Services

AUSTRALIAN CAPITAL TERRITORY

INSTRUMENT No. 1 OF 2002

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. 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 15th Summernats Car Festival is to be held at Exhibition Park in Canberra (EPIC) from 3rd January 2002 to 6th January 2002. This event stages a number of competitive motor vehicle events, including burnouts, horsepower performance tests, speed tests and driving skills contests. The vehicles that compete in these events may be highly modified registered or unregistered vehicles, which due to their alterations may be unable to comply with Australian Vehicle Standards or Australian Design Rules.

Consistent with the generally held view that the promoter of a motor sport event should be responsible for any accident claims arising from their event, the promoter of Summernats has acquired a public liability insurance policy to cover the risk of injury claims arising from his event. The policy provides up to \$20 million of general liability cover for any one occurrence, subject to the terms, conditions and limitations of the policy.

The declaration removes the compulsory third party insurance (CTP) provisions from applying to the owner and driver of any vehicle participating in the event. Vehicles attending the event in any other

capacity, such as service or trader vehicles, etc, are unaffected by the instrument. This means that the Summernats public liability insurance will respond to motor accident injury claims arising from vehicles participating in Summernats activities, while the CTP insurer will respond to claims arising from vehicles not participating in event activities.

Even though this instrument declares that the CTP provisions do not apply to certain persons and vehicles participating in Summernats activities, the declaration does not remove the indemnity provided to CTP insured vehicles. 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 Summernats' insurer.

Although the Summernats event officially ends at 6pm on 6th January 2002, the declaration extends the period when participating vehicles may be used within EPIC to 10am the following day to allow participants who have camped overnight to recover from the activities prior to exiting the EPIC grounds.