

## AUSTRALIAN CAPITAL TERRITORY

### ROAD TRANSPORT (GENERAL) (APPLICATION OF ROAD TRANSPORT LEGISLATION) DECLARATION 2006 (No 2)

#### DISALLOWABLE INSTRUMENT – DI2006-22

#### EXPLANATORY STATEMENT

Subsection 13(1) of the *Road Transport (General) Act 1999* (the Act) empowers the Minister to declare that the road transport legislation does not apply to a vehicle, person or animal in a place or circumstance stated in the declaration. Subsection 13(3) of the Act makes such a declaration a disallowable instrument for the purposes of the *Legislation Act 2001*.

This instrument declares that the road transport legislation does not apply to the ACT roads and road related areas used for the special stage of the Subaru Rally of Canberra Launch and Sponsors Day, to be held on 10 February 2006 in the Greenhills Forest.

All participating vehicles are road registered and are compulsory third party (CTP) insured. The security arrangements are similar to those for a rally, including warning signs, the locking of access gates to the surrounding area of forest, and manned road closures while the activity is taking place.

Insurance cover for the event is provided by the insurance indemnity agreement between the ACT Insurance Authority (ACTIA) and Australian Capital Tourism, which provides up to \$300 million in general liability cover for any one occurrence.

The declaration suspends the CTP provisions of the Act for the special stage of the rally launch and sponsors day. This is to remove any doubt that Australian Capital Tourism's insurance indemnity agreement with the ACT Insurance Authority (ACTIA), rather than CTP insurance, will be responsible for meeting any claims arising from the activity.

The declaration does not affect the right of an injured person to claim against the CTP insurer of a vehicle causing injury or the Nominal Defendant because it does not override the contract between the insured (ie the owner/driver of the vehicle) and the ACT CTP insurer (ie Insurance Australia Limited, trading as NRMA Insurance). It does, however, remove an element of cross-subsidisation of motor sport participants by the general motoring community by shifting any injury claim costs from NRMA and Nominal Defendant (and ultimately ACT motorists) to Australian Capital Tourism's insurance indemnity agreement with the ACTIA.

The declaration also has the effect of suspending the road rules during the special stage of the Subaru Rally of Canberra Launch and Sponsors Day.

The declaration expires on 10 February 2006.