

2015

**LEGISLATIVE ASSEMBLY
FOR THE
AUSTRALIAN CAPITAL TERRITORY**

NRMA-ACT ROAD SAFETY TRUST REPEAL BILL 2015

EXPLANATORY STATEMENT

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Overview of Bill

The NRMA-ACT Road Safety Trust (the Trust) is a statutory charitable trust administered by a Board of Trustees comprising four part-time honorary members and an independent chair.

The Trust was established with a fund of \$10 million provided by NRMA Insurance as a result of surplus third party insurance premiums arising from lower than expected claims during the 1980s. From 1998 the Trust was funded by a road safety contribution paid when an ACT vehicle is registered, and a matching contribution from NRMA Insurance.

The Trust arrangement was appropriate when the ACT had only one Compulsory Third Party (CTP) insurer in the market. However, following the entry of new CTP insurers, it is appropriate for the Trust to come to an end and for new arrangements to be established in its place.

The *NRMA-ACT Road Safety Trust Act 1992* (the Act) came into effect by virtue of the execution of the Deed of Trust which established the Trust. Provisions relating to the application of Trust funds and the operation of the Trust, generally, are set out in the Deed of Trust.

The Act has two substantive purposes:

- a) section 5 declares the Trust to be a charitable trust established for public charitable purposes (this is relevant to the application of taxation laws to Trust funds); and
- b) section 6 provides protection from civil liability to trustees, the Territory, NRMA Insurance and other persons, for acts or omissions, done in good faith for the purposes of or in connection with the Trust.

In addition to repealing the Act, the NRMA-ACT Road Safety Trust Repeal Bill (the Repeal Bill) amends the *Road Transport (General) Act 1999* to include transitional provisions which preserve the operation of sections 5 and 6 of the Act in its current form for a number of years beyond the date that the Act is repealed. Section 5 is preserved for three years and section 6 for 15 years beyond the repeal of the Act.

Human Rights Implications

The Repeal Bill is not considered to engage any rights under the *Human Rights Act 2004*.

CLAUSE NOTES

Clause 1 Name of Act

This clause names the Act as the *NRMA-ACT Road Safety Trust Repeal Act 2015*.

Clause 2 Commencement

This clause provides for the commencement of the Act on the day after its notification day.

Clause 3 Legislation repealed

Subclause 3(1) provides that the legislation to be repealed is the *NRMA-ACT Road Safety Trust Act 1992 (A1992-40)*.

Subclause 2(3) provides for the repeal of all legislative instruments made under the *NRMA-ACT Road Safety Trust Act*, namely the *NRMA-ACT Road Safety Trust (Deed of Trust) Variation 1999 (NI1999-280)* and the *NRMA-ACT Road Safety Trust (Deed of Trust) Variation 2006 (NI2006-487)*.

Clause 4 Road Transport (General) Act 1999 – New part 14

This clause inserts new part 14 (Transitional – *NRMA-ACT Road Safety Trust Repeal Act 2015*) into the *Road Transport (General) Act*. This part contains provisions dealing with transitional matters.

New section 304 inserts a definition of commencement day to be used for new part 14.

New section 305 provides that section 5 of the *NRMA-ACT Road Safety Trust Act 1992* continues to apply to the Trust for a period of three years after the commencement of the repeal Act. Section 5 declares the *NRMA-ACT Road Safety Trust* to be a valid charitable trust established for public charitable purposes. This provision is intended to avoid any doubt that the Trust maintains its charitable status while it continues to manage its current contractual obligations, prior to its cessation.

New section 306 provides that section 6 of the *NRMA-ACT Road Safety Trust Act* continues to apply to any act or omission by a trustee, appointer or agent of a trustee or appointer. This section expires 15 years after the commencement of the repeal Act.

Section 6(1) of the Act provides trustees with an exemption from liability from actions, suits or proceedings relating to an act or omission done by, or on behalf of that person, in good faith, in the exercise or performance of any power, duty or function associated with being the trustee. Section 6(2) provides a similar exemption to the ACT Government and NRMA Insurance

Ltd, as appointors of the Trust. Section 6(3) provides the exemption to agents acting on behalf of the trustees or appointors.

New section 307 provides that the transitional provisions expire 15 years after they commence. The note explains that notwithstanding the formal repeal of a transitional provision, it continues to have effect under section 88 of the *Legislation Act 2001*.