

1997

HOUSE OF REPRESENTATIVES

COMMONWEALTH MOTOR VEHICLES (LIABILITY) AMENDMENT
BILL 1997

EXPLANATORY MEMORANDUM

(Circulated with the authority of the Minister
for Finance, the Honourable John Fahey, MP)

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**COMMONWEALTH MOTOR VEHICLES (LIABILITY) AMENDMENT BILL
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OUTLINE

Under the Commonwealth's self-insurance arrangements embodied in the *Commonwealth Motor Vehicles (Liability) Act 1959*, the Commonwealth bears its own liability for third-party claims arising out of the use of uninsured motor vehicles owned by the Commonwealth or a Commonwealth authority. As a consequence of the sale and leaseback of DASFLEET's vehicles, this Bill amends that Act to extend the Commonwealth's liability to motor vehicles leased to the Commonwealth or a Commonwealth authority and not registered in a State or Territory. Taxation and registration issues arising out of the sale and leaseback of DASFLEET's vehicles are addressed in the *Commonwealth Vehicles (Registration and Exemption from Taxation) Bill 1997*.

FINANCIAL IMPACT STATEMENT

No financial impact.

NOTES ON CLAUSES

Clause 1 - Short title

1. This clause provides for the Act to be cited as the *Commonwealth Motor Vehicles (Liability) Amendment Act 1997*.

Clause 2 - Commencement

2. This clause provides that the Act commences on the commencement of the *Commonwealth Vehicles (Registration and Exemption from Taxation) Act 1997*. That Act commences on Royal Assent.

Clause 3 - Schedule

3. This clause provides that the *Commonwealth Motor Vehicles (Liability) Act 1959* is amended as set out in the items in the Schedule.

Schedule 1

Item 1 - Subsection 3(1)

4. This item inserts a definition of "lease" which is in the same terms as the definition in the *Commonwealth Vehicles (Registration and Exemption from Taxation) Act 1997*.

Item 2 - Paragraph 5(1) (a)

5. The amendment made by this item has the effect of extending the Commonwealth's third-party liability to vehicles leased to the Commonwealth or a Commonwealth authority.

Item 3 - Subsection 5(1)

6. This item amends subsection 5(1) to add a reference to "her" after "his".

Item 4 - New subsection 5(1A)

7. This item inserts new subsection 5(1A) which excludes vehicles registered in a State or Territory from the cover of subsection 5(1). There will be no requirement for the Commonwealth to carry its own liability in respect of these vehicles as they will have the usual compulsory third party insurance or equivalent cover.