

Road Traffic Amendment Bill 2003

Explanatory Memorandum

This Bill amends the *Road Traffic Act 1974* to give government the flexibility to sell the right to display optional number plates by lease or other arrangement. The leasing of plates has the potential to generate significant additional revenue for Government.

Currently, the *Road Traffic Act 1974* allows a member of the public to "own" the right to display a number plate, and to on-sell that right. Ownership of the actual plate rests with the Director General of the Department for Planning and Infrastructure.

Regulation 22(2a) of the *Road Traffic (Licensing) Regulations 1975* empowers the Director General to dispose of the right to display special plates. Whilst successive governments have relied on this regulation, recent legal advice indicates that the regulation may be *ultra vires*. This Bill will place the validity of the regulation beyond doubt.

The Bill also allows an extension of the current scheme to also allow the lease of the right to display these plates (called optional number plates in the new legislation) together with "unique series" number plates not offered for sale at the Great Plate Auction 1985. The lease of the right to display plates should provide a significant ongoing revenue stream to government.

This proposal is consistent with Government Policy to maximise revenue from avenues by which people have a choice as to whether they pay for this service/product. The funding is to be applied to improving efficiencies in the Licensing business in the first instance and also support Government priorities of health, education and law & order through increased revenue to Government.

Benefits of the Bill

- Ensures the validity of regulations underpinning the current licensing regime for the sale of the right to display "special series" number plates by private treaty.
- Provides government with the flexibility to lease "special series" number plates.
- The ability to lease number plates would enable the Government to progressively realise a revenue stream that has the potential to exceed \$10 million in the sixth year and subsequent years in perpetuity.
- The benefit to number plate enthusiasts will be that there will be greater variety through product development, and purchase flexibility through affordable lease plan options.
- Western Australians will also have the opportunity to keep up with global trends.

Long title

The long title sets out the purpose of the Bill, which is to amend the *Road Traffic Act 1974* and for related purposes.

Clause 1 Short title

This is a formal clause titling the Bill.

Clause 2 Commencement

This clause provides that the legislation will come into effect on the day it receives Royal Assent.

Clause 3 Section 5 amended

Section 6 of the Act places responsibility for enforcement of the regulation of traffic provisions of the Act with the Commissioner of Police and the licensing provisions with the Director General.

The definition of “licensing provisions of this Act” contained in section 5 lists those provisions that by virtue of section 6 fall within the responsibility of the Director General.

This Bill will insert section 113 to provide specific regulation making powers in respect to optional number plates. This is a licensing issue and the definition of “licensing provisions of this Act” to reflect this.

Clause 4 Section 113 inserted

This clause provides for the making of regulations that will empower the Director General to:

- Allocate to persons not wishing to have ordinary plates attached to their vehicle, plates bearing letters, names, symbols or a combination of thereof;
- Supply and if necessary replace those plates.
- Allow for the transfer of the right to display plates between persons. This will enable enthusiasts to generate a market for optional number plates which will attract a transfer fee;
- Determine which vehicle, if any, to which the plates be attached. It is proposed that these plates will be retained by the person to whom they are issued with a requirement that they nominate those vehicles to which the plate is to be attached.
- Offer plates on a lease basis and to cancel the right to display those plates if the lease payments are not paid.

Subclause (2) empowers optional number plates to be leased by the Director General.

Whilst the Director General will be required to act in a commercial manner in respect to the sale or lease of the right to display plates the method of disposing of the those rights will be limited to either:

- Public auction;
- Public tender;
- With the approval of the Treasurer, private treaty or other arrangement;

With the exception of price payable for the purchase or lease of a plate, any additional fees will be required to be provided for in regulation.

The clause also provides a “catch all” that will enable the making of regulations necessary for the efficient marketing and administration of optional number plates in WA.

Clause 6 Validation

As previously identified, successive governments have relied on regulations currently contained in the *Road Traffic (Licensing) Regulations* to enable the sale of optional number plates. To ensure that members of the public are not disadvantaged, this clause will place the validity of those regulations beyond doubt.