

## Second Reading

**The Hon. PENNY SHARPE** (Parliamentary Secretary) [9.45 p.m.]: I move:

That this bill be now read a second time.

I seek leave to incorporate the second reading speech in *Hansard*.

### Leave granted.

The Road Transport (Vehicle Registration) Amendment (Special Number-Plates) Bill 2009 introduces some minor reforms to facilitate the granting of a concession of the Roads and Traffic Authority's [RTA] special numberplate business. These amendments are consistent with existing Government policy announced in the November 2008 New South Wales mini-budget by the Treasurer, that the lease of the RTA's special numberplate marketing business would be investigated. The special numberplate business currently resides within the RTA, providing personalised numberplates to the public for a fee. While providing a source of revenue to the New South Wales Government, the special numberplate operation within the RTA is currently not an autonomous business, but neither is it a core function of the RTA.

It is expected that a private operator will have specialised abilities beyond those within the RTA to increase the value of the business and therefore revenue from the business, while bearing a level of commercial risk that would be inappropriately taken on by a government agency. The amendments are the result of extensive consultation with the public, government agencies and business representatives with an interest in the regulation of special numberplates. The proposed regulatory approach is minimalist in nature, relying on existing requirements that the RTA issue numberplates upon registering a registrable vehicle, and the existing ability of the RTA to delegate any or all statutory functions or enter into commercial agreements.

The Road Transport (Vehicle Registration) Act 1997 and the Road Transport (Vehicle Registration) Regulation 2007 provide the RTA with the ability to register and deregister vehicles of all classes. Numberplates are a key part of the registration system and the principal identifier of a vehicle and a link to the registered operator of the vehicle. Numberplates are a critical identifier in compliance and enforcement activities for a broad range of road safety rules that govern road usage, driver behaviour and vehicle management. Examples of this include identification of speeding vehicles, monitoring heavy vehicle use for fatigue management, and identification of traffic light offences. Numberplates are also used by third parties to identify vehicles for a range of other purposes.

The bill proposes legislative and regulatory amendments to support and add value to the grant of a concession to operate the special numberplate business. Consultation has been conducted and is ongoing with non-government and government agencies with a potential interest in the special numberplate concession proposal. It is noted that the majority of feedback received in response to the targeted letters related to the potential impacts of expanding the number of characters on numberplates, and visibility of plates to optical recognition technology.

The objectives of creating the special numberplate concession are: to transfer the business risk of the future volatility in business revenues to the private sector while securing a more stable income stream for the RTA; to maximise the long-term value to the Government of its right to issue special numberplates, including beyond the term of the initial concession, subject to mitigating future earnings volatility; to generate additional business growth by the application of private sector marketing and product development resources and skills; to establish a concession structure that fully aligns the Government's interests and those of the concessionaire; to create meaningful financial incentives, and sanctions, on any future operators of the business to maximise long-term value; to deliver both a competitive outcome from offering the initial concession and implement a long-term framework for the issue and management of future concessions; and to separate the policy for and regulation of numberplates from the commercial development and marketing of that product.

One of the Government's key aims for regulation of special numberplates is to ensure that the integrity of the regulatory framework for numberplates continues undiminished. A review of the regulatory regime applicable to numberplates in New South Wales was conducted to ensure that the Government's regulatory aims will be balanced with the objectives of the special numberplate concession through putting in place an appropriate regulatory framework.

The bill contains amendments to the Road Transport (Vehicle Registration) Act 1997 to make explicit the power of the RTA to enter into commercial arrangements for the provision of marketing and other services with respect to special numberplates; provide for the concessionaire to fix fees and charges for special numberplates and related services without a requirement for ministerial approval or gazettal, including allowing the market to fix fees for sale by public auction; broaden the definition of special numberplates to allow the RTA to determine what is a special numberplate, including to convert general issue plates to special numberplates; provide the RTA with powers to issue special numberplates independently of vehicle registration with persons who are not registered operators; provide that "issue" of a numberplate does not constitute physical possession, and includes entering into an agreement for rights to a numberplate that will not be displayed on a vehicle; and require any special numberplate arrangements to include a provision ensuring that a party to the arrangements will be subject to the same restrictions with respect to privacy and personal information protection requirements as the RTA under the Privacy and Personal Information Protection Act 1998.

The risks to the concession are within the control of the RTA and the Government. A clear regulatory framework providing certainty around the expected level of Government and RTA intervention is critical, including a protocol for

camera testing of new plate styles and content established between the RTA, the New South Wales Police Force and the State Debt Recovery Office, and rights to issue specific numberplate content will be allocated between the concessionaire and the RTA at the outset of the concession.

Rural communities and families will benefit from the Government having greater budget flexibility to allocate more resources to core services. The provision of online telephone and direct delivery options for numberplates provides rural communities with increased access to services without travelling to urban centres. To maintain equity of access to road use, a selected range of general issue plates will be reserved and remain under the direct management of the Roads and Traffic Authority. These plates will be available, and will continue to be available, as a regulated price option through motor registries at cost-recovery levels. Registration charges will not be affected by any changes to special numberplate fees that occur as a result of the concession. Consumers will in no way be compelled to enter into arrangements for special numberplates.

In summary, the scope of any concession arrangements will exclude supply of special numberplates for vehicles over 4.5 tonnes gross vehicle mass, general issue numberplates, and regulatory and conditional numberplates. The arrangements will include the potential for the concessionaire to issue plates in future that display seven to 10 characters and numeral-only plates. The arrangements will also include the potential for direct delivery mechanisms. The bill contains amendments to the Road Transport (Vehicle Registration) Act 1997 to support the grant of a concession to the special numberplate business by making explicit the power of the RTA to enter into commercial arrangements for the provision of marketing and other services with respect to special numberplates.

The bill will enable the concessionaire to fix fees and charges for special numberplates and related services without a requirement for ministerial approval or gazettal, including allowing the market to fix fees for sale by public auction. The bill will broaden the definition of special numberplates to allow the RTA to determine what is a special numberplate, including converting general issue plates to special number plates. The bill will provide the RTA with powers to issue special numberplates independently of vehicle registration with persons who are not registered operators, provided that the issue of a numberplate does not constitute physical possession. This includes entering into an agreement for rights to a numberplate that will not be displayed on a vehicle. The bill will require any special numberplate arrangements to include provisions to ensure that a party to the arrangements will be subject to the same restrictions with respect to privacy and personal information protection requirements as the Roads and Traffic Authority under the Privacy and Personal Information Protection Act 1988. I commend the bill to the House.