

EXPLANATORY STATEMENT

MOTOR TRAFFIC (AMENDMENT) ORDINANCE 1986

No. 3 of 1986

By determinations made for the purpose of sections 27 and 28 of the Motor Traffic Ordinance 1936, ("the Principal Ordinance") the fee payable for the grant of a taxi licence or private hire car licence was \$250.00. Once granted, however, taxi licences and private hire car licences have been transferred for sums considerably in excess of the determined fees. The current market value of a taxi licence is estimated to be \$80,000 and the current market value of a private hire car licence is estimated to be \$60,000.

This situation involved a potential for profiteering in licences, and created pressure for the issue of licences in excess of the number necessary to maintain a viable industry. The Australian Government Solicitor advised that it was doubtful whether the Registrar could consider these matters when exercising the discretion to grant a taxi or private car licence.

The Motor Traffic (Amendment) Ordinance 1986 ("the Amending Ordinance") amends the Principal Ordinance to provide that the grant of taxi and private hire car licences will be subject to the payment of fees of \$80,000 and \$60,000 respectively. These sums were selected by reference to the market value of the respective licences. The Amending Ordinance also limits the number of licences in force to the number of licences on issue at the time the Ordinance was made (149 for taxis and 22 for private hire cars) or such higher number as the Minister from time to time determines.

The Amending Ordinance amends Schedule 6 of the Principal Ordinance consequential upon the renumbering of certain sections effected by the Motor Traffic (Amendment) Ordinance (No.7) 1985.

In view of the difficulties which would have resulted if the Amending Ordinance were made public (it would have encouraged persons to apply for taxi licences so as to avoid the new scheme) and the budgetary/revenue nature of the Amending Ordinance, it was not referred to the House of Assembly prior to making. The Ordinance will be so referred shortly.

An explanation of the sections of the Amending Ordinance is attached.

EXPLANATION OF SECTIONS

Sections 1 and 2 deal with citation and interpretation.

Section 3 amends section 27 of the Principal Ordinance to provide that the Registrar of Motor Vehicles shall not grant a taxi licence:

- . unless payment of the sum of \$80,000 has been made; and
- . where the number of taxi licences in force would then exceed 149 (or a higher number determined by the Minister by notice in the Gazette).

Section 4 amends section 28 of the Principal Ordinance to provide that the Registrar shall not grant a private hire car licence:

- . unless payment of the sum of \$60,000 has been made; and
- . where the number of private hire car licences in force would then exceed 22 (or a higher number determined by the Minister by notice in the Gazette).

Section 5 amends the Sixth Schedule of the Principal Ordinance to replace an incorrect reference in the Schedule to section 22(4) by a reference to section 22(2).