

## **LEGISLATIVE COUNCIL BRIEF**

Road Traffic Ordinance  
(Chapter 374)

### **ROAD TRAFFIC ORDINANCE (REDUCTION OF FEE FOR DESIGNATION OF DRIVING SCHOOL) ORDER 2005**

#### **INTRODUCTION**

At the meeting of the Executive Council on 18 October 2005, the Council ADVISED and the Chief Executive ORDERED that the Road Traffic Ordinance (Reduction of Fee for Designation of Driving School) Order 2005 (the “Order”) at Annex A should be made by the Chief Executive under section 88P of the Road Traffic Ordinance (Chapter 374). The Order reduces the fee for designation and renewal of designation of driving school.

#### **JUSTIFICATIONS**

2. It is Government’s policy that fees and charges charged by the Government should in general be set at a level sufficient to recover the full cost of providing the services. In the 2004-05 Budget Speech, the Financial Secretary indicated the need to resume the revision of Government fees and charges, starting with those that do not directly affect people’s livelihood or general business activities. We have carried out a costing exercise to review the costs of providing certain transport-related services.

3. Based on the outcome of the costing exercise, we propose to reduce the fee for designation or renewal of designation of a driving school from \$21,000 to \$16,500, to bring the fee back to its cost recovery level. The fee is prescribed in paragraph 3 of Schedule 9 to Cap. 374. Under section 88P of Cap. 374, the Chief Executive may amend Schedule 9 by order published in the Gazette.

## **THE ORDER**

4. The Order reduces the fee for designation or renewal of designation of a driving school prescribed in paragraph 3 of Schedule 9 to Cap. 374. The existing provision being amended is at **Annex B**. We propose that the Order should come into effect on 16 December 2005.

## **LEGISLATIVE TIMETABLE**

5. The legislative timetable is as follows -

Publication in the Gazette	21 October 2005
Tabling at the Legislative Council	26 October 2005
Commencement	16 December 2005

## **IMPLICATIONS OF THE PROPOSAL**

6. The financial implications of the proposed reduction in the fee for designation and renewal of designation of driving school should be insignificant, at around \$0.01 million per annum. The proposal has no civil service, sustainability, productivity, environmental or significant economic implications. The proposed legislative amendments are in conformity with the Basic Law, including the provisions concerning human rights, and do not affect the binding effect of the legislation to be amended.

## **PUBLIC CONSULTATION**

7. We consulted the Legislative Council Panel on Transport on 24 June 2005 regarding the fee revision proposal. Members had no objection to the proposal.

## **PUBLICITY**

8. A spokesman will be available to answer media and public enquiries.

## **ENQUIRIES**

9. Enquiries on this brief could be addressed to Mr Donald Ng, Principal Assistant Secretary for the Environment, Transport and Works at 2189 2186.

**Environment, Transport and Works Bureau**  
**19 October 2005**

**ROAD TRAFFIC (REDUCTION OF FEE FOR  
DESIGNATION OF DRIVING SCHOOL)  
ORDER 2005**

(Made by the Chief Executive under section 88P of the Road Traffic Ordinance (Cap. 374) after consultation with the Executive Council)

**1. Commencement**

This Order shall come into operation on 16 December 2005.

**2. Requirements applicable to designated  
driving schools**

Schedule 9 to the Road Traffic Ordinance (Cap. 374) is amended in paragraph 3 by repealing "\$21,000" and substituting "\$16,500".

Chief Executive

2005

**Explanatory Note**

This Order reduces the fee payable for designation, or renewal of designation, of a driving school from \$21,000 to \$16,500.

## Annex B

Chapter:	374	ROAD TRAFFIC ORDINANCE	Gazette Number	Version Date
Schedule:	9	REQUIREMENTS APPLICABLE TO DESIGNATED DRIVING SCHOOLS	37 of 1998	20/11/1998

[sections 88K, 88L,  
88O & 88P]

1. Driving instructors giving driving instruction courses shall be holders of valid driving instructors' licences issued under regulation 22 of the Road Traffic (Driving Licences) Regulations (Cap 374, sub. leg.) and a person who is not the holder of such a licence shall not give such a course.

2. Notice shall be given by the proprietor of the driving school to the Commissioner forthwith-

- (a) of any change of persons employed at the driving school who are authorized to sign course certificates under section 88N(b);
- (b) of any change in the proprietorship of the driving school, or any other matter specified by the Commissioner; and
- (c) if grounds exist for a creditor to present a bankruptcy petition against the proprietor or he has entered into liquidation or has entered into any voluntary arrangement with his creditors or has suffered any distress or execution to be levied upon his goods. (Amended 37 of 1998 s. 6)

3. The fee payable for designation, or renewal of designation, of a driving school shall be \$21000.

(Schedule 9 added 27 of 1989 s. 3)