

~~\$10m lost as owners get cheap licences~~

THE public purse is losing \$10 million a year with 4,000 to 8,000 light goods vehicle owners evading higher licence fees by registering and licensing the vans as goods vehicles but actually using them as private cars.

Revealing the loophole, the Acting Director of Audit suggested a proposal to require car owners to produce business registration certificates for registration and licensing goods vehicles.

But there remains a difference of \$1,700 in the annual licence fee between light goods vehicles and private cars although the Government had brought the first registration tax for a light goods vehicle not exceeding 1.9 tonnes on a par with that of a small private car last year.

The acting director said a government survey covering 15,647 registered goods vehicle owners for May 1988 to October 1990 had shown that 4,193, or 27 per cent, of the owners surveyed did not have business registration.

The number of light goods vehicles decreased from 91,584 in March last year to 89,776 last November following the increase of first registration tax and licence fee for light goods vans in the last Budget, he said.

So long as the licence fee differential existed, he said the level of abuse would still be significant.

Mr Li recommended that a business registration certificate was required to be produced to the Transport Department when applying for registration and licensing of a goods vehicle so as to ensure that only genuine business operators obtained vehicle registration benefits.

He expected evasion of business registration by goods vehicle owners who carry on a business to reduce significantly because the total amount of business registration, currently at \$1,150, was less than the licence fee differential between a private car and a goods vehicle.