

**For discussion  
on 24 June 2005**

**Legislative Council Panel on Transport**

**Proposed Revision to  
Transport-related Fees and Charges**

**Purpose**

This paper seeks Members' views on the proposed revision to the fees and charges of 22 transport related services that do not directly affect people's livelihood or general business activities.

**Background**

2. In line with the "user-pays" principle, it is Government's policy that fees and charges should in general be set at a level sufficient to cover the full cost of providing the services. Among the transport-related fees and charges now proposed for revision, some were last revised in 2000-2001.

3. 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. A costing exercise has been carried out to review the costs of providing 22 transport related services.

**Proposal**

4. Based on the outcome of the costing review, we propose to adjust the fees and charges of 22 transport related services being provided by the Transport Department, Highways Department and Hong Kong Police Force. 5 fees are proposed to be increased and 17 decreased to full cost level. The proposed adjustments range from -61% to +20%. Details are set out at **Annex**.

5. Fee reductions would be implemented at one go, while fee increases would be implemented in a phased manner based on the following principles set by the Financial Services and Treasury Bureau—

- (a) to achieve full-cost recovery within seven years for fees with the existing cost recovery rate of less than 40% through an annual increase of 20%;
- (b) to achieve full-cost recovery within seven years for fees with the existing cost recovery rate between 40% to 70% through an annual increase of 15%; and
- (c) to achieve full-cost recovery within one to three years for fees with the existing cost recovery rate of over 70% through an annual increase of 10%.

### **Efficiency Initiatives**

6. The three departments regularly review and streamline the relevant work procedures and implement efficiency initiatives to reduce or contain costs in providing the services. Such efficiency savings have been reflected in the proposed fee adjustments.

### **Financial Implications**

7. The proposed fee adjustments will result in a net reduction of around \$0.96 million in Government revenue in the first year of implementation.

### **Implementation Timetable**

8. We plan to implement the fee adjustments to those items which do not require legislative amendments in the third quarter of 2005. Those requiring amendments to the relevant legislation will be implemented in the first quarter of 2006.

## **Advice Sought**

9. Members' views are sought on the proposed adjustments to the fees and charges set out in **Annex**.

**Environment, Transport and Works Bureau**  
**June 2005**

**Transport Department  
Fee Revision 2005/06**

<b>Item</b>	<b>Existing fee \$</b>	<b>Unit cost \$</b>	<b>Proposed fee \$</b>	<b>Fee change amount \$</b>	<b>Fee change percentage %</b>	<b>Percentage of full cost recovery after revision in 05/06 %</b>	<b>Basis</b>
<b>I. <u>Registration fee of Motor Vehicle</u></b>							
1. Registration fee of motor vehicle	100	83	<b>83</b>	<b>(17)</b>	<b>(17%)</b>	100%	Full cost recovery in 2005/06.
<b>II. <u>Permit Fees</u></b>							
2. Excess passengers permit	175	157	<b>155</b>	<b>(20)</b>	<b>(11%)</b>	100%	Full cost recovery in 2005/06.
3. Long load permit	220	202	<b>200</b>	<b>(20)</b>	<b>(9%)</b>	100%	Full cost recovery in 2005/06.
4. Wide load permit	220	202	<b>200</b>	<b>(20)</b>	<b>(9%)</b>	100%	Full cost recovery in 2005/06.
5. Advertising vehicle permit	130	112	<b>110</b>	<b>(20)</b>	<b>(15%)</b>	100%	Full cost recovery in 2005/06.
6. Expressway permit	185	143	<b>145</b>	<b>(40)</b>	<b>(22%)</b>	100%	Full cost recovery in 2005/06.
<b>III. <u>Village Vehicle Permit</u></b>							
<b>Issue or renewal of a permit -</b>							
7. For driver operated village vehicle	250	98	<b>98</b>	<b>(152)</b>	<b>(61%)</b>	100%	Full cost recovery in 2005/06.

<b>Item</b>	<b>Existing fee \$</b>	<b>Unit cost \$</b>	<b>Proposed fee \$</b>	<b>Fee change amount \$</b>	<b>Fee change percentage %</b>	<b>Percentage of full cost recovery after revision in 05/06 %</b>	<b>Basis</b>
8. For pedestrian controlled village vehicle	250	98	<b>98</b>	<b>(152)</b>	<b>(61%)</b>	100%	Full cost recovery in 2005/06.
9. For golf cart	250	98	<b>98</b>	<b>(152)</b>	<b>(61%)</b>	100%	Full cost recovery in 2005/06.
10. Fee for a duplicate permit	70	56	<b>56</b>	<b>(14)</b>	<b>(20%)</b>	100%	Full cost recovery in 2005/06.
<b><u>IV. Designation of Driving School</u></b>							
11. Designation or renewal of designation of a driving school	21,000	16,492	<b>16,500</b>	<b>(4,500)</b>	<b>(21%)</b>	100%	Full cost recovery in 2005/06.
<b><u>V. Cancellation and Reinstatement of Metered Carparking Space</u></b>							
12. Charge for cancellation of one metered carparking space	200	496	<b>230</b>	<b>30</b>	<b>15%</b>	46%	Phased full cost recovery over next 6 years.
13. Charge for reinstatement of one metered carparking space	420	1,169	<b>505</b>	<b>85</b>	<b>20%</b>	43%	Phased full cost recovery over next 5 years.

**Highways Department**  
**Fee Revision 2005/06**

Item	Existing fee \$	Unit cost \$	Proposed fee \$	Fee change amount \$	Fee change percentage %	Percentage of full cost recovery after revision in 05/06 %	Basis
<b>I. <u>Hire of underbridge platform vehicle</u></b>							
<b>Hire rate of underbridge inspection vehicle -</b>							
1. within normal working hours (per hour)	870	636	<b>635</b>	<b>(235)</b>	<b>(27%)</b>	100%	Full cost recovery in 2005/06.
2. outside normal office hours (per hour) including additional charge for overtime requirement	1,270	975	<b>975</b>	<b>(295)</b>	<b>(23%)</b>	100%	Full cost recovery in 2005/06.
<b>II. <u>Hanging banners and decorative lighting on lamp-posts</u></b>							
3. Fee for processing of application for hanging banners and decorative lighting on lamp-posts	1,150	1,525	<b>1,270</b>	<b>120</b>	<b>10%</b>	83%	Phased full cost recovery over next 2 years.
4. Fee for inspection of banners and decorative lighting hanging on lamp-posts (per banner per day)	3.4	4.3	<b>3.7</b>	<b>0.3</b>	<b>10%</b>	86%	Phased full cost recovery over next 2 years.

**Hong Kong Police Force**  
**Fee Revision 2005/06**

Item	Existing fee \$	Unit cost \$	Proposed fee \$	Fee change amount \$	Fee change percentage %	Percentage of full cost recovery after revision in 05/06 %	Basis
<b>I. <u>Record of Convictions</u></b>							
1. Record of convictions (traffic convictions)	97	50	<b>50</b>	<b>(47)</b>	<b>(48%)</b>	100%	Full cost recovery in 2005/06.
2. Certificate of no recorded convictions (traffic convictions)	97	50	<b>50</b>	<b>(47)</b>	<b>(48%)</b>	100%	Full cost recovery in 2005/06.
<b>II. <u>Charges for Storage and Removal of Vehicles</u></b>							
3. Storage charge in respect of vehicles detained under section 103 and section 104 of Cap 374	175	158	<b>160</b>	<b>(15)</b>	<b>(9%)</b>	100%	Full cost recovery in 2005/06.
<b>Removal charge for a vehicle having a permitted gross vehicle weight -</b>							
4. not exceeding 5.5 tonnes	440	569	<b>485</b>	<b>45</b>	<b>10%</b>	85%	Phased full cost recovery over the next 2 years.
5. exceeding 24 tonnes	2,960	2,793	<b>2,790</b>	<b>(170)</b>	<b>(6%)</b>	100%	Full cost recovery in 2005/06.