

For discussion
on 17 January 2014

Legislative Council Panel on Transport

Proposed Revision to Fees and Charges Relating to Road Traffic

PURPOSE

This paper seeks Members' views on the proposed revision to seven fee items relating to road traffic which have not been revised in recent years and do not directly affect people's livelihood.

BACKGROUND

2. In line with the "user pays" principle, it is Government's policy that fees and charges of Government services should in general be set at a level sufficient to recover the full cost of providing the services. Nevertheless, some fees and charges have not been revised in recent years.

3. In the 2013-14 Budget Speech, the Financial Secretary indicated that we needed a systematic review of fees and charges and should first deal with fees which had not been revised for years and did not directly affect people's livelihood.

4. In order to achieve full cost recovery gradually and to avoid a steep fee increase, the following guidelines for the proposed fee increases have been adopted:

- (a) for existing cost recovery rate of less than 40%, adopt an increase of about 20%;
- (b) for existing cost recovery rate between 40% to 70%, adopt an increase of about 15%; and

- (c) for existing cost recovery rate of over 70%, adopt an increase of about 10% or lower.

PROPOSAL

5. Based on the outcome of a costing review, we propose to increase the fee of seven items relating to the provision of road traffic services by the Hong Kong Police Force (HKPF) and the Transport Department (TD). All these fee items have not been revised for seven years or more. The proposed increases range from +6% to +15%. Details are set out at **Annex**.

6. We will ensure that the costs of all fee and charge items related to road traffic will be reviewed regularly and fee revision proposals introduced as and when necessary.

EFFICIENCY IMPROVEMENT MEASURES

7. The relevant departments will continue to enhance working efficiency and streamline procedures, for example, through conducting regular review of working procedures and mode of service delivery, and making use of new technologies so as to contain the costs of all fee items.

FINANCIAL IMPLICATIONS

8. The proposed fee increases will result in a net increase in revenue of around \$0.46 million per annum.

NEXT STEPS

9. All the seven fee revision proposals require amendments to the relevant legislation. We plan to table the relevant legislative proposals within the 2013-14 legislative year.

ADVICE SOUGHT

10. Members' views are sought on the proposed revision to the seven fee items set out at **Annex**.

Transport and Housing Bureau
January 2014

Proposed revision to fees and charges relating to road traffic

	Fees with brief descriptions	Relevant Government department	Existing fee level (\$)	Existing cost recovery rate (%)	Proposed fee level (\$) (Proposed change in percentage)
1	<p>Fee for record of convictions (traffic convictions) (under Second Schedule of Road Traffic (Driving Licences) Regulations (Cap. 374B))</p> <p><i>Brief description:</i> Fee for the issue of a record of convictions under section 75(5) of the Road Traffic Ordinance (Cap. 374) (the Ordinance)</p>	HKPF	50	78	55 (+10%)
2	<p>Fee for certificate of no recorded convictions (traffic convictions) (under Second Schedule of Cap. 374B)</p> <p><i>Brief description:</i> Fee for the issue of a certificate of no recorded conviction under section 75(5) of the Ordinance</p>	HKPF	50	78	55 (+10%)
3	<p>Removal charge - for a vehicle having a permitted gross vehicle weight not exceeding 5.5 tonnes (under Schedule 5 of the Ordinance)</p> <p><i>Brief description:</i> Charge for removal of vehicles which were seized by a police officer under sections 95 or 103 of the Ordinance</p>	HKPF	485	59	560 (+15%)

	Fees with brief descriptions	Relevant Government department	Existing fee level (\$)	Existing cost recovery rate (%)	Proposed fee level (\$) (Proposed change in percentage)
4	Removal charge - for a vehicle having a permitted gross vehicle weight exceeding 5.5 tonnes but not exceeding 24 tonnes (under Schedule 5 of the Ordinance) <i>Brief description:</i> Charge for removal of vehicles which were seized by a police officer under sections 95 or 103 of the Ordinance	HKPF	1,110	51	1,280 (+15%)
5	Removal charge - for a vehicle having a permitted gross vehicle weight exceeding 24 tonnes (under Schedule 5 of the Ordinance) <i>Brief description:</i> Charge for removal of vehicles which were seized by a police officer under sections 95 or 103 of the Ordinance	HKPF	2,790	61	3,210 (+15%)
6	Storage Charge (per day) (under Schedule 5 of the Ordinance) <i>Brief description:</i> Charge for storage of vehicles detained under sections 103 or 104 of the Ordinance	HKPF	160	93	170 (+6%)
7	Fee payable for designation or renewal of designation of a driving school (under Schedule 9 of the Ordinance) <i>Brief description:</i> Fee for designation/renewal of designation of a driving school under section 88K of the Ordinance	TD	16,500	75	18,150 (+10%)