

**立法會**  
**Legislative Council**

LC Paper No. CB(1)702/13-14(04)

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**Panel on Transport**  
**Meeting on 17 January 2014**

**Background brief on**  
**revision to fees and charges relating to road traffic**

**Purpose**

This paper provides background to the revision to fees and charges relating to road traffic and summarizes the discussions made by the Panel on Transport ("the Panel") on the matter.

**Background**

2. The provision of government services is generally charged in accordance with the "user pays" principle. According to the 2013-2014 Budget Speech, there are thousands of fees and charges, including all types of licence fees and other fees related to the issue of identity documents, registration, etc. The cost recovery rate for some items is as low as 30 per cent.
3. According to the Administration, in 1997-1998, government services with charges determined on a cost-recovery basis generated nearly \$12 billion in revenue, equivalent to **4%** of government revenue. In 2011-2012, revenue from this source dropped to only \$10 billion, or a share of only **2%** of revenue.
4. To prevent cost recovery items being turned into heavily subsidized items, the Financial Secretary ("FS") indicated in the Budget Speech delivered in February 2013 that he would ask all policy bureaux and departments to review their respective fees and charges, and submit plans for their revision for the coming one or two years. The Administration would first deal with fees that have not been revised for years and do not directly affect people's livelihood. It would also deal with items which had low cost recovery rates. FS said that

there would not be substantial revisions in one go to avoid affecting people's livelihood. The Administration would also strictly control costs and reduce the need for increasing fees and charges as far as possible.

### **Discussion by the Panel on the review of transport-related fees and charges**

5. In June 2005, the Administration consulted the Panel on its proposal to adjust the fees and charges of 22 transport-related services being provided by the Transport Department, Highways Department and Hong Kong Police Force. Five fees were proposed to be increased and 17 decreased to full cost level. The proposed adjustments ranged from -61% to +20%. Details are set out in **Appendix I**. The Panel had no objection to the Administration's proposal.

6. Of the 22 transport-related services, the fee adjustments to 15 items required legislative amendments. The relevant amendment regulations/order were tabled at the Council meeting of 26 October 2005. The House Committee did not form a subcommittee to study the related matters.

### **Latest position**

7. The Administration plans to consult the Panel on the Government's proposed revision to certain fees and charges relating to road traffic at the Panel meeting to be held on 17 January 2014.

### **Relevant papers**

8. A list of relevant papers is in **Appendix II**.

**Transport 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>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.

Source: LC Paper No. CB(1) 1830/04-05(04)

## Revision to fees and charges relating to road traffic

## List of relevant papers

Date of meeting	Panel/Committee	Minutes/Paper	LC Paper No.
24.6.2005	Panel on Transport	Administration's paper on proposed revision to transport-related fees and charges	CB(1)1830/04-05(04) <a href="http://www.legco.gov.hk/yr04-05/english/panels/tp/papers/tp0624cb1-1830-4e.pdf">http://www.legco.gov.hk/yr04-05/english/panels/tp/papers/tp0624cb1-1830-4e.pdf</a>
		Minutes of meeting	CB(1)2090/04-05 <a href="http://www.legco.gov.hk/yr04-05/english/panels/tp/minutes/tp050624.pdf">http://www.legco.gov.hk/yr04-05/english/panels/tp/minutes/tp050624.pdf</a>
19.10.2005	-	Legislative Council brief	ETWB(T)CR 25/5591/79 <a href="http://www.legco.gov.hk/yr05-06/english/subleg/brief/170-173_brf.pdf">http://www.legco.gov.hk/yr05-06/english/subleg/brief/170-173_brf.pdf</a>
4.11.2005	House Committee	Legal Service Division report on subsidiary legislation gazetted on 21 October 2005	LS5/05-06 <a href="http://www.legco.gov.hk/yr05-06/english/hc/papers/hc1104ls-5-e.pdf">http://www.legco.gov.hk/yr05-06/english/hc/papers/hc1104ls-5-e.pdf</a>
27.2.2013	-	The 2013-14 Budget	<a href="http://www.budget.gov.hk/2013/eng/pdf/e_budgetspeech2013-14.pdf">http://www.budget.gov.hk/2013/eng/pdf/e_budgetspeech2013-14.pdf</a>