

**運輸署****Transport Department**

Our Ref. : ( ) in TD TFM/1-55/2  
Your Ref. :  
Telephone : 2829 5206  
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5 June 2015

Hon. Chan Ka-lok, Kenneth,  
Room 814, Legislative Council Complex,  
1 Legislative Council Road,  
Central, Hong Kong

Dear Hon. Chan,

**Examination of Estimates of Expenditure 2015-16  
Question - Serial No. R133**

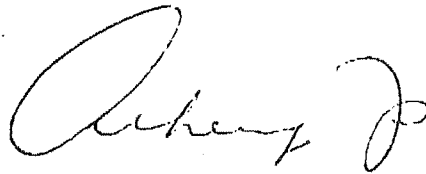
Our reply to the captioned question is provided below:

Government services are generally charged in accordance with the "user pays" principle to achieve full cost recovery for services provided. Regular reviews on government fees and charges are essential in maintaining fiscal discipline. For individual services where costs have not been recovered in full, the fees and charges for which would be increased to prevent such services from becoming subsidised ones and adding to the burden of taxpayers. As for individual services which are recovering more than the full costs, their fees would be adjusted downwards to the full cost levels. In reviewing the fees and charges, the Transport Department will take into account factors including policy considerations relevant to the specific services provided, the need for maintaining fiscal discipline, public affordability and acceptability, and the views of stakeholders before making proposals for fee revisions. We will adjust fees and charges as and when necessary. There will not be substantial revisions at one go. We will also strictly control costs and reduce the need for increasing fees and charges as far as possible.

The fees for vehicle licence, driving licence and driving test as mentioned in your letter are tax-loaded fees which are not simply determined in accordance with the "user pays" principle. Apart from boosting government

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revenue, the relevant fees which are charged at a level higher than the costs of providing the service are also aimed at achieving specific policy objectives. At present, there are no plans for the Government to introduce adjustments to driving licence fee and driving test fee. For vehicle licence fee, the Transport Advisory Committee has suggested a total of 12 measures to mitigate road traffic congestion in the Study of Road Traffic Congestion in Hong Kong submitted to the Secretary for Transport and Housing in December 2014, which include raising first registration tax and annual licence fee for private cars. The Government agrees in principle to study the measures in containing the growth of private cars. In taking forward such recommendations, the Government will take into account a number of factors, including public sentiment, views of stakeholders and impact on public.



( J.P. Cheung )  
for Commissioner for Transport

c.c. Clerk to the Finance Committee

(Attn: Mr. Daniel Sin)

( Fax: 2869 6794 )

Secretary for Transport and Housing

(Attn: Mr. Kwok Chung Weng, Niki)

( Fax: 3904 1775 )