

**LEGISLATIVE COUNCIL BRIEF**

Road Traffic Ordinance  
(Chapter 374)

**ROAD TRAFFIC ORDINANCE (AMENDMENT OF SCHEDULE 3)  
(NO. 2) ORDER 2015**  
**ROAD TRAFFIC ORDINANCE (AMENDMENT OF SCHEDULE 8)  
ORDER 2015**

**INTRODUCTION**

Section 86(2) of the Road Traffic Ordinance (Cap. 374) (“the Ordinance”) stipulates that the Chief Executive in Council (“CE in C”) may by order published in the Gazette amend Schedule 3 to the Ordinance. Section 88H(2) of the Ordinance stipulates that the Financial Secretary may by order published in the Gazette amend the fees set out in paragraph 6 of Schedule 8 to the Ordinance. Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) stipulates that, where the amount of any fee or charge is for the time being specified in subsidiary legislation made by the CE in C, the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) may by similar subsidiary legislation vary the amount of the fee or charge.

2. The Secretary for Financial Services and the Treasury has made :
  - (i) the Road Traffic Ordinance (Amendment of Schedule 3) (No. 2) Order 2015 under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 86(2) of the Ordinance; and
  - (ii) the Road Traffic Ordinance (Amendment of Schedule 8) Order 2015 under section 88H(2) of the Ordinance.

A & B

The above Orders (“the two Orders”) are at **Annexes A and B** respectively. The amendments made in the two Orders aim to revise eleven government fee items relating to road traffic and six fee items charged by private operators of designated car testing centres (“DCTC”).

## **JUSTIFICATIONS**

### *Revision of government fees*

3. 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. Some fees and charges have not been revised in recent years.

4. 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.

5. In order to achieve full cost recovery gradually and to avoid a steep fee increase, the following guidelines for the fee revision 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%;
- (c) for existing cost recovery rate of over 70%, adopt an increase of about 10% or lower; and
- (d) for fees which are recovering more than the full cost, adjust downward to full cost recovery.

6. Based on the outcome of a costing review and in the light of the above guidelines, we propose to revise the fees of eleven items relating to

road traffic provided by the Transport Department (“TD”). Among them, the nine items relating to vehicle examination at government vehicle examination centres (“VEC”) will be increased by 9% to 11%, whereas the remaining two items for supply of certificate of roadworthiness will be reduced by 72%. Details are set out at **Annex C**.

7. We will ensure that the costs of all fee and charge items relating to road traffic will be reviewed regularly, and fee revision proposals introduced as and when necessary. The TD will continue to enhance working efficiency and streamline procedures so as to contain the costs of the fee items concerned.

*Revision of fees charged by private operators of DCTC*

8. DCTC are run by private operators on commercial principle. They are designated by the Commissioner for Transport (“the Commissioner”) under section 88C(1) of the Ordinance for carrying out inspection of private cars and light goods vehicles not exceeding 1.9 tonnes. Operators of DCTC charge fees for examination of private cars and light goods vehicles set out in paragraph 6(b) of Schedule 8 to the Ordinance. Whilst these fees do not form any part of the Government’s revenue, their variation needs to be effected by the Government through legislative amendments.

9. We propose to revise six fee items charged by private operators of DCTC for examination of private cars and light goods vehicles in accordance with paragraph 6(b) of Schedule 8 to the Ordinance. The six fees items were last revised in 1995<sup>1</sup>. The operating costs of DCTC have increased in recent years, partly because upon request from TD, DCTC operators have deployed more manpower and extended the operating hours of their centres to cope with the increase in demand for annual examinations arising from a growing vehicle fleet. DCTC operators have earlier applied to TD to raise the vehicle examination fees by 15% in order to meet their increasing operating costs. Having considered the financial

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<sup>1</sup> When the vehicle examination fees payable to the Commissioner were last increased in 1995, the vehicle examination fees payable to DCTC operators were increased by similar percentage so that the fees for initial examination of private cars and light goods vehicles would remain on par with the relevant examination fees charged by government vehicle examination centres (“VEC”).

viability of DCTC and acceptability of motorists, we propose to increase the six fee items by about 10% which is on par with the proposed fee increase for government VEC. This is to enable DCTC to continue to be financially viable so that the operators will have the incentive to continue providing vehicle examination services, which are essential in ensuring road safety. Details of the proposed revisions are set out in **Annex D**.

D

## **THE ORDERS**

10. The Order at **Annex A** seeks to revise the fees under Schedule 3 to the Ordinance, whereas the Order at **Annex B** seeks to revise the fees under Schedule 8 to the Ordinance. Details of the proposed revisions under the two Orders are set out at **Annexes C and D**. We propose that the fee revisions come into effect on 7 December 2015.

## **LEGISLATIVE TIMETABLE**

11. The legislative timetable is set out below –

Publication in the Gazette	9 October 2015
Tabling at the Legislative Council	14 October 2015
Commencement	7 December 2015

## **IMPLICATIONS OF THE PROPOSAL**

12. The proposed revision of the eleven government fees will result overall in a net reduction in revenue of around \$0.14 million per annum. The proposed revision of the six fee items charged by private operators of DCTC has no financial implication to the Government. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It does not affect the current binding effect of the Ordinance. The proposal has no civil service, family, sustainability, productivity, economic, environmental and gender implications.

## **PUBLIC CONSULTATION**

13. We consulted the Legislative Council Panel on Transport on 27 February 2015. Members generally supported the proposed fee revisions.

## **PUBLICITY**

14. A spokesperson will be available to answer media and public enquiries.

## **ENQUIRIES**

15. Enquiries about this brief could be addressed to Miss Amy Chan, Principal Assistant Secretary for Transport at 3509 8196.

**Transport and Housing Bureau**  
**7 October 2015**

## Road Traffic Ordinance (Amendment of Schedule 3) (No. 2) Order 2015

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 86(2) of the Road Traffic Ordinance (Cap. 374))

### 1. Commencement

This Order comes into operation on 7 December 2015.

### 2. Road Traffic Ordinance amended

The Road Traffic Ordinance (Cap. 374) is amended as set out in section 3.

### 3. Schedule 3 amended (fees for vehicle examinations)

(1) Schedule 3, Part 2, item 1—

**Repeal**

“320”

**Substitute**

“350”.

(2) Schedule 3, Part 2, item 2—

**Repeal**

“530”

**Substitute**

“585”.

(3) Schedule 3, Part 2, item 3—

**Repeal**

“530”

**Substitute**

“585”.

(4) Schedule 3, Part 2, item 4—

**Repeal**

“630”

**Substitute**

“695”.

(5) Schedule 3, Part 2, item 5—

**Repeal**

“850”

**Substitute**

“935”.

(6) Schedule 3, Part 2, item 6—

**Repeal**

“630”

**Substitute**

“695”.

(7) Schedule 3, Part 2, item 7—

**Repeal**

“850”

**Substitute**

“935”.

(8) Schedule 3, Part 2, item 8—

**Repeal**

“950”

**Substitute**

“1,050”.

(9) Schedule 3, Part 2, item 9—

**Repeal**

“530”

**Substitute**

“585”.

Secretary for Financial Services and  
the Treasury

2015

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**Explanatory Note**

This Order amends Schedule 3 to the Road Traffic Ordinance (Cap. 374) to increase the following fees payable under section 78, 84(3) or 85(2) of the Ordinance—

- (a) the fee for an examination of a motor cycle or motor tricycle;
- (b) the fee for an examination of a private car;
- (c) the fee for an examination of a taxi;
- (d) the fee for an examination of a goods vehicle or special purpose vehicle not exceeding 5.5 tonnes permitted gross vehicle weight;
- (e) the fee for an examination of a goods vehicle or special purpose vehicle exceeding 5.5 tonnes permitted gross vehicle weight;
- (f) the fee for an examination of a light bus;
- (g) the fee for an examination of a single-decked bus;
- (h) the fee for an examination of a double-decked bus;
- (i) the fee for an examination of a trailer (other than a trailer towed by a private car).

## Road Traffic Ordinance (Amendment of Schedule 8) Order 2015

(Made by the Secretary for Financial Services and the Treasury under  
section 88H(2) of the Road Traffic Ordinance (Cap. 374))

### 1. Commencement

This Order comes into operation on 7 December 2015.

### 2. Road Traffic Ordinance amended

The Road Traffic Ordinance (Cap. 374) is amended as set out in section 3.

### 3. Schedule 8 amended (requirements applicable to car testing centres)

(1) Schedule 8, paragraph 6(b)(i)(A)—

**Repeal**

“530”

**Substitute**

“585”.

(2) Schedule 8, paragraph 6(b)(i)(B)—

**Repeal**

“630”

**Substitute**

“695”.

(3) Schedule 8, paragraph 6(b)(ii)(A)—

**Repeal**

“165”

**Substitute**

“180”.

(4) Schedule 8, paragraph 6(b)(ii)(B)—

**Repeal**

“210”

**Substitute**

“230”.

(5) Schedule 8, paragraph 6(b)(iii)(A)—

**Repeal**

“165”

**Substitute**

“180”.

(6) Schedule 8, paragraph 6(b)(iii)(B)—

**Repeal**

“210”

**Substitute**

“230”.

(7) Schedule 8, paragraph 6(c)(i)—

**Repeal**

“58”

**Substitute**

“16”.

(8) Schedule 8, paragraph 6(c)(ii)—

**Repeal**

“58”

**Substitute**



“16”.

Secretary for Financial Services and  
the Treasury

2015

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**Explanatory Note**

This Order amends paragraph 6(b) and (c) of Schedule 8 to the Road Traffic Ordinance (Cap. 374)—

- (a) to increase the fee payable for an initial examination or a re-examination carried out under Part 9A of the Ordinance in respect of a private car or light goods vehicle;
- (b) to increase the fee payable for the issue of a duplicate copy of a certificate of roadworthiness in respect of a private car or light goods vehicle; and
- (c) to reduce the fee payable for the supply of a form of a certificate of roadworthiness in respect of a private car or light goods vehicle.

## Annex C

### Proposed revision to government fees and charges relating to road traffic

	Fees with brief descriptions	Existing fee level (\$)	Existing cost recovery rate (%)	Proposed fee level (\$) (Proposed change in percentage)	Cost recovery rate after fee revision (%)
	<p><b>Fees for Vehicle Examinations</b> (under Schedule 3 to the Road Traffic Ordinance (Cap. 374)) –</p>				
1.	Motor cycle or motor tricycle	320	73%	350 (+9%)	80%
2.	Private Car	530	71%	585 (+10%)	79%
3.	Taxi	530	72%	585 (+10%)	79%
4.	Goods vehicle or special purpose vehicle not exceeding 5.5 tonnes permitted gross vehicle weight	630	76%	695 (+10%)	84%
5.	Goods vehicle or special purpose vehicle exceeding 5.5 tonnes permitted gross vehicle weight	850	79%	935 (+10%)	87%
6.	Light bus	630	72%	695 (+10%)	79%
7.	Single-decked bus	850	71%	935 (+10%)	78%
8.	Double-decked bus	950	71%	1,050 (+11%)	78%
9.	Trailer (other than a trailer towed by a private car)	530	71%	585 (+10%)	78%
	<p><i>Brief description (items 1 to 9): Fees payable in respect of an examination in connection with registration, suspension of vehicle licence orders or repair orders, etc. under sections 78, 84(3) and 85(2) of Cap. 374.</i></p>				

	<b>Fees with brief descriptions</b>	<b>Existing fee level (\$)</b>	<b>Existing cost recovery rate (%)</b>	<b>Proposed fee level (\$) (Proposed change in percentage)</b>	<b>Cost recovery rate after fee revision (%)</b>
	<b>Fee payable for supply of each form of a certificate of roadworthiness</b> (under Schedule 8 to Cap. 374) –				
10.	Private car	58	360% <sup>1</sup>	16 (-72%)	99%
11.	Light goods vehicle	58	360% <sup>1</sup>	16 (-72%)	99%
	<i>Brief description (items 10 &amp; 11):</i> Fee payable for the Transport Department to supply a designated car testing centre operator in respect of each form of a certificate of roadworthiness under section 88C of Cap. 374.				

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<sup>1</sup> The cost of these fee items has significantly been reduced following TD's streamlining of working procedures to issue these certificates, such as through the use of computers.

## Annex D

### Proposed revision to fees charged by private operators of designated car testing centres

	Fees with brief descriptions	Existing fee level (\$)	Proposed fee level (\$)	Proposed change in percentage (%)
	<p><b>Fee to be charged in respect of an examination – Initial examination</b> (under Schedule 8 to the Road Traffic Ordinance (Cap. 374)) –</p>			
1.	Private car	530	585	+10%
2.	Light goods vehicle	630	695	+10%
	<p><i>Brief description (items 1 &amp; 2):</i> Fees charged in respect of an initial examination at Designated Car Testing Centres under section 88C(3)(a) of Cap. 374.</p>			
	<p><b>Fee to be charged in respect of an examination – Re-examination where made within 14 days of initial examination</b> (under Schedule 8 to Cap. 374) –</p>			
3.	Private car	165	180	+9%
4.	Light goods vehicle	210	230	+10%
	<p><i>Brief description (items 3 &amp; 4):</i> Fees charged in respect of a re-examination at Designated Car Testing Centres under section 88C(3)(a) of Cap. 374.</p>			
	<p><b>Fee to be charged in respect of an examination – Issue of a duplicate copy of a certificate of roadworthiness</b> (under Schedule 8 to Cap. 374) –</p>			
5.	Private car	165	180	+9%
6.	Light goods vehicle	210	230	+10%
	<p><i>Brief description (items 5 &amp; 6):</i> Fees charged for issuing a duplicate copy of certificate of roadworthiness under section 88C(3)(a) of Cap. 374.</p>			