

Legislative Council Panel on Transport

Revision of Government Fees and Charges of Transport Related Services

PURPOSE

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

BACKGROUND

2. Most Government fees and charges have been frozen since February 1998 as an exceptional measure to ease the burden on the community at a time of economic setback. Given the recovery of our economy, the Financial Secretary announced in the 2000-01 Budget Speech that the Administration would approach the LegCo to discuss the revision of various Government fees and charges that do not directly affect people's livelihood or general business activities.

3. At the LegCo Panel on Financial Affairs on 13 April 2000, Members were consulted on proposals to revise various fees and charges that would only affect a small number of people and some specialist business. In view of the diverse nature of the identified fees and charges, some Members of the Panel suggested that the proposed revision should also be considered by the relevant subject Panel of LegCo. At the House Committee Meeting held on 14 April, Members agreed that the Administration should consult the other LegCo Panels on whether and if so how fees and charges under their respective purviews should be increased.

FEE PROPOSAL

4. In line with the "User Pays" principle, it is important for various users of Government services to pay the costs incurred in the provision of services. The full implementation of this policy has been held in abeyance for more than two years as a result of the fee revision moratorium, which is an exceptional relief measure taken at a time of economic setback. In recognition of the current state of economic recovery and taking into account affordability and acceptability, we propose to:

- (a) make at most a 5% increase for a full-cost recovery within one year for those fees with existing cost recovery rate of over 90% (Items 1 & 3.3 of the **Annex**);
- (b) make at most a 15% increase for a full-cost recovery within five years for those fees with existing cost recovery rate of between 40% and 70% (Items 2.1, 2.2 & 3.2 of the **Annex**); and
- (c) make at most a 20% increase for a full-cost recovery within five to seven years for those fees with existing cost recovery rate of less than 40% (Remaining items of the **Annex**).

Details of the proposed fee revisions that fall under the purview of this Panel is at **Annex**.

FINANCIAL IMPLICATIONS

5. The proposed fee adjustments if implemented will generate additional revenue of \$403,800 per annum.

THE WAY FORWARD

6. We are committed to:
- (a) contain costs by continuing to implement the Enhanced Productivity Programme and taking other efficiency improvement measures; and
 - (b) review whether it is still necessary to provide the various services under our purview that require payment of fees and charges. We will discuss the findings of the review with Members by the end of 2000/01 financial year.

MEMBERS' ADVICE

7. We should be grateful for Members' views on the proposed revision of fees and charges as set out at the **Annex**.

Transport Bureau
June 2000

Revision of Fees and Charges

Fee Item	Description of Fee Item	Existing Fee	Proposed Fee	Increase (in Dollar)	Increase (in %)	Unit Cost at 2000/01 Prices	% of Full Cost Recovery After Fee Increase	Remarks
		\$	\$	\$	%	\$	%	
1	Hire rate of underbridge inspection vehicle – additional charge per hour outside normal office hours *	380	400	20	5%	396	100%	The underbridge inspection vehicle is available for hire by contractors undertaking bridge inspection or minor repair works above the ground surface.
2.	<u>Hanging banners / decorative lights on lamp posts</u>							
2.1	Application fee for hanging banners / decorative lights on lamp posts	1,000	1,150	150	15%	1,680	68%	The application fee for hanging banners / decorative lights on lamp posts is for recovering the staff costs of the lighting contractor, who is required under the contract to process applications on behalf of the Highways Department.
2.2	Inspection fee for banners / decorative lights on lamp posts (per banner per day)	3	3.4	0.4	13%	4.8	71%	The charge for inspection of banners / decorative lights on lamp posts is for recovering staff and transportation costs for regular safety inspections by the contractor on behalf of the Highways Department.
3	Vehicle removal fees							
3.1	Removal charge – for a vehicle having a permitted gross vehicle weight not exceeding 5.5 tonnes	440	530	90	20%	1,104	48%	Vehicle removal charges are imposed upon vehicles which the Police are legally justified to remove to a place of safe custody. Different fees are charged for different

* No increase is proposed for the hourly hire rate of underbridge inspection vehicle within office hours as full-cost recovery has already been achieved in 1999/2000.

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3.2	Removal charge – for a vehicle having a permitted gross vehicle weight exceeding 5.5 tonnes but not exceeding 24 tonnes	1,110	1,280	170	15%	2,111	61%	categories of vehicles according to weight. Examples of circumstances under which vehicles need to be removed include : (i) the vehicle is unattended and causing obstruction to traffic but the driver cannot be located; (ii) the driver refuses to remove the vehicle; and (iii) the driver is unable to remove the vehicle.
3.3	Removal charge – for a vehicle having a permitted gross vehicle weight exceeding 24 tonnes	2,960	3,050	90	3%	3,052	100%	
4	<u>Charges for cancellation / reinstatement of metered carparking space required by private developers</u>							
4.1	Charge for cancellation (per metered carparking space)	165	198	33	20%	510	39%	From time to time, private developers request the cancellation of metered parking spaces to facilitate their works e.g. to provide a vehicular access to construction sites for property development/ redevelopment. Such spaces are reinstated by Transport Department’s parking meter contractor on completion of the works.
4.2	Charge for reinstatement (per metered carparking space)	350	420	70	20%	1,175	36%	