

## LEGISLATIVE COUNCIL BRIEF

Road Traffic Ordinance  
(Chapter 374)

### ROAD TRAFFIC ORDINANCE (AMENDMENT OF SCHEDULE 3) ORDER 2015

#### INTRODUCTION

A At the meeting of the Executive Council on 28 April 2015, the Council ADVISED and the Chief Executive ORDERED that under section 86(2) of the Road Traffic Ordinance (“the Ordinance”), the Road Traffic Ordinance (Amendment of Schedule 3) Order 2015 (“the Order”) at **Annex A** should be made to waive the vehicle examination fees (“VEFs”) payable during a 12-month period from 13 July 2015 to 12 July 2016 (both days inclusive) in respect of the first vehicle examinations for the renewal of vehicle licences of taxis, light buses, single-decked and double-decked buses, goods vehicles, trailers (other than trailers towed by private cars) and special purpose vehicles<sup>1</sup> (hereafter collectively referred to as “specified vehicles”) where such examinations are carried out at vehicle examination centres designated under section 88(2) of the Ordinance within the period from 13 July 2015 to 11 November 2016 (both days inclusive).

#### JUSTIFICATIONS

2. In his 2015 Budget Speech, the Financial Secretary (“FS”) announced a number of short-term measures to support sectors affected by the Occupy Movement (“Budget Announcement”). While the magnitude of the impact could hardly be quantified with precision and

---

<sup>1</sup> Among the 1 758 special purpose vehicles (as at end December 2014), there are 489 forklift trucks and 24 industrial tractors registered as special purpose vehicles but are not required to attend vehicle examinations as they have different construction from normal motor vehicles and are all restricted to operate in specified areas (e.g. one to two named streets or within a particular housing estate).

could vary considerably amongst different members of the same trade, different trades of the same sector, or amongst different sectors, the Budget Announcement seeks to roll out short-term measures to support the affected sectors (and the trades within it and the members within the same trade) through measures which are widely applicable and can be efficiently administered. These are not meant to be compensatory. For the transport trades, the FS announced that the Government would waive VEFs once for renewal of vehicle licences of specified vehicles within a year.

3. During the Occupy Movement, different trades of the transport sector suffered varying degrees of direct and indirect impact. For example, certain scheduled bus and minibus routes and certain section of tram service had to be suspended because they ran through the occupied areas. As many as 270 franchised bus routes (48% of all routes) and 29 green minibus routes (14% of all urban routes) were affected at one time or another. Tram service was also cut by about 40%. Meanwhile, to avoid traffic congestion, members of the public might have taken fewer road-based public transport trips altogether. And, because of traffic congestion, some members of the transport sector (other than those in the public transport trade) had found themselves running their business at a less cost-effective way.

4. The Budget Announcement proposed to waive VEFs once for the renewal of vehicle licences of specified vehicles within a year. The proposed waiver is one-off and time-limited. It basically targets the transport trades which use their vehicles generally for commercial purpose. Of the some 174 000 specified vehicles as at end December 2014, about 35 000 belong to the various public transport trades providing franchised bus, public light bus, taxi and non-franchised bus services. Detailed breakdown of the number of specified vehicles by types as at end December 2014 is at **Annex B**.

B

5. Under section 78(1)(d) of the Ordinance, specified vehicles have to undergo annual examinations before their vehicle licences are to be renewed. At present, the Commissioner for Transport (“the Commissioner”) gives notices to require specified vehicles (other than light goods vehicles (“LGVs”) not exceeding 1.9 tonnes<sup>2</sup>) to be produced for examination at vehicle examination centres (“VECs”) through gazette

---

<sup>2</sup> At present, the examination of LGVs not exceeding 1.9 tonnes is done at privately run designated car testing centres. There is no legal restriction that an examination of LGVs must be done at such a centre.

notices under 78(1A)(b) of the Ordinance. Registered owners need to make bookings of such examinations before producing their vehicles for examination at VECs. An appointment for a vehicle examination at a VEC for renewal of a vehicle licence can be booked up to four months in advance of the actual examination date<sup>3</sup>. VEF for such an examination is paid when the booking is made and confirmed<sup>4</sup>. VECs charge VEFs in respect of the types of specified vehicles in accordance with section 86(1) of the Ordinance at such levels as specified in Schedule 3 to the Ordinance. The current levels of VEFs of specified vehicles as prescribed in Schedule 3 to the Ordinance are at **Annex C**.

C

6. We propose to waive the VEFs payable during a specified 12-month period starting from 13 July 2015 to 12 July 2016 (both days inclusive) (“the specified period”) for the first vehicle examination in respect of each specified vehicle to be carried out under section 78(1)(d) of the Ordinance within the examination period from 13 July 2015 to 11 November 2016 (both days inclusive) (“the specified examination period”)<sup>3</sup>. As specified vehicles have to undergo annual examinations before their vehicle licences are to be renewed in accordance with section 78(1)(d) of the Ordinance, the proposed waiver would help reduce the operating cost of the transport trades. In order to enjoy the proposed waiver, the first examination must be carried out no later than four months after the specified period (i.e. within the specified examination period). If a booking for the first examination is subsequently cancelled, the owner of a specified vehicle may still enjoy the proposed waiver if he makes a booking for that vehicle within the specified period and that the examination is done within the specified examination period.

7. LGVs not exceeding 1.9 tonnes (the number of which was 186 as at end December 2014), being goods vehicles not exceeding 5.5 tonnes permitted gross vehicle weight, are also a type of specified vehicles. Their registered owners will enjoy the proposed waiver when producing such LGVs for examination at a VEC for the first time within the specified examination period with booking made within the specified period.

---

<sup>3</sup> Under the current practice, the four-month period for booking vehicle examination in advance counts from the date on which the booking is made. For example, if a booking is to be made on 12 July 2016, the vehicle examination will take place the latest by 11 November 2016.

<sup>4</sup> According to section 78(3)(b) of the Ordinance, the fee is payable upon the specifying of the date and time for the examination. In practice, the time and date for the examination are specified when the booking is made and confirmed.

8. To give effect to the proposed waiver, the Commissioner will publish a general notice in the gazette under section 78(1A)(b) of the Ordinance and in one Chinese and one English newspaper circulating in Hong Kong requiring owners of specified vehicles (including LGVs not exceeding 1.9 tonnes) to produce their vehicles for examination at VECs.

## **THE ORDER**

9. The Order, at Annex A, amends Schedule 3 to the Ordinance to the effect that VEFs payable during the specified period between 13 July 2015 and 12 July 2016, both days inclusive, for the first vehicle examination during the specified examination period (i.e. between 13 July 2015 and 11 November 2016, both days inclusive) in respect of vehicles listed in items 3 to 9 of Schedule 3 to the Ordinance for the purpose of the renewal of vehicle licences be waived. The proposed waiver will not be applicable to VEFs payable on or after 13 July 2016.

## **LEGISLATIVE TIMETABLE**

10. The legislative timetable is set out below -

Publication in the Gazette	15 May 2015
Tabling at the Legislative Council	20 May 2015
Commencement	13 July 2015

## **IMPLICATIONS OF THE PROPOSAL**

11. 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. It has no productivity, environmental, sustainability, family and gender implications.

12. The proposal has financial and civil service implications as set out at **Annex D**. Given that the proposed waiver is a token of short-term relief for the transport trades, we do not expect it to have any significant economic implications.

D

## **PUBLIC CONSULTATION**

13. During the 2015-16 Budget consultation, some quarters of the community proposed that the Government should implement relief measures to support the sectors more directly affected by the Occupy Movement. No consultation on the proposed waiver of VEFs had been carried out prior to the announcement by the FS in his Budget Speech owing to the confidentiality of the Budget. The Legislative Council will have the opportunity to consider the details of the proposed waiver when scrutinising the Order.

## **PUBLICITY**

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

15. After the Order is gazetted, the TD will issue a press release in which details of the waiver, including implementation period and the procedures for booking appointments for vehicle examinations, will be provided. Such information will also be placed on TD's website, and a hotline, subject to availability of fund, will be set up for enquiries. The transport trades will be briefed on the detailed arrangements during their trade conferences. TD will also distribute the information through leaflets, posters and the newsletters of respective trades.

## **ENQUIRIES**

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

**Transport and Housing Bureau**  
**13 May 2015**

## Road Traffic Ordinance (Amendment of Schedule 3) Order 2015

(Made by the Chief Executive in Council under section 86(2) of the Road Traffic Ordinance (Cap. 374))

1. **Commencement**  
This Order comes into operation on 13 July 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, after the heading—  
**Add**

### “Part 1

### Application

1. **Application**
  - (1) Part 2 of this Schedule applies to a vehicle examination, other than an examination to which Part 3 of this Schedule applies.
  - (2) Part 3 of this Schedule applies to a qualified examination of a specified vehicle.
  - (3) In this section—  
*qualified examination* (合資格檢驗) has the meaning given by section 3 of Part 3 of this Schedule;

*specified vehicle* (指明車輛) has the meaning given by section 2 of Part 3 of this Schedule.

### Part 2

### Vehicle Examinations (other than those to which Part 3 of this Schedule Applies)”. (2) Schedule 3, after Part 2— **Add**

### “Part 3

### Qualified Examinations of Specified Vehicles

1. **Fee**  
The fee for a qualified examination of a specified vehicle is \$0.
2. **What is specified vehicle**  
A vehicle is a specified vehicle if it falls within any of the following classes—
  - (a) taxi;
  - (b) goods vehicle;
  - (c) special purpose vehicle;
  - (d) light bus;
  - (e) single-decked bus;
  - (f) double-decked bus;
  - (g) trailer (other than a trailer towed by a private car).

**3. What is qualified examination**

- (1) An examination of a vehicle is a qualified examination if the conditions set out in subsection (2) are satisfied.
- (2) The conditions are—
  - (a) the examination of the vehicle is a specified examination; and
  - (b) the examination—
    - (i) takes place on a date that falls within the period beginning on 13 July 2015 and ending at midnight on 11 November 2016; and
    - (ii) is the first specified examination of the vehicle within that period.

**4. What is specified examination**

For the purposes of section 3(2) of this Part, an examination of a vehicle is a specified examination if—

- (a) the examination is an examination required under section 78(1)(d) by notice given under section 78(1A)(b); and
- (b) the date for the examination is specified, under section 78(1A)(d), on a date that falls within the period beginning on 13 July 2015 and ending at midnight on 12 July 2016.”.

Clerk to the Executive Council

COUNCIL CHAMBER

2015

---

### **Explanatory Note**

The purpose of this Order is to amend Schedule 3 to the Road Traffic Ordinance (Cap. 374) to reduce, to \$0, the fee for a particular examination that is required under section 78(1)(d) of the Ordinance, and that takes place within the period from 13 July 2015 to 11 November 2016, in respect of any of the following vehicles—

- (a) taxi;
- (b) goods vehicle;
- (c) special purpose vehicle;
- (d) light bus;
- (e) single-decked bus;
- (f) double-decked bus;
- (g) trailer (other than a trailer towed by a private car).

2. The reduction applies only once for each vehicle.



**Number of specified vehicles  
that can benefit from the waiver**

<b>Type of specified vehicle</b>	<b>Number of vehicles registered as at end December 2014</b>
Taxis	18 138
Light buses	7 371
Single-decked and double-decked buses	13 490
Goods vehicles	116 542
Trailers	16 946
Special purpose vehicles	1 245
<b>Total</b>	173 732

## Annex C

Chapter: 374	Title: <b>Road Traffic Ordinance</b>	Gazette Number:	E.R. 2 of 2012
Schedule:3	Heading: <b>Fees for Vehicle Examinations</b>	Version Date:	02/08/2012

---

[section 86]

		\$
1.	Motor cycle or motor tricycle	320
2.	Private car	530
3.	Taxi	530
4.	Goods vehicle or special purpose vehicle not exceeding 5.5 tonnes permitted gross vehicle weight	630
5.	Goods vehicle or special purpose vehicle exceeding 5.5 tonnes permitted gross vehicle weight	850
6.	Light bus	630
7.	Single-decked bus	850
8.	Double-decked bus	950
9.	Trailer (other than a trailer towed by a private car)	530

(Schedule 3 replaced L.N. 210 of 1995. Amended L.N. 33 of 1998; L.N. 145 of 1998)

## **IMPLICATIONS OF THE PROPOSAL**

### ***Financial Implications***

The proposed waiver will result in revenue forgone of about \$112 million, on the basis of the actual number of licensed vehicles inspected between November 2013 and October 2014 and the current fee levels. We plan to seek the Legislative Council's approval to increase the VEFs of all vehicles, including specified vehicles, later this year. We consulted the LegCo Panel on Transport in February 2015 on, amongst others, the proposed revision to the relevant VEF items, which involve increases ranging from 9% to 11%. The proposed revision package will result in a net increase in revenue of around \$0.6 million per annum. Subject to LegCo's approval of the proposed revised fee levels, there will be an increase in the estimated revenue forgone arising from the proposed waiver.

### ***Civil Service Implications***

2. Additional workload, if any, will be absorbed within the existing resources of TD.