

LEGISLATIVE COUNCIL BRIEF

Road Traffic Ordinance
(Chapter 374)

ROAD TRAFFIC ORDINANCE (AMENDMENT OF SCHEDULE 10) ORDER 2015

INTRODUCTION

At the meeting of the Executive Council on 14 April 2015, the Council ADVISED and the Chief Executive ORDERED that the Road Traffic Ordinance (Amendment of Schedule 10) Order 2015 (“the Order”) at **Annex** should be introduced into the Legislative Council to increase the test fee.

BACKGROUND

2. Under section 77B of the Road Traffic Ordinance (“the Ordinance”), the Commissioner for Transport may, for the purpose of ascertaining whether a motor vehicle complies with vehicle emission standards, require the registered owner to have the motor vehicle tested at a vehicle emission testing centre. The fee to be charged in respect of the test is set out in paragraph 6(b) of Schedule 10 to the Ordinance.

3. There are now six Designated Vehicle Emission Testing Centres (DVETCs) and they are all privately run. Users of their service have to pay a test fee which is specified in Schedule 10 to the Ordinance. The current fee of \$310 was set on a full cost recovery basis in 1998. At that time, the Environmental Protection Department operated a DVETC¹ and conducted an idling emission test primarily for checking the smoke from diesel vehicles.

¹ The DVETC was operated by the Environmental Protection Department in Homantin and was closed in 2000 upon expiry of the land lease.

JUSTIFICATIONS

4. Since 1999, we have upgraded the emission test to an advanced smoke test, which is done with the aid of a chassis dynamometer. The advanced smoke test takes longer time to complete and costs more to run because of the capital outlay for the dynamometer and the supporting equipment as well as their operational expenses.

5. DVETC operators have been urging the Government for an increase in the test fee for a long time because of the additional costs and longer testing time in administering the dynamometer-based emission test. The additional costs, coupled with the inflation in recent years and the substantial decline in the number of smoky vehicles because of the overall improvement in vehicle maintenance, have made the operation of DVETC under the prevailing test fee of \$310 unsustainable. The number of DVETCs for providing test services for diesel vehicles has declined from 12 in 2005 to six now. Owing to equipment breakdown, only two are in operation. These DVETC operators show little interest in continuing their operation unless the test fee is adequately raised.

6. The unsustainably low test fee has also been an impediment to existing or potential DVETC operators to consider providing emission testing services for the recently introduced strengthened emission control programme for petrol and liquefied petroleum gas (LPG) vehicles. When the strengthened emission control programme was launched last year, only two DVETCs provided this test service. The number of such DVETCs has now increased to four because of the anticipation that the test fee will soon be increased to a more reasonable level.

7. As for the increase in the test fee, we have conducted a review with DVETC operators and concluded that the test fee of \$310 should be increased to three levels to reflect the prevailing costs for serving different types of vehicle as set out below:

(a) the test fee in respect of a motor vehicle with a positive-ignition engine is \$620;

(b) the test fee in respect of a motor vehicle with a compression-ignition engine and having a permitted gross vehicle weight not exceeding 5.5 tonnes is \$730; and

(c) the test fee in respect of a motor vehicle with a compression-ignition engine and having a permitted gross vehicle weight exceeding 5.5 tonnes is \$680².

THE ORDER

8. The Order at **Annex** increases the fee to be charged in respect of a test of a motor vehicle as prescribed in paragraph 6(b) of Schedule 10 to the Ordinance. It is proposed that the Order should come into effect on 1 August 2015.

LEGISLATIVE TIMETABLE

9. The legislative timetable is set out below -

Publication in the Gazette	15 May 2015
Tabling at the Legislative Council	20 May 2015
Commencement	1 August 2015

IMPLICATIONS OF THE PROPOSAL

10. On economic implications, the fee increase would not affect vehicle owners who properly maintain their vehicles. As for those who overlook vehicle maintenance and are subject to this emission test, the proposed increase could be a deterrent to their negligence. Since all DVETCs are privately run, the proposed fee increases will increase their incentives to stay in operation though with no revenue implication for the Government. The

² The proposed test fee for light diesel vehicles is higher than that for heavy diesel vehicles primarily because of the higher rental expenses for centres serving the former. Light diesel vehicles operate mostly in the urban areas while heavy duty vehicles operate more often in the New Territories. To suit their customers, test centres for light diesel vehicles are more likely to be set up in urban areas, whose rentals are higher than those in the New Territories, while test centres for heavy diesel vehicles are more likely to be in the New Territories. Moreover, centres for heavy diesel vehicles require larger space for their testing equipment, which are difficult to be found in the urban areas.

proposal is in conformity with the Basic Law, including the provisions concerning human rights. It has no financial, civil service, productivity, family or sustainability implications. The Order will not affect the current binding effect of the Ordinance.

PUBLIC CONSULTATION

11. We consulted the Panel on Environmental Affairs of the Legislative Council on 23 July 2014 on the proposed increase in test fee and the Panel supported the proposal.

12. We held two consultation sessions in September 2014 to seek the views of the transport trades, the vehicle maintenance and repair service trade, the Hong Kong Automobile Association and other relevant parties on the proposal. A few stakeholders commented that the proposed fee increase was too high and suggested the Government providing the test service. We explained that the proposed fee increase was justified in the light of the additional test equipment, longer testing time and the cumulative inflation since the last fee increase in 1998. In addition, we pointed out that the test fee would have to be fixed on a full cost recovery basis even if the Government provided the test service. Overall, their feedback has been reflected in our proposal where appropriate.

PUBLICITY

13. A press release will be issued and a spokesperson will be available to answer media enquiries.

ENQUIRIES

14. Enquiries about this brief could be addressed to Mr. MOK Wai Chuen, Assistant Director of Environmental Protection (Air Policy) at 3509 8618.

Environment Bureau / Environmental Protection Department
May 2015

Road Traffic Ordinance (Amendment of Schedule 10) Order 2015

(Made by the Chief Executive under section 77H(1) of the Road Traffic Ordinance (Cap. 374) after consultation with the Executive Council)

1. Commencement

This Order comes into operation on 1 August 2015.

Chief Executive

2015

2. Road Traffic Ordinance amended

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

3. Schedule 10 amended (requirements applicable to vehicle emission testing centres)

Schedule 10, paragraph 6—

Repeal subparagraph (b)

Substitute

“(b) Fee payable in respect of a test of a motor vehicle—

- | | |
|---|---------|
| (i) for a motor vehicle with a positive-ignition engine; | \$620 |
| (ii) for a motor vehicle with a compression-ignition engine and having a permitted gross vehicle weight not exceeding 5.5 tonnes; | \$730 |
| (iii) for a motor vehicle with a compression-ignition engine and having a permitted gross vehicle weight exceeding 5.5 tonnes. | \$680”. |

Explanatory Note

This Order amends paragraph 6(b) of Schedule 10 to the Road Traffic Ordinance (Cap. 374) (*principal Ordinance*).

2. At present, a flat fee is charged for a vehicle emission test carried out under Part 8A of the principal Ordinance in respect of a motor vehicle (*test*). The fee is specified in paragraph 6(b) of Schedule 10 to that Ordinance. This Order amends that paragraph and specifies different fees for different types of motor vehicles.
3. Under the amended paragraph 6(b)—
 - (a) the fee for a test in respect of a motor vehicle with a positive-ignition engine is \$620;
 - (b) the fee for a test in respect of a motor vehicle with a compression-ignition engine and having a permitted gross vehicle weight not exceeding 5.5 tonnes is \$730; and
 - (c) the fee for a test in respect of a motor vehicle with a compression-ignition engine and having a permitted gross vehicle weight exceeding 5.5 tonnes is \$680.