

**For discussion
on 17 November 2017**

Legislative Council Panel on Transport

**Proposed Revision to Fees and Charges Relating to Road Traffic
(Batch 4)**

Purpose

This paper seeks Members' views on the proposals to –

- (i) revise 16 government fee items relating to road traffic which do not directly affect people's livelihood; and
- (ii) permanently exempt oversized franchised buses from the requirement to apply for permits for using government tunnels and control areas.

Background

2. In line with the "user pays" principle, it is Government's policy that government fees and charges should in general be set at a level sufficient to recover the full cost of providing the relevant services. Nevertheless, some fees and charges have not been revised in recent years. The Government needs to review systematically government fees and charges and deal firstly with fees which have not been revised for years and do not directly affect people's livelihood. Thereafter, departments should review the fee levels annually, and revise the fees where necessary.

3. In order to achieve full cost recovery progressively and to avoid fee adjustments which are too substantial, the Government generally follows the following guidelines for fee revisions:

- (i) adopt an increase of more than 20% for fees with existing cost recovery rate of less than 40%;
- (ii) adopt an increase of about 15% for fees with existing cost recovery rate between 40% to 70%;
- (iii) adopt an increase of about or below 10% for fees with existing cost recovery rate of over 70%; and

- (iv) adjust downward to full cost recovery for fees which are recovering more than the full cost.

4. When we consulted the Legislative Council (“LegCo”) Panel on Transport (on 19 May 2017) in the last fee revision exercise (Batch 3), there was a view from the Panel member suggesting a larger increase in the revision for fees of individual items so as to achieve a higher cost recovery rate. Hence, having regard to the circumstances of individual items, we have proposed a larger increase for a few fee items in this fee revision proposal.

5. The first two batches of fee revisions, which covered a total of 31 fee items relating to road traffic, have been approved by LegCo. The revised fee levels have taken effect in 2014 and 2015 respectively. The third batch of fee revisions, which covered a total of 13 fee items, was introduced into LegCo through the negative vetting procedures in October 2017. They will take effect on 29 December 2017.

Proposals

(A) Revise 16 government fees

6. Based on the outcome of a costing review, we propose to revise 16 government fee items relating to road traffic stipulated in the Road Tunnels (Government) Regulations (Cap. 368A), the Tsing Ma Control Area (Tolls, Fees and Charges) Regulation (Cap. 498A) and the Tsing Sha Control Area (Tolls, Fees and Charges) Regulation (Cap. 594B) with a view to achieving full cost recovery progressively. These 16 non-toll fee items relating to government tunnels and control areas¹ include fee for removal of vehicle, permit fee, surcharge for evasion or underpayment of toll, fee for escort of vehicle, charge for impounding vehicle and charge for storage of vehicle. They have not been revised since 1995, 1997 or 2008² and the existing cost recovery rates range from 44% to 95%. We propose to revise

¹ Among them, four fees are related to government tunnels, eight fees are related to Tsing Ma Control Area and four fees are related to Tsing Sha Control Area.

² The three fees for removal of vehicles under Road Tunnels (Government Regulations) Regulation have not been revised since 1995; the permit fee under Road Tunnels (Government Regulations) Regulation have not been revised since 1997; the eight fees under Tsing Ma Control Area (Tolls, Fees and Charges) Regulation have not been revised since 1997; and the four fees under Tsing Sha Control Area (Tolls, Fees and Charges) Regulation have not been revised since 2008.

these fees (with an increase of 5% to 33%) to improve the cost recovery rates to between 51% and 100%. Details of the fee revision proposals are set out at **Annex**. The proposed adjustments are based on the price level in 2017-18 financial year. The proposed fee increases range from a few dollars to tens of dollars only. The impact on users should be insignificant.

7. We will regularly review the costs of all fees and charges related to road traffic and introduce fee revision proposals where necessary.

Efficiency Enhancement Measures

8. The Transport Department will continue to enhance efficiency and streamline procedures, including regular reviews of work procedures and employing technology to control the costs of government fees.

(B) Permanently exempt oversized franchised buses from the requirement to apply for permits for using government tunnels and control areas

9. In accordance with the Road Tunnels (Government) Regulations, Tsing Ma Control Area (General) Regulation (Cap. 498B) and Tsing Sha Control Area (General) Regulation (Cap. 594A) (“the relevant Regulations”), no one shall in any government tunnels and control areas drive a vehicle with length exceeding 12 metres and/or width exceeding 2.5 metres. The objective of the concerned regulations is to ensure the safe passage of the vehicles which exceed the above requirements in the government tunnels and control areas. At present, vehicles which apply for permits exceed the requirements by different lengths and widths, and they often carry or suspended articles which protrude at the front and/or rear ends of the vehicles. These vehicles are of individual types and do not use government tunnels and control areas frequently. The passage of these vehicles may impose danger to tunnel structure and facilities, or to other tunnel users. Apart from issuing permits, the management companies of the tunnels and control areas can also impose in the permits conditions of use, such as restricting the vehicles to use the tunnels and control areas during non-peak hours when there is less traffic, or requiring escorts provided by the management companies for using the tunnels and control areas.

10. The franchised bus companies have purchased new models of buses in recent years to better meet operational and passenger needs. These new models of buses are 12.8 metres in length and/or 2.55 metres in width which marginally exceed the legal requirements of 12 metres in length and 2.5 metres in width for using government tunnels and control areas. Under

the existing requirements of the relevant Regulations, the franchised bus companies are required to obtain permits annually for each of the oversized buses to use each of the government tunnels and control areas for the designated routes. As at November 2017, about 2 300 oversized franchised buses were issued with a total of about 14 200 permits.

11. At present, these oversized franchised buses have to obtain permission from the Commissioner for Transport under the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A)³ for use on roads. These buses also have to pass the trial run on the designated routes before they can be deployed in a particular bus route via government tunnels or control areas. Therefore, they do not pose any risk to the structures of government tunnels and/or control areas, or to other tunnel users. In view of the above, for franchised bus operations, it is not necessary to require the franchised buses to be subjected to the existing requirement of applying for permits for oversized vehicles to use government tunnels and control areas. Hence, we propose to amend the relevant regulations relating to vehicles requiring permits under the Road Tunnels (Government) Regulations, the Tsing Ma Control Area (General) Regulation and the Tsing Sha Control Area (General) Regulation so that oversized franchised buses can be exempted permanently from the requirement to apply for permits for using government tunnels and control areas.

Financial Implication

12. We estimate that there will be a net increase in government revenue of about \$0.24 million per annum after implementation of the 16 proposed government fee revisions. There will be a revenue forgone of about \$1.25 million per annum after implementation of the proposed permanent exemption for oversized franchised buses from the requirement to apply for permits for using government tunnels and control areas. However, the measure will lower the operating costs of bus companies and hence help ease the pressure on bus fare increase.

³ At present, oversized franchised buses of 2.55 metres in width are authorised by the Commissioner for Transport for use on roads under Regulation 4 of the Road Traffic (Construction and Maintenance of Vehicles) Regulations. As regards oversized franchised buses of 12.8 metres in length, they must possess permits issued by the Commissioner for Transport according to Regulation 6(2) of the Road Traffic (Construction and Maintenance of Vehicles) Regulations with designated routes specified in the permits.

Way forward

13. Legislative amendments are required for the implementation of the proposals in paragraph 1 above. We plan to submit the required legislative amendments to the LegCo in 2018⁴.

Advice Sought

14. Members are invited to comment on the proposals in paragraphs 6 to 11 above.

**Transport and Housing Bureau
Transport Department
November 2017**

⁴ The proposed fee revisions in the paper are based on the price level in 2017-18 financial year. If the revised fees are implemented in 2018-19 financial year, we will slightly adjust the fee level having regard to the change in price but will maintain the proposed cost recovery rates. The slightly adjusted fees will be reflected in the subsidiary legislations to be submitted to the LegCo for vetting.

Proposed Revision to Fees and Charges Relating to Road Traffic

16 non-toll fee items relating to government tunnels and control areas that have not been revised since 1995, 1997 or 2008 under (Road Tunnels (Government Regulations (Cap. 368A), Tsing Ma Control Area (Tolls, Fees and Charges) Regulation (Cap. 498A) and Tsing Sha Control Area (Tolls, Fees and Charges) Regulation (Cap. 594B))

Fees with brief descriptions		Existing fee level (\$)	Existing cost recovery rate (%)	Revised fee level (\$)	Fee revision in percentage (%)	Cost recovery rate after fee revision (%)
Road Tunnels (Government Regulations (Cap. 368A))						
1.	Fee for removal of private cars, taxis, motor cycles and motor tricycles (per vehicle) (Schedule 2, Cap. 368A) <i>Brief description: Fee to be paid by the owner of a vehicle when such vehicle causing an obstruction in the tunnel area has been removed by the Commissioner for Transport or management company under regulation 13 of Cap. 368A.</i>	140	64%	160	+14%	74%
2.	Fee for removal of public and private light buses, public and private single-decked buses and goods vehicles of a permitted gross vehicle weight not exceeding 5.5 tonnes (per vehicle) (Schedule 2, Cap. 368A) <i>Brief description: Fee to be paid by the owner of a vehicle when such vehicle causing an obstruction in the tunnel area has been removed by the Commissioner for Transport or management company under regulation 13 of Cap. 368A.</i>	175	65%	200	+14%	75%

Fees with brief descriptions		Existing fee level (\$)	Existing cost recovery rate (%)	Revised fee level (\$)	Fee revision in percentage (%)	Cost recovery rate after fee revision (%)
3.	<p>Fee for removal of public and private double-decked buses, special purpose vehicles and goods vehicles of a permitted gross vehicle weight exceeding 5.5 tonnes (per vehicle) (Schedule 2, Cap. 368A)</p> <p><i>Brief description: Fee to be paid by the owner of a vehicle when such vehicle causing an obstruction in the tunnel area has been removed by the Commissioner for Transport or management company under regulation 13 of Cap. 368A.</i></p>	215	60%	245	+14%	68%
4.	<p>Issue of permit (per vehicle) (Schedule 2, Cap. 368A)</p> <p><i>Brief description: Fee for the issue of permit for using the tunnel to vehicle which exceeds the requirements under Section 14 of Cap. 368A.</i></p>	82	59%	94	+15%	67%
Tsing Ma Control Area (Tolls, Fees and Charges) Regulation (Cap. 498A)						
5.	<p>Surcharge for evasion or underpayment of toll (Schedule 2, Cap. 498A)</p> <p><i>Brief description: Surcharge to be paid by the owner/driver of a vehicle for the evasion or underpayment of any toll, in addition to the amount of the toll evaded or underpaid, under Section 4 of Cap. 498A.</i></p>	170	75%	226	+33%	100%

Fees with brief descriptions		Existing fee level (\$)	Existing cost recovery rate (%)	Revised fee level (\$)	Fee revision in percentage (%)	Cost recovery rate after fee revision (%)
6.	Escort of any vehicle (Schedule 3, Cap. 498A) <i>Brief description: Fee to be paid by the person who requests escort service when the vehicle (e.g. vehicle with width, length or height which exceeds the requirements) is required to be escorted within any part of the control area under Section 5 of Cap. 498A. (for each 30 minutes or part thereof)</i>	250	68%	290	+16%	79%
7.	Issue of permit (per vehicle) (Schedule 5, Cap. 498A) <i>Brief description: Fee for the issue of permit for using the control area to vehicle which exceeds the requirements under Section 7 of Cap. 498A.</i>	100	65%	115	+15%	75%
8.	Fee for removal of motorcycles, motor tricycles, private cars, electrically powered passenger vehicles, taxis, public light buses, private light buses (per vehicle) (Schedule 6, Cap. 498A) <i>Brief description: Fee to be paid by the owner of a vehicle when such vehicle causing an obstruction in the control area has been removed by the Commissioner for Transport or management company under section 8 of Cap. 498A.</i>	260	72%	285	+10%	79%

Fees with brief descriptions		Existing fee level (\$)	Existing cost recovery rate (%)	Revised fee level (\$)	Fee revision in percentage (%)	Cost recovery rate after fee revision (%)
9.	<p>Fee for removal of light goods vehicles, special purpose vehicles - of a permitted gross vehicle weight not exceeding 5.5 tonnes, public single-decked buses, private single-decked buses (per vehicle) (Schedule 6, Cap. 498A)</p> <p><i>Brief description: Fee to be paid by the owner of a vehicle when such vehicle causing an obstruction in the control area has been removed by the Commissioner for Transport or management company under section 8 of Cap. 498A.</i></p>	450	44%	520	+16%	51%
10.	<p>Fee for removal of medium or heavy goods vehicles, special purpose vehicles - of a permitted gross vehicle weight exceeding 5.5 tonnes, public double-decked buses, private double-decked buses (per vehicle) (Schedule 6, Cap. 498A)</p> <p><i>Brief description: Fee to be paid by the owner of a vehicle when such vehicle causing an obstruction in the control area has been removed by the Commissioner for Transport or management company under section 8 of Cap. 498A.</i></p>	600	46%	690	+15%	53%
11.	<p>Charge for impounding vehicle (per vehicle) (Schedule 6, Cap. 498A)</p> <p><i>Brief description: Fee for impounding a vehicle which caused an obstruction within the control area under Section 8 of Cap. 498A.</i></p>	140	74%	155	+11%	82%

Fees with brief descriptions		Existing fee level (\$)	Existing cost recovery rate (%)	Revised fee level (\$)	Fee revision in percentage (%)	Cost recovery rate after fee revision (%)
12.	Charge for storage of vehicle (after the second day) (per day per vehicle) (Schedule 6, Cap. 498A) <i>Brief description: Daily fee for storage of a vehicle which caused an obstruction within the control area, after the second day, under Section 8 of Cap. 498A.</i>	110	84%	120	+9%	91%
Tsing Sha Control Area (Tolls, Fees and Charges) Regulation (Cap. 594B)						
13.	Surcharge for evasion or underpayment of toll (Schedule 2, Cap. 594B) <i>Brief description: Surcharge to be paid by the owner/driver of the vehicle for the evasion or underpayment of any toll, in addition to the amount of the toll evaded or underpaid, under Section 4 of Cap. 594B.</i>	155	86%	180	+16%	100%
14.	Issue of permit (per vehicle) (Schedule 5, Cap. 594B) <i>Brief description: Fee for the issue of permit for using the control area to vehicle which exceeds the requirements under Section 7 of Cap. 594B.</i>	115	95%	121	+5%	100%

Fees with brief descriptions		Existing fee level (\$)	Existing cost recovery rate (%)	Revised fee level (\$)	Fee revision in percentage (%)	Cost recovery rate after fee revision (%)
15.	<p>Charge for impounding vehicle (per vehicle) (Schedule 6, Cap. 594B)</p> <p><i>Brief description: Fee for impounding a vehicle which caused an obstruction within the control area under Section 8 of Cap. 594B.</i></p>	150	91%	165	+10%	100%
16.	<p>Charge for storage of vehicle (after the second day) (per day per vehicle) (Schedule 6, Cap. 594B)</p> <p><i>Brief description: Daily fee for storage of a vehicle which caused an obstruction within the control area, after the second day, under Section 8 of Cap. 594B.</i></p>	95	63%	110	+16%	73%