

LEGISLATIVE COUNCIL BRIEF

**Hong Kong Special Administrative Region Passports Ordinance
(Chapter 539)**

**HONG KONG SPECIAL ADMINISTRATIVE REGION PASSPORTS
ORDINANCE (AMENDMENT OF SCHEDULE) NOTICE 2000**

INTRODUCTION

At the meeting of the Executive Council held on 3 October 2000, the Council ADVISED and the Chief Executive ORDERED that the Hong Kong Special Administrative Region Passports Ordinance (Amendment of Schedule) Notice 2000, at Annex A, should be made under section 12 of the Hong Kong Special Administrative Region Passports Ordinance, to increase the prescribed fee payable on applying for the issuance of a Hong Kong Special Administrative Region passport.

BACKGROUND AND ARGUMENT

2. Fees are payable for the issue of HKSAR passports under the Hong Kong Special Administrative Region Passports Ordinance (the Ordinance). The fees are set out in the Schedule to the Ordinance and were first introduced in July 1997 upon the introduction of the HKSAR passport. They have not been revised since then. In accordance with section 12 of the Ordinance, the Chief Executive in Council may by notice in the Gazette amend the Schedule.

3. It is Government policy that fees should in general be set at levels sufficient to recover the full cost of providing the services. 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. The Financial Secretary decided in June 1999 to continue the fee revision moratorium until the year-on-year quarterly GDP growth rate turned firmly positive. In view of the current state of economic recovery, it was proposed to first revise those fees and charges that do not directly affect people's livelihood and general business activities.

4. The Administration consulted the LegCo Panel on Financial Affairs on 13 April 2000 on proposals to revise the fees and charges for services provided by various bureaux and departments that would not directly affect people's livelihood or general business activities. In view of the diverse nature of the fees and charges involved, Members suggested that the proposals should be considered by the relevant LegCo Panels. At the LegCo House Committee Meeting held on 14 April 2000, 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 adjusted.

5. Subsequently, the LegCo Panel on Security held a Special Meeting on 15 June 2000 to consider, amongst other things, the proposal to increase the fees for issuing HKSAR passports. A recent costing review conducted at 2000-01 prices shows that the existing fees for HKSAR passports only recover 19% to 54% of the full costs of providing the service. Details of cost computation are shown at Annex B. The Administration proposed a 15% to 20% increase in the fees for the

different types of HKSAR passports with a view to achieving the full-cost recovery within a reasonable time frame. However, Members considered that the proposed fee increases were on the high side.

6. In the light of Members' concern, the Administration has adjusted the level of fee increase for the different types of HKSAR passports to a standard rate of increase of 15%. Details of the existing and proposed fees are set out at Annex C. The corresponding cost recovery rate after fee revision ranges from 22% to 62%.

THE NOTICE

7. The Notice revises the fees to the levels set out at Annex C. It will be gazetted on 13 October 2000 and the new fees will take effect on 24 November 2000.

PUBLIC CONSULTATION

8. The proposal, amongst other proposed revision of fees and charges for services provided by other bureaux and departments, has been discussed in the LegCo Panel on Financial Affairs on 13 April 2000. More detailed discussion took place in the meeting of the LegCo Panel on Security held on 15 June 2000. The Administration has adjusted the proposed fee increase downwards in the light of Members' concern.

BASIC LAW IMPLICATIONS

9. The Department of Justice advises that the Notice is consistent with the Basic Law.

HUMAN RIGHTS IMPLICATIONS

10. The Department of Justice advises that the Notice has no human rights implications.

BINDING EFFECT OF THE LEGISLATION

11. The Notice will not affect the current binding effect of the Ordinance.

FINANCIAL AND STAFFING IMPLICATIONS

12. Additional revenue arising from the fee increases is estimated to be \$9.7 million per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

13. The fee increases should have little inflationary impact on the economy. The percentage increase has been lowered to 15% after consultation with the LegCo Panel on Security, and the fee increases are small in absolute terms. The fee for HKSAR passports does not form a weighty item in people's expenditure.

EFFICIENCY INITIATIVES

14. The Immigration Department regularly reviews its operational systems to enhance cost-effectiveness as well as the quality of services. In 1999-2000, the Department reviewed the working procedures and staffing level of the Documents Division having regard to the demand for HKSAR passports. As a result, 25 posts have been deleted, representing

a saving of \$5.95 million, while maintaining the pledge of issuing a passport within 15 working days.

LEGISLATIVE TIMETABLE

15. The legislative timetable is set out below-

Publication in the Gazette	13 October 2000
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Tabling at the Legislative Council	18 October 2000
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PUBLICITY

16. A press release will be issued and a spokesman will be available for answering media enquiries.

ENQUIRIES

17. Enquiries about this brief can be made to Ms Linda K P So, Principal Assistant Secretary for Security (C), at 2810 2330.

Security Bureau
11 October 2000

**HONG KONG SPECIAL ADMINISTRATIVE REGION PASSPORTS ORDINANCE
(AMENDMENT OF SCHEDULE) NOTICE 2000**

(Made by the Chief Executive in Council under section 12
of the Hong Kong Special Administrative Region
Passports Ordinance (Cap. 539))

1. Commencement

This Notice shall come into operation on 24 November 2000.

2. Prescribed fees

The Schedule to the Hong Kong Special Administrative Region Passports Ordinance
(Cap. 539) is amended -

- (a) in item 1(a), by repealing "280" and substituting "320";
- (b) in item 1(b), by repealing "400" and substituting "460";
- (c) in item 2(a), by repealing "140" and substituting "160";
- (d) in item 2(b), by repealing "200" and substituting "230".

Clerk to the Executive Council

COUNCIL CHAMBER

2000

Explanatory Note

The purpose of this Notice is to increase the prescribed fee payable on applying for the issuance of a Hong Kong Special Administrative Region Passport under section 3(1) of the Hong Kong Special Administrative Region Passports Ordinance (Cap. 539).

COST COMPUTATION**Immigration Department****Fees for Issue of HKSAR Passports****Cost at 2000-01 Prices**

			\$'000
Staff Costs			149,090
Departmental Expenses			54,154
Accommodation Costs			21,626
Depreciation			23,764
Cost of Services Provided by Other Departments			2,750
Central Administrative Overhead			8,618
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Total Cost (excluding costs of blank passports and protection layer)			260,002
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Estimated number of cases			378,000
Unit cost (excluding costs of blank passports and protection layer)		(a)	\$688
Blank passport unit cost (32 pages)	US\$5 x 7.8	(b)	\$39
Blank passport unit cost (48 pages)	US\$6 x 7.8	(c)	\$47
Protection layer unit cost	US\$0.45 x 7.8	(d)	\$4
Total Unit Cost			
-Passport of 32 pages		(a)+(b)+(d)	\$731
-Passport of 48 pages		(a)+(c)+(d)	\$739

Revision of Fees for Issue of HKSAR Passports

Description of Fee Item	Existing Fee \$	Proposed Fee \$
1. Issuing a passport under section 3(1) (other than to a person under the age of 16 years)-		
(a) for a passport of 32 pages	280	320
(b) for a passport of 48 pages	400	460
2. Issuing a passport under section 3(1) to a person under the age of 16 years-		
(a) for a passport of 32 pages	140	160
(b) for a passport of 48 pages	200	230