

# 立法會

## *Legislative Council*

LC Paper No. CB(1)400/11-12  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/6/10

### **Bills Committee on Motor Vehicles (First Registration Tax) (Amendment) Bill 2011**

#### **Minutes of the third meeting held on Thursday, 12 May 2011, at 2:30 pm in the Chamber of the Legislative Council Building**

**Members present** : Hon WONG Ting-kwong, BBS, JP (Chairman)  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon KAM Nai-wai, MH  
Hon CHAN Hak-kan  
Hon CHAN Kin-por, JP  
Hon WONG Sing-chi  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-yeet, GBS, JP  
Hon Tanya CHAN

**Members absent** : Hon Miriam LAU Kin-yeet, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon CHEUNG Hok-ming, GBS, JP  
Dr Hon LEUNG Ka-lau  
Hon Albert CHAN Wai-yip

**Public Officers attending** : **Agenda item I**  
Mr YAU Shing-mu, JP  
Under Secretary for Transport and Housing

Miss Erica NG  
Acting Deputy Secretary for Transport and  
Housing (Transport)

Mr Kasper NG  
Assistant Secretary for Transport and Housing  
(Transport)

Mr Anthony LOO, JP  
Assistant Commissioner for Transport (Planning)  
Transport Department

Ms Cindy LAW  
Assistant Commissioner for Transport  
(Administration & Licensing)  
Transport Department

**Attendance by  
Invitation**

**: Agenda item I**

Right Hand Drive Motors Association (Hong  
Kong) Limited

Mr Paul LAW  
Meritorious Chairman

Mr Jackson LAU  
Meritorious Chairman

Hong Kong Automobile Association

Mr Wesley WAN  
President

The Motor Traders Association of Hong Kong

Mr Chong GOT  
Chairman

Mr Daniel CHAN  
Executive Committee

H.K.L.H.D. Motors Association Limited

Mr Andrew Chan  
Vice Chairman

Mr LO Ching-wai  
Honourary Secretary

Federation of Automobile Services Industry Hong  
Kong

Mr Danny WONG  
President

Individual

Mr Raymond Man-kit HO  
Sai Kung District Councillor

Webb-site.com

Mr David M. WEBB  
Editor

Public Omnibus Operators Association

Mr Louis KUNG  
Secretary General

Hong Kong District Tourists and Passengers  
Omnibus Operators Association

Mr Johnny LEE  
Committee Member

Kowloon District Tourists and Passengers  
Omnibus Operators Association

Mr Peter MOK  
Committee Member

Tsuen Wan District Tourists and Passengers  
Omnibus Operators Association

Mr C K TANG  
Chairman

**Clerk in attendance :** Ms Joanne MAK  
Chief Council Secretary (1)2

**Staff in attendance :** Ms Clara TAM  
Assistant Legal Adviser 9

Ms Anki NG  
Council Secretary (SC)1

Ms Emily LIU  
Legislative Assistant (1)2

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Action

**I Meeting with deputations and the Administration**

[LC Papers Nos. CB(1)2110/10-11(01) to (03), CB(1)2110/10-11(05) to (14)]

The Bills Committee deliberated (index of proceedings attached at **Annex**).

Meeting with deputations

2. The Bills Committee received views from 11 deputations attending the meeting.

3. The Bills Committee noted that a total of 13 written submissions had been provided by organizations/individuals, of which eight were provided by the deputations attending the meeting and the rest was provided by organizations/individuals who did not attend the meeting. The written submissions made by the deputations were issued vide LC Papers Nos. CB(1) 2110/10-11(01) to (03) and CB(1)2110/10-11(05) to (14). The Administration's response to the suggestions made by the deputations was issued vide LC Paper No. CB(1)2172/10-11(01).

Action

Admin 4. To facilitate members' further deliberation on the Bill, the Administration was requested to provide the following information and response -

- (a) calculation of First Registration Tax (FRT) for motor vehicles; and
- (b) a written summary of relevant statistics and analyses to show that traffic congestion was linked to the growth and use of private cars.

**II Any other business**

5. Members agreed to hold the fourth meeting at 8:30 am on 19 May 2011 to continue discussion with the Administration.

*(Post-meeting note: The fourth meeting with the Administration was subsequently rescheduled to 8:30 am on 24 May 2011.)*

6. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1  
Legislative Council Secretariat  
23 November 2011

**Bills Committee on Motor Vehicles (First Registration Tax)  
(Amendment) Bill 2011**

**Proceedings of the third meeting  
on Thursday, 12 May 2011, at 2:30 pm  
in the Chamber of the Legislative Council Building**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
<b>Agenda item I – Meeting with the Administration</b>			
000110 – 000615	Chairman	<u>Opening Remarks</u>	
000616 – 000817	Chairman Mr Paul LAW, Right Hand Drive Motors Association (Hong Kong) Limited	<u>Meeting with deputations</u> Presentation of views [LC Paper No. CB(1)2110/10-11(01)]	
000818 – 001321	Chairman Mr Wesley WAN, Hong Kong Automobile Association	Presentation of views [LC Paper No. CB(1)2110/10-11(02)]	
001322 – 001828	Chairman Mr Chong GOT, The Motor Traders Association of Hong Kong	Presentation of views [LC Paper No. CB(1)2110/10-11(03)]	
001829 – 002221	Chairman Mr Andrew CHAN, H.K.L.H.D. Motors Association Limited	Presentation of views [LC Paper No. CB(1)2110/10-11(05)]	
002222 – 002737	Chairman Mr Danny WONG, Federation of Automobile Services Industry Hong Kong	Presentation of views [LC Paper No. CB(1)2110/10-11(06)]	
002738 – 003156	Chairman Mr Raymond HO, Sai Kung District Councillor	Presentation of views:  (a) not in support of the proposed increase in first registration tax (FRT) due to enormous financial surplus of the Government;  (b) traffic congestion near the tunnel areas would not be resolved by increasing FRT; and  (c) suggested more transparency on approving registration of left hand drive motor	

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		vehicles from the mainland.	
003157 – 003704	Chairman Mr David M. WEBB, Webb-site.com	Presentation of views [LC Papers Nos. CB(1)2110/10-11(09) and CB(1)2110/10-11(13)]	
003705 – 004008	Chairman Mr Louis KUNG, Public Omnibus Operators Association	Presentation of views:  (a) in support of the proposed increase in FRT as private cars accounted for a higher percentage of road usage than public transport and were a less efficient mode of transport;  (b) in support of reduction of the number of private cars to ease traffic congestion; and  (c) in support of administrative measures to control the number of private cars using the roads such as electronic road pricing schemes.	
004009 – 004527	Chairman Mr Johnny LEE, Hong Kong District Tourists and Passengers Omnibus Operators Association	Presentation of views:  (a) in support of the proposed increase in FRT as reduction of the number of private cars was one of the ways to ease traffic congestion and to increase vehicle journey speed;  (b) the average increase in FRT for private cars priced below HK\$300,000 was only around 5-10%; and  (c) suggested using the revenue received from the proposed increase in FRT to resolve traffic congestion problem.	
004528 – 004708	Chairman Mr Peter MOK, Kowloon District Tourists and Passengers Omnibus Operators Association	Presentation of views [LC Paper No. CB(1)2110/10-11(14)]	
004709 – 004907	Chairman Mr C K TANG, Tsuen Wan District Tourists and Passengers Omnibus Operators Association	Presentation of views:  in support of the proposed increase in FRT as the number of vehicles using the roads has been exceeding the acceptable traffic load in recent years.	

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004908 – 005739	Chairman Administration	<p>The Administration's response to the views of deputations –</p> <p>(a) if no action was taken to contain the growth of private cars, traffic conditions would only continue to worsen and the future cost for taking actions in easing traffic congestion would increase;</p> <p>(b) the net growth in private cars surged to 5.4% in 2010 and the year-on-year growth rate as at February 2011 even reached 5.6%. If the 5.6% growth continued, it would only take 4 years to reach the cumulative growth in the past 12 years;</p> <p>(c) the increase in the number of private cars and its growth rate were far higher than those of other vehicles. Taking 2010 as an example, the growth rate in vehicles other than private cars was only 1.4%, and the proportion of private cars to the vehicle fleet had increased from 64.7% in 2004 to 68.3% in 2010;</p> <p>(d) private cars were a less efficient mode of land transport. The efficiency of public transport as a transportation mode was eight times of the efficiency of private cars;</p> <p>(e) the growth in number, the gain in its proportion and the low efficiency of private cars would directly reduce the overall efficiency level of road traffic and affect traffic condition;</p> <p>(f) the proposed increase in FRT was one of the measures to contain the growth of private cars and the Administration would continue to adopt a multi-pronged approach to contain traffic congestion;</p> <p>(g) any suggestion in respect of the Administration's proposal to increase FRT for private cars had to be consistent with the premise of containing vehicle growth so as to match with the measure and the policy objective of the Administration, otherwise the intended effect of the</p>	



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		<p>Administration's proposal would be undermined. Any suggestion should not lead to loopholes in the law or administrative confusion; and</p> <p>(h) the overall age of private cars in Hong Kong was relatively young and they did not constitute a major source of roadside air pollution. There were existing incentive schemes for replacing old diesel commercial vehicles which were the major source of roadside air pollution. If concession was provided to vehicle owners who scrapped their old private cars and replaced them with new ones, the number of private cars would not be reduced.</p>	
005740 – 010405	Chairman Ms Audrey EU Mr David M. WEBB, Webb-site.com	<p>Discussion on the graph showing the average number of private cars per km of roads per day from Mr David M. WEBB, and whether it proved that increasing number of private cars had caused road traffic congestion.</p> <p>Discussion on the factors which contributed to traffic congestion, the statistics on vehicle journey speed provided by the Administration and the road pricing schemes implemented by other countries as a way to ease traffic congestion.</p>	
010406 – 010458	Chairman Mr Wesley WAN, Hong Kong Automobile Association (HKAA)	<p>Request for HKAA to give views on road pricing schemes.</p> <p>HKAA was not in support of electronic road pricing scheme as Hong Kong was different from other countries. People entered a busy area such as Central for business purpose and would pay the price for entering such area if a road pricing scheme was in place. Road pricing schemes would not be useful for easing traffic congestion.</p>	
010459 – 010654	Chairman Mr Johnny LEE, Hong Kong District Tourists and Passengers Omnibus Operators Association (HKDTPOOA)	<p>Request for HKDTPOOA to give views on road pricing schemes.</p> <p>HKDTPOOA was in support of electronic road pricing scheme as it would reduce road usage in busy areas such as Kowloon and the northern part of Hong Kong.</p>	

Time marker	Speaker	Subject(s)	Action required
010655 – 011245	Chairman Mr KAM Nai-wai	Mr KAM Nai-wai's views and concerns –  (a) whether additional tax should be imposed on vehicle owners or road users;  (b) the proposed increase in FRT would not be effective in easing traffic congestion; and  (c) request for explanation on the additional tax charged as mentioned in the written submission LC Paper No. CB(1)2110/10-11(12) and the respective increase in Vehicle Kilometrage (VKM) of private cars and buses in Annex 1 of LC Paper No. CB(1)2041/10-11(01).	
011246 – 012240	Chairman Mr Jackson LAU, Right Hand Drive Motors Association (Hong Kong) Limited (RHDMA) Mr KAM Nai-wai Administration Mr LO Ching-wai, H.K.L.H.D. Motors Association Limited (HKLHD)	Request for RHDMA to give views on tax charged as mentioned in the written submission marked as LC Paper No.CB(1)2110/10-11(12).  RHDMA's explanation that FRT was charged on the retail price of private cars which included all operative costs such as rent, salary and currency fluctuations.  Mr KAM Nai-wai requested for information on changes in the retail price of the best sold models of private cars in the past few years to determine whether FRT charged on those models had increased.  The Administration's response that FRT was charged on the published retail price of private cars and calculated in accordance with the Motor Vehicles (First Registration Tax) Ordinance (Cap.330).  HKLHD's explanation that FRT had already been charged on the retail price of private cars for a certain period of time.	
012241 – 012934	Chairman Mr CHAN Kin-por Mr Paul LAW, Right Hand Drive Motors Association (Hong Kong) Limited Mr LO Ching-wai, H.K.L.H.D. Motors Association Limited	Mr CHAN Kin-por invited views from the trade on the possibility of vehicle owners creating fraudulent documents to backdate the payment of deposits or the date of transactions, since the Administration was concerned that the main difficulty for granting exemption for private cars ordered before the Order took effect was on verification of the	

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		<p>date when the transaction or the deposit was made or paid.</p> <p>RHDMA's view that the bank-in slips would provide the necessary proof for payment of deposits and the purchase agreements would provide the date of transactions. The possibility of creating fraudulent documents to backdate the transactions was low as it would be a criminal offence to provide fraudulent documentation.</p> <p>HKLHD's view that they were not in support of the proposed increase in FRT due to enormous financial surplus of the Government.</p>	
012935 – 015044	<p>Chairman Mrs Regina IP Mr Chong GOT, The Motor Traders Association of Hong Kong (MTA) Mr David M. WEBB, Webb-site.com Mr Jackson LAU, Right Hand Drive Motors Association (Hong Kong) Limited Administration</p>	<p>Mrs Regina IP invited views from deputations on granting exemption from the FRT increase to vehicle owners replacing old cars with environment-friendly petrol private cars.</p> <p>MTA's view that they did not support the proposed increase in FRT on private cars, and it would not be necessary to deal with the issue of granting exemptions if the proposed increase in FRT was abolished.</p> <p>Mr David WEBB's view that the proposed increase in FRT should be abolished instead of creating exemptions to the proposed increase. Mr David WEBB's comments on the statistics used in the chart showing the year end figures of VKM (in million km) for private cars provided by the Administration.</p> <p>RHDMA's view that environment-friendly petrol private cars might not be suitable for some vehicle owners who might need to consider other factors apart from environmental protection.</p> <p>Mrs Regina IP's request for the Administration to provide information on the relevant statistics and analysis to show that traffic congestion was caused by, for example, road usage by private cars and buses.</p>	

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		<p>The Administration's response that:</p> <ul style="list-style-type: none"> <li>(a) the net increase in licensed private cars rose from about 11,000 in 2007, 2008 and 2009 to about 21,000 in 2010, which was a record high in 14 years;</li> <li>(b) study of the Transport Department (TD) suggested that people owning private cars made about 60-80% more trips than others; and over half of them used their private cars on at least five days a week;</li> <li>(c) private cars recorded a total growth of 800 million km in overall road usage between 1996 and 2009, which accounted for 80% of the total growth of the VKM of the vehicle fleet. Regression analysis showed that the annual growth of VKM of private cars was over 50% of the total annual growth of VKM of all vehicles; and</li> <li>(d) private cars were a less efficient mode of land transport. Among all passenger journeys taking road based transport modes, around 15% used private cars, while the remainder (85%) used road based public transport. Nonetheless, public transport only had a road usage of 30%, whereas private cars accounted for 40% of road usage. As pointed out in LC Paper No.CB(1)2110/10-11(10), figures revealed that the road usage rate of private cars during peak hours showed a rising trend in recent years, from 41.7% in 2008 to 44.5% in 2009.</li> </ul> <p>Regarding the annual vehicle journey time survey, the Administration responded that TD conducted the survey on a total of 60 routes throughout the territory to find out the regional and overall average vehicle speed of Hong Kong. TD had all along analysed the traffic congestion in Hong Kong by making use of vehicle journey speed.</p> <p>Mrs Regina IP's request for the Administration to provide explanation on the difference between registered and licensed vehicles.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration's response that motor vehicles were required to register and pay FRT when they first entered into Hong Kong, and to obtain a license when they used the roads. At the end of 2010, the number of registered private cars was about 449,400 and the number of licensed private cars was about 414,900.</p>	
015045 – 015955	<p>Chairman Mr KAM Nai-wai Mr Louis KUNG, Public Omnibus Operators Association (POOA) Administration</p>	<p>Mr KAM Nai-wai's concerns and views –</p> <p>(a) the table listed in Annex I of LC Paper No. CB(1)2041/10-11(01) showed that the VKM figure for private cars had increased by 8% from 1999 to 2009 while that of buses had increased by 29% from 1999 to 2009. Traffic congestion might not have been caused solely by private cars; and</p> <p>(b) request for the Administration to provide information on the calculation of FRT for motor vehicles.</p> <p>POOA's view that the figure for buses shown in the table listed in Annex I of LC Paper No. CB(1)2041/10-11(01) mainly involved franchised buses, while POOA represented about 7,000 non-franchised buses. Traffic management was required to ease traffic congestion, and increase in FRT for private cars might be a way to ease traffic congestion.</p> <p>The Administration's response that the VKM figure for buses had increased but there was no significant increase in the number of buses. Buses, being road based public transport, were a more efficient mode of land transport. The Administration had kept a watch on issues such as bus lanes in busy areas and environmental concern on air pollution caused by buses.</p>	<p>Admin to provide information (para. 4 of the minutes)</p>
015956 – 020015	<p>Chairman</p>	<p>Scheduling of next meeting.</p>	
020016 – 020121	<p>Chairman Miss Tanya CHAN Administration</p>	<p>Miss Tanya CHAN's request for a written summary of relevant statistics and analysis from the Administration in response to Mrs Regina IP's enquiry on whether traffic congestion was caused by private cars. The</p>	<p>Admin to provide</p>

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		Administration undertook to provide the information requested.	information (para. 4 of the minutes)

Council Business Division 1  
Legislative Council Secretariat  
23 November 2011