

立法會
Legislative Council

LC Paper No. CB(1)2826/10-11
(These minutes have been seen
by the Administration)

Ref : CB1/SS/10/10

**Subcommittee on
Public Revenue Protection (Dutiable Commodities) Order 2011**

**Minutes of the first meeting
held on Thursday, 24 March 2011, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Dr Hon Joseph LEE Kok-long, SBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Andrew CHENG Kar-foo
Hon Vincent FANG Kang, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon KAM Nai-wai, MH
Hon CHAN Kin-por, JP
Hon CHEUNG Kwok-che
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip

Member absent : Dr Hon LEUNG Ka-lau

**Public officers
attending** : Agenda item II

Professor Gabriel LEUNG, JP
Under Secretary for Food and Health

Mr Thomas CHAN, JP
Deputy Secretary for Food & Health (Health)2

Miss Monica CHEN
Principal Assistant Secretary for Food and Health
(Health) Special Duties 1

Miss Karen SHING
Assistant Secretary for Food and Health (Health)
Special Duties 3

Dr Raymond HO
Head of Tobacco Control Office
Department of Health

Mr CHENG Kim-fung
Senior Assistant Law Draftsman
Department of Justice

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (1)3

Staff in attendance : Ms Clara TAM
Assistant Legal Adviser 9

Miss Rita YUNG
Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)3

Action

I. Election of Chairman

Dr Joseph LEE was elected Chairman of the Subcommittee.

2. The Chairman informed members that Mr CHAN Kam-lam had submitted a late application to join the Subcommittee. Members agreed to accept Mr CHAN's late membership.

II. Meeting with the Administration

- (L.N. 32 of 2011 -- Public Revenue Protection (Dutiable Commodities) Order 2011

- LC Paper No. LS33/10-11 -- Legal Service Division Report

- LC Paper No. CB(1)1660/10-11(01) -- Marked-up copy of the Public Revenue Protection (Dutiable Commodities) Order 2011

- LC Paper No. CB(1)1660/10-11(02) -- Paper on Public Revenue Protection (Dutiable Commodities) Order 2011 prepared by the Legislative Council Secretariat (Background brief))

3. The Subcommittee deliberated (Index of proceedings attached at **Appendix**).

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4. The Administration was requested to provide information on the following:
- (a) the current annual expenditure and staffing establishment for smoking cessation services, and the estimated figures after the increase in tobacco duty in 2011;
 - (b) the overall plan for enhancing smoking cessation services for youth, adult, women and elderly, and the details of such services (including locations and fees charged);
 - (c) the details of the smoking cessation services to be provided by the Hospital Authority (HA) with the provision of \$19.6 million in 2011-2012;
 - (d) work statistics of smoking cessation services (including clients served and cessation rates) provided by HA, the Department of Health and non-governmental organizations, and the assessments made on the effectiveness of such services;
 - (e) a comparison of the number of smokers, breakdown by age group and gender, before and after the increase in tobacco duty

in 2009, and the expected changes in the figures after a further increase in 2011;

- (f) the comparison between Hong Kong and overseas economies on the figure of Gross Domestic Product in terms of US dollars according to purchasing power parity, the retail price of cigarettes, the proportion of tobacco duty to cigarette retail price, the figure on the recent increase in tobacco duty and the subsequent change in retail price, and the number of smokers before and after the increase;
- (g) the overall plan to enhance enforcement against smuggling and sale of illicit cigarettes, including the measures and expenditure/manpower involved as well as measures to be taken;
- (h) whether the Administration had conducted any survey or research on the actual decrease in incomes of licensed newspaper hawkers as a result of the increase in tobacco duty in 2009, and the proposed measures to enhance the business opportunities of these hawkers following a further increase in 2011;
- (i) whether there was any adverse impact on the crime rate as a result of the increase in tobacco duty in 2009 and 2011;
- (j) the time frame for achieving the target for Hong Kong to become a smoke-free city; and
- (k) the rationale behind the policy of increasing duty rates on tobacco products on the one hand and exempting the duties on wine, beer and all other alcoholic beverages on the other, as these products also had harmful effects to the society.

(Post-meeting note: The information provided by the Administration were issued via LC Papers Nos. CB(1)1819/10-11(02), (03) and (04) on 7 April 2011.)

Invitation of views for the next meeting

5. Members agreed to invite relevant stakeholders and the public to give views on the Public Revenue Protection (Dutiable Commodities) Order 2011 at the next meeting scheduled for 2 April 2011 at 10:00 am. The Chairman invited members to notify the Clerk if they wished to invite any organizations to the meeting. A general notice would be posted on the Legislative Council

website to invite submissions from the public and interested parties. Invitations would also be issued to the 18 District Councils.

(Post-meeting note: With the concurrence of the Chairman, the Subcommittee would meet with deputations and the Administration on 2 April 2011 from 9:00 am to 11:00 am. The meeting might be extended to 12:00 noon or 1:00 pm depending on the number of deputations attending. A proposed list of organizations to be invited to give views at the next meeting was circulated to members vide LC Paper No. CB(1)1715/10-11 issued on 25 March 2011.)

III. Any other business

6. There being no other business, the meeting ended at 12:46 pm.

Council Business Division 1
Legislative Council Secretariat
28 July 2011

**Proceedings of the first meeting of
Subcommittee on Public Revenue Protection (Dutiable Commodities) Order 2011
on Thursday, 24 March 2011, at 10:45 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 – 000046	Dr Raymond HO Mr Andrew LEUNG Mr CHAN Kin-por Dr Joseph LEE Mr Albert CHAN Mr WONG Ting-kwong	Election of Chairman	
000047 – 000208	Chairman	Late application to join the Subcommittee by Mr CHAN Kam-lam	
000209 – 000650	Chairman Administration	Briefing by the Administration on the Public Revenue Protection (Dutiable Commodities) Order 2011 (the Order)	
000651 – 001726	Chairman Mr WONG Ting-kwong Administration	<p>Mr WONG Ting-kwong declared that he had been a smoker for over 40 years. He expressed concern about the impact of the increase in tobacco duty on the tobacco industry and thus the livelihood of the people working in the industry. He also considered that the increase would only prompt smokers to switch to consuming illicit cigarettes, making the smuggling activities of illicit cigarettes more rampant.</p> <p>In response, the Administration advised that over the years, it had been strengthening the tobacco control policy in an effort to minimize the harmful effects of tobacco. It was a long term target for Hong Kong to become a smoke-free city for the health of Hong Kong people. The Customs and Excise Department (C&ED) had been closely monitoring illicit cigarette activities, and would strengthen its enforcement actions against such activities, including smuggling, storage, distribution and peddling.</p>	
001727 – 002651	Chairman Mr Vincent FANG Administration	Mr Vincent FANG expressed concern about the impact of the increase in tobacco duty on the livelihood of licensed newspaper hawkers, who had suffered income loss as a result of a drop in the sale of cigarettes. He also expressed concern whether the existing smoking cessation services were adequate and effective.	

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		<p>In response, the Administration advised that it would continue to maintain dialogue with the newspaper hawkers and would keep an open mind in considering their proposals, if any, for improving their business opportunities. As regards smoking cessation services, the Administration advised that the resources for smoking prevention and cessation related activities in the Department of Health (DH) had been increasing over the years. A total of \$19.6 million in funding for the Hospital Authority (HA) in 2011-2012 had also been earmarked for enhancement of HA's smoking cessation service in the primary care setting. DH would further strengthen the efforts on smoking prevention and cessation using the increased resources in 2011-2012. These would include scaling up the existing cessation services by the relevant non-governmental organizations.</p>	<p>The Administration to follow up as stated in paragraphs 4(a), 4(b) and 4(d) of the minutes.</p>
002652 – 003225	<p>Chairman Mr CHAN Kin-por Administration</p>	<p>Mr CHAN Kin-por enquired about the effectiveness of the increase in tobacco duty in reducing tobacco consumption and smoking prevalence. He also expressed concern about the enforcement actions against illicit cigarette activities.</p> <p>In reply, the Administration advised that according to international and local researches, cigarette price was a key factor influencing tobacco consumption and smoking prevalence, and therefore price and tax measures were effective and important means of reducing tobacco consumption by various segments of the population, in particular young persons.</p>	<p>The Administration to follow up as stated in paragraphs 4(f) and 4(g) of the minutes.</p>
003226 – 003846	<p>Chairman Mr Albert CHAN Administration</p>	<p>Mr Albert CHAN opined that alcohol was no less harmful than tobacco to the society. He enquired about the Administration's rationale behind the policy of increasing duty rates on tobacco products on one hand and exempting the duties on wine, beer and all other alcoholic beverages on the other.</p>	<p>The Administration to follow up as stated in paragraph 4(k) of the minutes.</p>
003847 – 004919	<p>Chairman Mr LEUNG Kwok-hung Administration</p>	<p>Discussion on the different policies on duty rates on tobacco products and alcoholic beverages, and the problem of illicit cigarettes.</p>	
004920 – 005509	<p>Chairman Mr Andrew CHENG Administration</p>	<p>Mr Andrew CHENG expressed support for the increase in tobacco duty. He expressed concern about the adequacy and effectiveness of the smoking cessation services, in particular the details of the services to be provided by HA within the provision of \$19.6 million in 2011-2012.</p>	<p>The Administration to follow up as stated in paragraph 4(c) of the minutes.</p>

Time marker	Speaker	Subject(s)	Action required
005510 – 010118	Chairman Mr KAM Nai-wai Administration	Mr KAM Nai-wai requested the Administration to provide information on the comparison of the breakdown of the number of smokers by age group and gender before and after the increase in tobacco duty in 2009, the overall plan to enhance the enforcement actions against illicit cigarette activities, including the expenditure and manpower involved as well as measures to be taken. He also enquired whether the Administration had conducted any survey or research on the actual decrease in incomes of licensed newspaper hawkers as a result of the increase in tobacco duty in 2009.	The Administration to follow up as stated in paragraphs 4(e), 4(g) and 4(h) of the minutes.
010119 – 010326	Chairman Mr CHEUNG Kwok-che Administration	Mr CHEUNG Kwok-che enquired whether the Administration had assessed the effectiveness of the smoking cessation services provided by HA, DH and the relevant non-governmental organizations.	The Administration to follow up as stated in paragraph 4(d) of the minutes.
010327 – 011117	Chairman Mr WONG Ting-kwong Administration	Mr WONG Ting-kwong opined that the smoking cessation services should be easily accessible, in terms of locations and fees charged, to the clients served.	The Administration to follow up as stated in paragraph 4(b) of the minutes.
011118 – 012229	Chairman Mr Albert CHAN Administration	Mr Albert CHAN expressed concern whether there would be an increase in the number of young persons taking dangerous drugs after the increase in tobacco duty. He enquired about the Administration's estimation on the changes in the number of smokers after the increase in tobacco duty in 2011, and whether there was any adverse impact on the crime rate as a result of the increase in tobacco duty in 2009 and 2011. In response, the Administration advised that in a chemical context, only nicotine replacement therapy, but not dangerous drugs, was a substitute to cigarettes.	The Administration to follow up as stated in paragraphs 4(e) and 4(i).
012230 – 013053	Chairman Mr LEUNG Kwok-hung Administration	Discussion on the different policies on duty rates on tobacco products and harmful food.	
013054 – 013658	Chairman Mr Vincent FANG Administration	Mr Vincent FANG called on the Administration to formulate substantive measures to enhance business opportunities of the licensed newspaper hawkers. He also enquired about the time frame for achieving the Administration's target for Hong Kong to become a smoke-free city.	The Administration to follow up as stated in paragraphs 4(h) and 4(j) of the

Time marker	Speaker	Subject(s)	Action required
			minutes.
013659 – 015920	Chairman Mr Vincent FANG Mr Albert CHAN Mr WONG Ting-kwong Mr LEUNG Kwok-hung Administration	Invitation of views for the next meeting Discussion on the different policies on duty rates on tobacco products and alcoholic beverages, and the fees charged for smoking cessation services.	
015921 – 020004	Chairman	Meeting arrangement	

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