

**Subcommittee on Public Revenue Protection
(Motor Vehicles First Registration Tax) Order 2011
meeting on 4 April 2011**

**Summary of views and suggestions made by deputations
(as at 8 April 2011)**

<i>Organization/individual</i>	<i>Views/suggestions</i>
<ul style="list-style-type: none"> ● *The Motor Traders Association of Hong Kong (LC Paper No. CB(1)1760/10-11(01)) (LC Paper No. CB(1)1816/10-11(01)) 	<p>(a) <u>suggested</u> that the Administration should consider relaunching the Government scheme implemented between 1996 and 2002 of granting concessions to private cars owners to encourage them to write off old private cars aged over 10 years, which had resulted in deregistration of about 29 100 vehicles;</p>
<ul style="list-style-type: none"> ● *Right Hand Drive Motors Association (H.K.) Ltd. (LC Paper No. CB(1)1780/10-11(03)) 	<p>(b) <u>suggested</u> that the Administration should control the importation of second hand private cars and tighten examination of these cars to ensure their compliance with the required emission standards;</p> <p>(c) <u>opined</u> that the increase in the first registration tax (FRT) for private cars might discourage private car owners from car replacement and delay phasing out old cars from driving on the roads, thus adversely affecting air quality;</p> <p>(d) <u>suggested</u> that traffic management measures should be used to ease traffic congestion instead of increasing FRT; and</p> <p>(e) <u>suggested</u> that the Administration should make reference to the experience of Japan and some European countries (e.g. the Netherlands, Italy and the United Kingdom) and subsidize</p>

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	purchase of new private cars by owners who were willing to deregister their old cars at the same time.
<ul style="list-style-type: none"> ● Friends of the Earth (LC Paper No. CB(1)1760/10-11(04)) 	<p>(a) <u>supported</u> the policy intent of curbing the growth of private cars; and</p> <p>(b) <u>suggested</u> that the Administration should, in addition to increasing FRT, also consider increasing the vehicle registration fee which should take into account the emission level of the vehicle concerned, and providing more low emission zones.</p>
<ul style="list-style-type: none"> ● Carbon Care Asia (LC Paper No. CB(1)1780/10-11(05)) 	<p><u>suggested</u> that the revenues from FRT from private cars should be used for setting up a Fund for promoting public transport and "community-based shared means of transport", with a view to striving for carbon reduction and sustainable development.</p>
<ul style="list-style-type: none"> ● *Mr CHAN Chung-yau 	<p><u>suggested</u> that EPD should introduce more environment-friendly vehicles into Hong Kong.</p>
<ul style="list-style-type: none"> ● *Mr LEUNG Kong-yui, Associate Head, Centre for Logistics and Transport, Hong Kong University, School of Professional and Continuing Education 	<p>(a) <u>supported</u> the policy intent of curbing the growth of private cars in Hong Kong to ease traffic congestion and reduce roadside air pollution and considered that FRT increase has a proven effect in achieving such purpose; and</p> <p>(b) <u>suggested</u>, in addition to FRT increase, implementing more alternative measures to ease traffic congestion, such as further promoting the use of public transport services, implementing</p>

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	<p>traffic management schemes, constructing more road bypasses, imposing a "congestion tax" on drivers driving on the road in a busy district and implementing electronic road pricing schemes.</p>
<ul style="list-style-type: none"> ● *Professor William H K LAM, Chair Professor and Associate Head of Department of Civil and Structural Engineering, The Hong Kong Polytechnic University 	<p>(a) <u>suggested</u> that the Administration should, in addition to increasing FRT, also consider conducting a full review on transportation charges, including FRT for private cars, annual license fee, tunnel tolls, fuel tax and parking fees; and</p> <p>(b) <u>opined</u> that the proposed increase of FRT by about 15% for private cars was a moderate increase.</p>
<ul style="list-style-type: none"> ● Dr Dorothy CHAN, Head, Centre for Logistics and Transport, Hong Kong University, School of Professional and Continuing Education (LC Paper No. CB(1)1760/10-11(02)) 	<p>(a) <u>supported</u> the proposal of increasing FRT for private cars by 15% in order to curb the growth of private cars, which had caused traffic congestion over the past few years; and</p> <p>(b) <u>suggested</u> that the Administration should also consider implementing electronic road pricing schemes to ease traffic congestion.</p>
<ul style="list-style-type: none"> ● Dr HUNG Wing-tat, Department of Civil and Structural Engineering, The Hong Kong Polytechnic University (LC Paper No. CB(1)1760/10-11(03)) 	<p>(a) an increase in FRT for private cars might achieve short-term effect in easing traffic congestion; and</p> <p>(b) <u>suggested</u> that the Administration should consider granting tax reduction to owners replacing their old cars with environment-friendly petrol cars, and introducing road pricing schemes.</p>

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<ul style="list-style-type: none">● Professor S.C. WONG, Department of Civil Engineering, Director, Institute of Transport Studies, The University of Hong Kong (LC Paper No. CB(1)1780/10-11(04))	<ul style="list-style-type: none">(a) <u>supported</u> an increase in FRT for private cars to cope with the surge in the number of private vehicles; and(b) <u>suggested</u> that the Administration should reconsider implementing electronic road pricing scheme to ease traffic congestion.
<ul style="list-style-type: none">● Mr YEUNG Wai-sing, Eastern District Councillor (LC Paper No. CB(1)1780/10-11(07))	<ul style="list-style-type: none">(a) traffic congestion could not be eased by one single measure of increasing the FRT for private cars; and(b) <u>suggested</u> that the Administration should also consider buying back the Western Harbour Crossing and Eastern Harbour Crossing.
<ul style="list-style-type: none">● Mr David LAI, Wan Chai District Councillor (LC Paper No. CB(1)1816/10-11(02))	<ul style="list-style-type: none">(a) the proposed increase in FRT for private cars might only have short-term limited effect in curbing the growth of private cars; and(b) <u>suggested</u> introducing road tolls for busy streets, standardizing the toll level for the three road harbour crossings and reviewing the policy on the vehicle license fee which should be set based on the principle that vehicles with a higher usage should pay a higher fee.

Note

* Organizations/individuals which/who attended the Subcommittee meeting on 4 April 2011