

立法會
Legislative Council

LC Paper No. CB(1)157/03-04
(These minutes have been seen
by the Administration)

Ref: CB1/BC/14/02

Bills Committee on Boundary Facilities Improvement Tax Bill

**Minutes of the second meeting
held on Wednesday, 24 September 2003, at 9:00 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon CHAN Kam-lam, JP (Chairman)
Hon SIN Chung-kai
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Dr Hon TANG Siu-tong, JP
Hon Audrey EU Yuet-mee, SC, JP
- Members absent** : Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon Andrew WONG Wang-fat, JP
Hon Howard YOUNG, SBS, JP
Hon Miriam LAU Kin-ye, JP
Hon Emily LAU Wai-hing, JP
Hon LI Fung-ying, JP
Hon WONG Sing-chi
Hon MA Fung-kwok, JP
- Public officers attending** : Mr Alan N LAI, JP
Permanent Secretary for Financial Services and
the Treasury
- Miss Erica NG
Principal Assistant Secretary for Financial Services and
the Treasury

Mr Edward MAK
Assistant Secretary for Financial Services and
the Treasury

Miss Lilian PO
Assistant Treasury Officer (Revenue Division) for
Financial Services and the Treasury

Mr Alan K M CHU
Principal Assistant Secretary for Security

Mr Patrick CHAN
Principal Assistant Secretary for
the Environment, Transport and Works

Mr Stephen M K IP
Assistant Commissioner for
Transport, Transport Department

Mr LEE Man-ho
Chief Transport Officer, Transport Department

Mr Francis H P LIU
Acting Assistant Director, Marine Department

Mr Adam Y W LAI
General Manager/Services, Marine Department

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

**Attendance by
invitation**

: Miramar Hotel & Investment Company Limited

Mr CHOW Lap-hang, Joey
Marketing and Sales Manager

Barwil Agencies Limited

Mr LEUNG Kwok-yuen, Francis
General Manager Operations

Organization of Hong Kong Drivers

Mr IP Wai-chi
Chairman

Lok Ma Chau China-Hong Kong Freight Association

Mr CHAING Chi-wai
Chairman

Mr CHOI Hon-yim
公關

Hong Kong Container Drayage Services Association Limited

Mr Clarence WONG
Chairman

Associated Tourist Coach Limited

Mr Ricky LO S W
Manager

Mr Vincent TSE H M
Sales Manager

Hong Kong Wing Shun Transportation & Trading Company

Mr WONG Chun-cheong
董事總經理

Hoi Tai Tours Limited

Mr IP Chi-hoi
Director

Dalia Tour Agency Limited

Mr LUI Kam-leung
President

中港私家車主協會

Mr HAU Kin-chun
President

Mr NGAI Hon-shun
Vice-Chairman

Hong Kong Guangdong Boundary Crossing Bus Association

Mr CHOW Hing-wong
Chief Secretary

Public Omnibus Operators Association Limited

Mr YEUNG Wai-hung
Chairman

Mr WONG Leung-pak
Vice-Chairman

Kowloon Canton Railway Corporation

Mr Samuel LAI
Senior Director, Finance and Management

Mr Y T LI
Director, East Rail

The Sino-Hong Kong Private Cars' Rights Association

Mr PAK Ho-tsuen
Chairman

Mr WONG Charn-kwan
Director

粵港私家車協會

Mr TSE Long
籌委會召集人

Clerk in attendance : Ms Anita SIT
Chief Assistant Secretary (1)6

Staff in attendance : Miss Anita HO
Assistant Legal Adviser 2

Mr Matthew LOO
Senior Assistant Secretary (1)3

I Confirmation of minutes of meeting

LC Paper No. CB(1)2248/02-03 - Minutes of meeting on 2 July 2003

The minutes of the first meeting held on 2 July 2003 were confirmed.

II Briefing by the Administration on Boundary Facilities Improvement Projects

2. With the aid of visual presentation equipment, the Administration briefed the Bills Committee on various boundary facilities improvement projects.

(Post-meeting note: The powerpoint presentation notes (LC Paper No. CB(1)2505/02-03(01)) tabled at the meeting were issued to members vide LC Paper No. CB(1)2505/02-03 on 25 September 2003.)

III Meeting with deputations and the Administration

LC Paper No. CB(1)2470/02-03 (01) - Submission from Lok Ma Chau China-Hong Kong Freight Association

LC Paper No. CB(1)2470/02-03 (02) - Submission from Dalia Tour Agency Limited

LC Paper No. CB(1)2470/02-03 (03) - Submission from 中港私家車主協會

LC Paper No. CB(1)2470/02-03 (04) - Submission from Public Omnibus Operators Association Limited

LC Paper No. CB(1)2470/02-03 (05) - Submission from Kowloon-Canton Railway Corporation

LC Paper No. CB(1)2470/02-03 (06) - Submission from The Sino-Hong Kong Private Cars' Rights Association

LC Paper No. CB(1)2470/02-03 (07) - Submission from Mr LI Chun-wah

LC Paper No. CB(1)2470/02-03 (08) - Submission from Star Cruises (Hong Kong) Limited

LC Paper No. CB(1)2470/02-03 (09) - Submission from Hong Kong Liner Shipping Association

LC Paper No. CB(1)2470/02-03 (10) - Submission from East Pacific (Holdings) Limited

- LC Paper No. CB(1)2470/02-03 (11) - Submission from Sinolink Worldwide Holdings Limited
- LC Paper No. CB(1)2470/02-03 (12) - Submission from the Goods Vehicle Fleet Owners Association Limited
- LC Paper No. CB(1)2470/02-03 (13) - Submission from Federation of Hong Kong Industries
- LC Paper No. CB(1)2470/02-03 (14) - Summary of deputations' views and the Administration's response

3. The Bills Committee received the views of the following deputations:

- (a) Miramar Hotel & Investment Company Limited
- (b) Barwil Agencies Limited
- (c) Organizations of Hong Kong Drivers
- (d) Lok Ma Chau China-Hong Kong Freight Association
- (e) Hong Kong Container Drayage Services Association Limited
- (f) Associated Tourist Coach Limited
- (g) Hoi Tai Tours Limited
- (h) Dalia Tour Agency Limited
- (i) 中港私家車主協會
- (j) Hong Kong Guangdong Boundary Crossing Bus Association
- (k) 粵港私家車協會
- (l) Public Omnibus Operators Association Limited
- (m) Kowloon-Canton Railway Corporation
- (n) The Sino-Hong Kong Private Cars' Rights Association

4. The Bills Committee also noted the summary of deputations' views and the Administration's response (position as at 23 September 2003) tabled at the meeting.

(Post-meeting note: The summary of deputations' views and the Administration's response (position as at 23 September 2003) (LC Paper No. CB(1)2505/02-03(02)) were issued to members vide LC Paper No. CB(1)2505/02-03 on 25 September 2003.)

IV Meeting with the Administration

- LC Paper No. CB(1)2470/02-03 (15) - List of follow-up actions to be taken by the Administration pursuant to the discussion on 2 July 2003
- LC Paper No. CB(1)2470/02-03 (16) - Administration's response to the issues arising from the discussion on 2 July 2003

5. At the meeting, members requested the Administration to take the following follow-up actions -

- (a) To explicate the improvements that can be achieved upon completion of the various boundary facilities improvement projects. The information should illustrate the expected improvements for cross-boundary passengers/vehicles using different transport modes during busy hours and the extent of improvements corresponding to different milestone dates;
- (b) To provide overseas examples of taxes and charges similar to the Boundary Facilities Improvement Tax (BFIT);
- (c) To conduct a detailed survey and analysis on the impact of BFIT on the cross-boundary passenger flow of the East Rail and the fare income of the Kowloon-Canton Railway Corporation (KCRC), so as to enable a realistic assessment of the additional revenue that can be generated from BFIT;
- (d) To explain why and how the introduction of BFIT would be consistent with Government's policy on public transport fares if BFIT should result in reduction of fare income of KCRC from cross-boundary passengers and hence the pressure to increase the fares of KCRC's domestic routes. The Administration should provide a scientific analysis with relevant data to support its explanation;
- (e) To provide the paper which was prepared/considered by the then policy bureau and which led to the implementation of separate fare structures for domestic and Mainland travel by KCRC in April 1984; and
- (f) To provide estimates on the resources required for collection and enforcement of BFIT if the on-site collection mode is adopted.

V Any other business

Dates of next meeting

6. The next meeting was scheduled for 23 October 2003 at 10:45 am, subject to the availability of those members not present at this meeting.

(Post-meeting note: Notice of the meeting on 23 October 2003 at 10:45 am was issued to members vide LC Paper No. CB(1)4/03-04 dated 30 September 2003.)

7. There being no other business, the meeting ended at 12:05 pm.

8. The index of proceedings of the meeting is at **Appendix**.

Council Business Division 1
Legislative Council Secretariat
24 October 2003

**Proceedings of the meeting of the
Bills Committee on Boundary Facilities Improvement Tax Bill**

**Second meeting on Wednesday, 24 September 2003, at 9:00 am
in the Chamber of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 - 000020	Chairman	Confirmation of minutes of meeting on 2 July 2003	
000021 - 000458	Chairman	Welcoming and introductory remarks	
000459 - 002202	Chairman Admin	Briefing by the Administration on boundary facilities improvement projects	
002203 - 002514	Chairman Mr SIN Chung-kai Admin	Waiting times for immigration clearance at different control points upon completion of boundary facilities in 2005-06	
002515 - 002812	Chairman Mr Andrew CHENG	<ul style="list-style-type: none"> • Double taxation for cross-boundary passengers using East Rail if Boundary Facilities Improvement Tax (BFIT) was imposed • Pricing policy of Kowloon-Canton Railway Corporation (KCRC) 	
002813 - 003112	Chairman Ms Audrey EU Admin	Clarification on waiting times for immigration clearance upon completion of boundary facilities	
003113 - 003252	Chairman Mr SIN Chung-kai Admin	Request for explication on improvements achieved upon completion of boundary improvement facilities	Administration to take the follow-up action set out in paragraph 5(a) of the minutes
003253 - 003409	Chairman	Introductory remarks for meeting with deputations	

Time marker	Speaker	Subject(s)	Action required
003410 - 003418	Chairman	Representatives of Conning Shipping Limited absent from the meeting	
003419 - 003731	Chairman Miramar Hotel & Investment Company Limited (MH)	Views of MH	
003732 - 004532	Chairman Barwil Agencies Limited (BA)	Views of BA	
004533 - 004631	Chairman Organization of Hong Kong Drivers (OHKD)	Views of OHKD	
004632 - 004810	Chairman Lok Ma Chau China-Hong Kong Freight Association (LMCCHKFA)	Views of LMCCHKFA <i>(LC Paper No. CB(1)2470/02-03(01))</i>	
004811 - 004909	Chairman Hong Kong Container Drayage Services Association Limited (HKCDSA)	Views of HKCDSA	
004910 - 004947	Chairman Associated Tourist Coach Limited (ATC)	Views of ATC	
004948 - 005002	Chairman	Representatives of Hong Kong Wing Shun Transportation & Trading Company absent from meeting	
005003 - 005042	Chairman Hoi Tai Tours Limited (HTT)	Views of HTT	
005043 - 005449	Chairman Dalia Tour Agency Limited (DTA)	Views of DTA <i>(LC Paper No. CB(1)2470/02-03(02))</i>	

Time marker	Speaker	Subject(s)	Action required
005450 - 005705	Chairman 中港私家車主協會	Views of 中港私家車主協會 (<i>LC Paper No. CB(1)2470/02-03(03)</i>)	
005706 - 010343	Chairman Hong Kong Guangdong Boundary Crossing Bus Association (HKGBCBA)	Views of HKGBCBA	
010344 - 010723	Chairman 粵港私家車協會	Views of 粵港私家車協會	
010724 - 011408	Chairman Public Omnibus Operators Association Limited (POOA)	Views of POOA (<i>LC Paper No. CB(1)2470/02-03(04)</i>)	
011409 - 012013	Chairman KCRC	Views of KCRC (<i>LC Paper No. CB(1)2470/02-03(05)</i>)	
012014 - 012242	Chairman The Sino-Hong Kong Private Cars' Rights Association (SHKPCRA)	Views of SHKPCRA (<i>LC Paper No. CB(1)2470/02-03(06)</i>)	
012243 -012249	Chairman Hong Kong Wing Shun Transportation & Trading Company (HKWSTT)	Views of HKWSTT	
012250 - 012333	Chairman HKGBCBA	Supplementary views of HKGBCBA	
012334 - 012408	Chairman HKCDSA	Clarification on whether all the boundary facilities improvement projects mapped out in Administration's briefing were committed for implementation	

Time marker	Speaker	Subject(s)	Action required
012409 - 013150	Chairman Admin	<ul style="list-style-type: none">• Administration's response to deputations' views• Administration's explanation on the reasons for proposing off-site collection of BFIT instead of on-site collection	
013151 - 014052	Chairman Mr Andrew CHENG KCRC Admin	<ul style="list-style-type: none">• KCRC's investment on improving KCRC facilities at boundary stations• KCRC's survey to gauge the possible impact of BFIT on the cross-boundary passenger flow of East Rail and KCRC's fare income• Mr Andrew CHENG's view on the need to take into account the impact of BFIT on KCRC's fare income and the resultant pressure on KCRC to increase fares for domestic routes	

Time marker	Speaker	Subject(s)	Action required
014053 - 015213	Chairman Mr LAU Kong-wah KCRC Admin	<ul style="list-style-type: none"> • Mr LAU Kong-wah's enquiry on overseas examples of levying BFIT or similar tax • Mr LAU Kong-wah's view on the relationship between BFIT and Government's policy to promote inbound tourism • Impact of BFIT on fare income and fare structure of KCRC • Mr LAU Kong-wah's query on the effect of BFIT on cross-boundary passengers using East Rail • Administration's response on the effect of BFIT on tourism; whether there was any tax element in East Rail's fare; and how the fare structure of East Rail was determined by KCRC 	
015214 - 020359	Chairman Mr SIN Chung-kai Admin HTT HKGBCBA	<ul style="list-style-type: none"> • Liability of operators and their agents under clause 22 "Offences" • Interpretation of "operator" in the Bill • Operators being liable to breaches committed by the drivers under their employment • Clause 22 drawn up with reference to equivalent provisions in the Air Passenger Departure Tax Ordinance 	

Time marker	Speaker	Subject(s)	Action required
020400 - 021620	Chairman Ms Audrey EU Admin	<ul style="list-style-type: none"> • Overseas examples of taxes or charges similar to BFIT • Feasibility of collecting BFIT on-site in view of operators' concerns • Administration's response citing off-site collection being adopted for Air Passenger Departure Tax and Passenger Embarkation Fee, and concurrence of most transport operators about the feasibility of the proposed collection arrangements, albeit their counter-proposals on legal responsibilities and enforcement procedures • Administration's undertaking to continue to discuss with operators the BFIT collection arrangements 	Administration to take the follow-up action set out in paragraph 5(b) of the minutes
021621 - 021836	Chairman HKCDSA	Supplementary views of HKCDSA	
021837 - 022055	Chairman OHKD	Supplementary views of OHKD	
022056 - 022155	Chairman HTT	Supplementary views of HTT	
022156 - 022232	Chairman HKGBCBA	Supplementary views of HKGBCBA	
022233 - 022315	Chairman LMCCHKFA	Supplementary views of LMCCHKFA	
022316 - 022404	Chairman KCRC	Supplementary views of KCRC	
022405 - 022854	Chairman Mr LAU Kong-wah Mr SIN Chung-kai KCRC	KCRC's estimate of the impact of BFIT on its fare income and fare structure	

Time marker	Speaker	Subject(s)	Action required
022855 - 023905	Chairman Mr SIN Chung-kai Admin DTA HKGBCBA KCRC	BFIT collection mechanism and responsibility of tax collection	
023906 - 024704	Chairman Admin	Administration's briefing on its response to members' concerns raised at last meeting on 2 July 2003 <i>(LC Paper No. CB(1)2470/02-03 (16))</i>	
024705 - 025429	Chairman Mr Andrew CHENG Admin	<ul style="list-style-type: none"> ● Impact of BFIT on cross-boundary passenger flow of East Rail and KCRC's fare income ● Administration's response on how its estimate of the revenue from BFIT had taken into account the effect of BFIT on passenger flow and the growth in cross-boundary flows ● Administration's explanation on its projections on cross-boundary passenger flows as provided to the Bills Committee ● Administration's explanation on the difficulty of acceding to Mr Andrew CHENG's request for detailed analysis of the impact of BFIT on cross-boundary travels and the fare structure of East Rail 	Administration to take the follow-up action set out in paragraph 5(c) of the minutes

Time marker	Speaker	Subject(s)	Action required
025430 - 025955	Mr Andrew CHENG Chairman KCRC	Pressure to increase fares of KCRC's domestic routes upon introduction of BFIT	Administration to take the follow-up action set out in paragraph 5(d) of the minutes
025956 - 030155	Chairman Mr LAU Kong-wah Admin	<ul style="list-style-type: none"> • Historical background to the implementation of separate fare structures for domestic and Mainland travel by KCRC in April 1984 • Estimated resources required for collection and enforcement of BFIT if on-site collection was adopted 	<ul style="list-style-type: none"> • Administration to take the follow-up action set out in paragraph 5(e) of the minutes • Administration to take the follow-up action set out in paragraph 5(f) of the minutes
030156 - 030400	Chairman Admin Mr SIN Chung-kai Mr Andrew CHENG	Date of next meeting	