

立法會
Legislative Council

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Subcommittee on Dutiable Commodities (Amendment) Regulation 2008

Background brief

Purpose

This paper sets out relevant information about the proposed fee increase for the issue of a temporary liquor licence.

Background

2. Under Regulations 25A and 26 of the Dutiable Commodities (Liquor) Regulations (Cap. 109 sub. leg. B), the sale or supply of liquor is prohibited except on the authority of a liquor licence, a club liquor licence, or a temporary liquor licence -

- (a) at any premises for consumption on those premises;
- (b) at any premises used by any club; or
- (c) at a place of public entertainment or a public occasion for consumption at the place or occasion.

3. The approving authority for the granting of liquor licence and club liquor licence is the Liquor Licensing Board. For temporary liquor licence, the Commissioner of Police is the approving authority. The temporary liquor licence is granted for the retail sale of liquor at any public entertainment or on any public occasion. The applicant must be a holder of a liquor licence, and the fee for the licence is charged on a daily basis (per diem). To ensure public safety and order, the police would apply cautious vetting procedures to the applications for temporary liquor licences, including site visits by senior police officers, detailed examination of the information submitted by the applicants and the imposition of additional licensing requirements as appropriate, taking account of the nature, scale and duration of the event in question.

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4. The fee for the issue of a temporary liquor licence is prescribed in item 6 of Part II of the Schedule to the Dutiable Commodities Regulations (Cap. 109 sub. leg. A). The current fee is \$335 per diem, which was last revised in April 2006 from \$290 per diem.

5. Dutiable Commodities (Amendment) Regulation 2008 (the Amendment Regulation) is made by the Secretary for Financial Services and the Treasury (SFST) under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1), which empowers the Financial Secretary (which means also SFST by virtue of section 3 of Cap. 1) to revise certain fees and charges. The Amendment Regulation was gazetted on 16 May 2008 and tabled at the Legislative Council on 21 May 2008. The Amendment Regulation proposes to increase the fee for the issue of a temporary liquor licence from \$335 per diem to \$385 per diem with effect from 11 July 2008.

6. On 23 May 2008, the House Committee decided that a subcommittee be formed to scrutinize the Amendment Regulation.

Fee adjustment mechanism for liquor licences

7. It is the Government's established policy that fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the goods or services. To alleviate the financial burden on the public in times of economic difficulty, as an exceptional measure, the Administration froze most fees and charges in February 1998. In line with the "user pays" principle, revision of government fees and charges resumed in 2005-2006. The latest costing review at 2008-2009 prices shows that the fee payable for the issue of temporary liquor licence under the Dutiable Commodities Regulations is not adequate to recover the full cost of providing the licensing services. Details of the cost computation are set out in the **Appendix**. According to the Administration, the existing fee of \$335 per diem for the issue of a temporary liquor licence is meeting about 53% of the cost for processing an application. The proposed increase in fee to \$385 per diem will mean a 15% increase. To achieve full-cost recovery, an annual fee increase at 15% over the next few years will be required.

COST COMPUTATION**Hong Kong Police Force**

**Fee for a temporary liquor licence (per diem)
under the Dutiable Commodities Regulations (Cap. 109, sub.leg A) (Part II
of Schedule)**

**Cost at 2008-09 Prices
(for processing one application)**

	\$
Staff Costs	598
Departmental Expenses	12
Accommodation Costs	13
Depreciation	1
Central administrative Overhead	6
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Unit Cost	630
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Existing fee	335
Proposed fee	385

(Source: Annex F - 1 of the Legislative Council Brief issued by the Security Bureau in May 2008 (Ref: SBCR 4/2801/85))