

立法會
Legislative Council

LC Paper No. CB(1)3000/10-11
(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 first meeting held on
Thursday, 21 April 2011, at 8:30 am
in Conference Room B of the Legislative Council Building**

- Members present** : Hon WONG Ting-kwong, BBS, JP (Chairman)
Hon Miriam LAU Kin-ye, GBS, JP
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 Tanya CHAN
- Members absent** : Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Dr Hon LEUNG Ka-lau
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Albert CHAN Wai-yip
- Public Officers attending** : **Agenda item II**
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

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

Action

I Election of Chairman

Mr WONG Ting-kwong was elected Chairman of the Bills Committee.

2 The Bills Committee agreed that it was not necessary to elect a Deputy Chairman.

3. The Chairman invited members to consider the late application for membership from Mr Vincent FANG. Members agreed to accept the application.

Action

II Meeting with the Administration

(LC Paper No. CB(3)655/10-11
No File Reference

- The Bill
- The Legislative Council Brief issued by Transport Branch of the Transport and Housing Bureau

LC Paper No. LS 50/10-11

- Legal Service Division Report on the Bill

LC Paper No. CB(1)1972/10-11

- Paper on Motor Vehicles (First Registration Tax) (Amendment) Bill 2011 prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)1677/10-11(01)

- Marked-up copy of the provisions of the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330) to be amended by the Bill (prepared by the Legal Service Division))

Other relevant papers

(LC Paper No. CB(1)1897/10-11

- Report of the Subcommittee on Public Revenue Protection (Motor Vehicles First Registration Tax) Order 2011

LC Paper No. CB(1)1683/10-11

- Paper provided by the Administration for the meeting on 24 March 2011

LC Paper No. CB(1)1780/10-11(01)

- Administration's response to the list of follow-up actions arising from the meeting on 24 March 2011

LC Paper No. CB(1)1827/10-11(01)

- Administration's response to the list of follow-up actions arising from the meeting on 4 April 2011

LC Paper No. CB(1)1991/10-11(01)

- Administration's response to the list of follow-up actions arising from the meeting on 11 April 2011)

Action

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

5. Members agreed to receive public views on the Bill at a meeting to be scheduled. In this connection, members also agreed to invite views from the public by placing a notice on the website of the Legislative Council.

Admin

6. To facilitate discussion at the next meeting, the Administration was requested to provide supplementary information and response to the following issues raised by members -

- (a) of the newly registered private cars for the past few years, information on the number of cross-boundary private cars with valid vehicle licenses for driving in Hong Kong and the Mainland, and the duration of these vehicles travelling outside Hong Kong;
- (b) information on the vehicle journey speeds of major roads of Hong Kong from 2005 to 2010;
- (c) information on the experience of other jurisdictions in granting exemption to vehicles ordered before an increase in the first registration tax for the vehicles took effect;
- (d) information on the number of licensed private cars, public buses and taxis and their respective annual veh-km in each of the past 10 years and the economic situation of each of these years (such as by providing the Gross Domestic Product and inflation rate);
- (e) response to the various alternative measures to ease traffic congestion suggested by the deputations which attended the meeting of the Subcommittee on Public Revenue Protection (Motor Vehicles First Registration Tax) Order 2011 on 4 April 2011; and
- (f) response to Ms Miriam LAU's view that traffic congestion might not be caused by growth in private cars as she noted that while the number of licensed private cars had increased from 327 581 in 2000 to 385 675 in 2009, their annual veh-km (in millions) had only increased from 4 487 in 2000 to 4 537 in 2009 (i.e. increased by 1.1% only), whereas increases in annual veh-km (in millions) for public buses and taxis during the same period were 11.4% and 15.6% respectively.

Action

III Any other business

7. Members agreed to hold the second meeting at 4:30 pm on 5 May 2011 to continue discussion with the Administration and to hold the third meeting at 4:30 pm on 9 May 2011 to receive public views on the Bill.

(Post-meeting note: The second meeting with the Administration was subsequently rescheduled to 10:45 am on 6 May 2011 and the third meeting to receive public views on the Bill was rescheduled to 2:30 pm on 12 May 2011.)

8. There being no other business, the meeting ended at 10:25 am.

Council Business Division 1
Legislative Council Secretariat
22 September 2011

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

**Proceedings of the first meeting
on Thursday, 21 April 2011, at 8:30 am
in Conference Room B of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
Agenda item I – Election of Chairman			
000221 – 000412	Ms Miriam LAU Mr IP Kwok-him Ms Audrey EU Mr WONG Ting-kwong	Opening remarks and election of Chairman.	
000413 – 000432	Chairman	Consideration of Mr Vincent FANG's late application for membership.	
Agenda item II – Meeting with the Administration			
000433 – 001414	Chairman Administration	Briefing on the Administration's paper issued vide LC Paper No. CB(1)1999/10-11 on 20 April 2011.	
001415 – 002455	Chairman Mr KAM Nai-wai Administration	<p>Suggestion of introducing other measures to ease traffic congestion rather than by increasing first registration tax (FRT), and request for information on the number of cross-boundary private cars with valid vehicle licenses for driving in Hong Kong and the Mainland, the duration of these vehicles travelling outside Hong Kong and the vehicle journey speeds of major roads in Hong Kong from 2005 to 2010.</p> <p>The Administration's response that apart from the proposal to increase FRT to contain private car growth, the Administration had been pursuing other measures recommended by the White Paper on Transport Policy in 1990 and the Transport Strategy for the Future in 1999 to contain traffic congestion. The Administration undertook to provide written response to the request for information on the cross-boundary private cars with valid vehicle licenses for driving in Hong Kong and the Mainland, and the vehicle journey speeds of the major roads in Hong Kong from 2005 to 2010.</p>	Admin to provide information (para. 6 of the minutes)
002456 – 003638	Chairman Ms Miriam LAU Administration	Discussion on the cause of traffic congestion and whether increase in FRT would only have a short-term effect in containing the growth in private cars. Request for the Administration to explain why it considered that traffic	Admin to provide

Time marker	Speaker	Subject(s)	Action required
		<p>congestion was caused by private cars in the light of the statistics in VKM for private cars in the past 10 years.</p> <p>The Administration's response that the VKM figure of private cars accounted for about 40% of the VKM of all vehicles every year, which was higher than other vehicles. Transport Department had all along analysed traffic congestion in Hong Kong, similar to other major cities including Singapore, London and Copenhagen, by making use of vehicle journey speed as an indicator. Vehicle journey speed was measured by conducting on site vehicle journey time surveys during peak hours on an annual basis.</p>	<p>response (para. 6 of the minutes)</p>
003639 – 004510	Chairman Mr WONG Sing-chi Administration	<p>Request for the Administration to provide written responses to the various alternative measures suggested by the deputations which attended the meeting of the Subcommittee on Public Revenue Protection (Motor Vehicles First Registration Tax) Order 2011 (the Subcommittee) on 4 April 2011. Concern on what further actions would be taken if the proposed increase in FRT could not contain traffic congestion.</p> <p>The Administration's response that to increase FRT for private cars was an appropriate measure to contain the growth of private cars at the present stage. Apart from the increase in FRT, the Administration had been pursuing other measures to contain traffic congestion.</p>	Admin to provide responses (para. 6 of the minutes)
004511 – 005121	Chairman Mr CHAN Kin-por Administration	<p>Suggestion of granting exemption for private cars ordered before the Order took effect subject to provision of documentary proof for verification of the date when the transaction or the deposit was made. Request for the Administration to consult the trade on the practicability of this suggestion and to provide information on the experience of other jurisdictions in granting exemption to vehicles ordered before an increase in FRT for the vehicles took effect.</p> <p>The Administration pointed out that the main difficulty with granting exemption for pre-ordered vehicles would be on verification</p>	Admin to provide information (para. 6 of the minutes)

Time marker	Speaker	Subject(s)	Action required
		<p>of the date when the transaction or the deposit was made as documentary proof might not be available. The Administration's response that they would try to provide information, if available, on the experience of other jurisdictions in granting exemption to vehicles ordered before an increase in FRT took effect.</p>	
005122 – 010225	Chairman Ms Audrey EU Administration	<p>Concern that no convincing evidence was provided to support that traffic congestion was caused by the growth in private cars and request for the Administration to provide incentives to encourage replacement of old cars with new private cars.</p> <p>The Administration's response that private cars accounted for 40% of road usage while road-based public transport which carried a higher percentage of passenger trips had a road usage of only 30%. The growth in private cars had directly reduced the overall efficiency of vehicles on roads and affected traffic condition. The Administration would continue to monitor the traffic condition and to implement appropriate measures in due course. To encourage owners to scrap their old cars and replace them with new ones might be inconsistent with the policy of reducing new cars using the roads and reducing carbon emission.</p>	
010226 – 011139	Chairman Mr Vincent FANG Administration	<p>Discussion on whether the increase in FRT would cause an increase in the number of imported second-hand private cars. Expression of view that the reduction of average vehicle journey speed might be attributable to installation of more speed-check cameras. Request for the Administration to further explain the annual vehicle journey time survey conducted throughout the territory (LC Paper No. CB(1)1991/10-11(01)).</p> <p>The Administration's response that all private cars first registered in Hong Kong would be subject to FRT as well as the increase in FRT. On easing traffic congestion, the public was encouraged to use the public transport system, with railway as the backbone. The Administration's explanation that the vehicle journey speed recorded suggested that the</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>reduction in average vehicle journey speed on the major roads concerned was not due to installation of speed-check cameras on these roads. The 60 designated routes included in the annual vehicle journey time survey would be reviewed regularly to take into account, for example, new routes on new roads. They had not been changed yearly in order to facilitate year-to-year comparison of the average vehicle journey speed on these roads. The 60 routes had not been changed in the past 3 years and the survey was only conducted during morning peak hours.</p>	
011140 – 012001	<p>Chairman Mr CHAN Hak-kan Administration</p>	<p>Concern on the lack of initiatives to encourage the use of public transport system as a spate of public transport fare increases had been approved in this year. Request for the Administration to clarify whether the policy intent was to reduce or contain the number of private cars.</p> <p>The Administration indicated that they encouraged the public to use public transport as far as possible. There were also measures in place to encourage the use of environment-friendly petrol private cars. The policy intent of increasing FRT was to contain the growth of private cars which were a less efficient mode of land transport.</p>	
012002 – 013900	<p>Chairman Ms Miriam LAU Administration</p>	<p>Suggestion of granting tax exemption to private car owners who had placed orders for purchase of new cars before the Order took effect, as special stamp duty was also not imposed on properties with sale and purchase agreements signed before the announcement of the special stamp duty on 19 November 2010. Concern that traffic congestion was not caused by private cars as the VKM (in millions) of private cars had only increased by 1.1% from 2000 to 2009. Concern that the Administration had not provided incentives to encourage replacement of old cars with new private cars, which would contain the number of private cars. The increase in FRT might cause a further increase in the number of imported second-hand private cars.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration's response that FRT for private cars, by nature, was different from the proposed special stamp duty for land properties. The Administration had all along made use of vehicle journey speed as the indicator of traffic condition. The VKM figure of private cars accounted for about 40% of the VKM of all vehicles every year, which was higher than any other vehicle type. On the growth of imported second-hand private cars, they were in compliance with Euro IV emission standard and might not necessarily increase roadside air pollution. They were also subject to FRT when first registered in Hong Kong.</p>	
013901 – 015011	<p>Chairman Mr KAM Nai-wai Assistant Legal Adviser 9 Ms Miriam LAU Ms Audrey EU</p>	<p>Request for the Administration to provide information on the number of licensed private cars, public buses and taxis and their respective annual VKM in each of the past 10 years and the economic situation of each of these years.</p>	<p>Admin to provide information (para. 6 of the minutes)</p>
015012 – 015726	<p>Chairman Ms Miriam LAU Ms Audrey EU Mr KAM Nai-wai</p>	<p>Discussion on whether to invite deputations to attend a meeting of the Bills Committee to give views. Some members recalled that it had been discussed at a previous Subcommittee meeting that if a public hearing was held for the Order, there should be no need for the Bills Committee to repeat holding another public hearing on the Bill which was about the same Budget proposal of increasing FRT for private cars. After discussion, the Bills Committee agreed to invite deputations to attend a meeting of the Bills Committee.</p> <p>Scheduling of further meetings.</p>	