

For discussion
on 24 June 2005

Legislative Council Panel on Transport

Proposed Reduction of the Passenger Embarkation Fee for Cross-boundary Ferry Terminals

Purpose

This paper invites Members' views on the Administration's proposal to reduce the passenger embarkation fee prescribed under the Shipping and Port Control (Ferry Terminals) Regulations (Cap. 313H).

Background

2. There are two cross-boundary ferry terminals in Hong Kong, i.e. the Macau Ferry Terminal in Sheung Wan and the China Ferry Terminal in Tsim Sha Tsui. Under Regulation 34 of Cap. 313H, the passenger embarkation fee shall be paid by the owner of a ferry vessel in respect of each passenger embarking on the ferry vessel at a cross-boundary ferry terminal. The passenger embarkation fee is currently set at \$18 per passenger.

3. It is the Government's established policy that charges of Government utilities should in general be set at a level sufficient to recover the full cost for the provision of services, including the cost of the capital employed. The Administration reviews the level of the passenger embarkation fee regularly having regard to this principle and other relevant factors such as the likely impact on inflation, public acceptance and affordability, and other policy considerations.

Proposal

4. A recent review has indicated that there is room to reduce the charges for marine ferry terminal services. It is therefore proposed to reduce the level of the passenger embarkation fee from \$18 per passenger by around 17% to \$15 per passenger.

Financial Implications

5. The proposed fee reduction will lead to a reduction of \$29.8 million in Government revenue per annum.

Efficiency Initiatives

6. The Marine Department regularly reviews the day-to-day management and work procedures relating to the operation of the cross-boundary ferry terminals. The efficiency savings so derived have been reflected in the proposed reduction of the passenger embarkation fee.

Public Consultation

7. The cross-boundary ferry operators have been consulted and they welcome the proposed fee revision. The fee adjustment would reduce the operating costs of the ferry operators and provide greater room for them to reduce ticket fare, hence benefiting the travelling public at large.

Proposed Timetable

8. We propose the following legislative timetable for introducing the amendments to Cap. 313H to give effect to the proposed reduction -

Making of amendment regulation by the Executive Council	September 2005
Publication in the Gazette	October 2005
Tabling at the Legislative Council	October 2005
Implementation	December 2005

Advice Sought

9. Members are invited to note and comment on the proposed reduction in the passenger embarkation fee set out in paragraph 4 above.

**Environment, Transport and Works Bureau/
Marine Department
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