

LEGISLATIVE COUNCIL BRIEF

Shipping and Port Control Ordinance
(Chapter 313)

SHIPPING AND PORT CONTROL (FERRY TERMINALS) (AMENDMENT) REGULATION 2005

INTRODUCTION

At the meeting of the Executive Council on 27 September 2005, the Council ADVISED and the Chief Executive ORDERED that the Shipping and Port Control (Ferry Terminals) (Amendment) Regulation 2005 (the “Amendment Regulation”) at **Annex A** should be made under section 80 of the Shipping and Port Control Ordinance (Chapter 313) to reduce the passenger embarkation fees.

JUSTIFICATIONS

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 the Shipping and Port Control (Ferry Terminals) Regulations (Cap. 313 sub. leg. H), a passenger embarkation fee shall be paid by the owner of a ferry vessel in respect of each passenger embarking on the ferry vessel at each of the two cross-boundary ferry terminals. The passenger embarkation fee payable for a passenger who pays an amount exceeding \$12 for a single journey or who travels free of charge on a complimentary ticket (referred hereunder as the “relevant passenger embarkation fee”) was last revised in 1998 and it is currently set at \$18 per passenger¹.

¹ The other passenger embarkation fee also payable under regulation 34 of Cap. 313 sub. leg. H is for ferry fare of \$12 or below, which is no longer available in the market.

3. The two cross-boundary ferry terminals are Government-owned and operated public utilities. 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 relevant passenger embarkation fee is one of the fees charged for use of the two cross-boundary ferry terminals to recover the cost of providing the ferry terminals' services and facilities². We regularly review the level of the relevant passenger embarkation fee, having regard to the above principle and other relevant factors such as the likely impact on inflation, public acceptance and affordability.

4. A recent review has revealed that there is room to reduce the relevant passenger embarkation fee from \$18 per passenger by around 17% to \$15 per passenger, having regard to the considerations set out in paragraph 3.

5. Under section 80(1)(p) of the Shipping and Port Control Ordinance (Chapter 313), the Chief Executive in Council may make regulations for matters relating to fees or charges payable under the Ordinance.

THE REGULATION

6. The Amendment Regulation revises the relevant passenger embarkation fee prescribed in Part 3 of the Schedule to Cap. 313 sub. leg. H. The existing provisions being amended are at **Annex B**. We propose that the proposed amendment should come into effect on 2 December 2005.

LEGISLATIVE TIMETABLE

7. The legislative timetable is as follows –

| | |
|------------------------------------|-----------------|
| Publication in the Gazette | 7 October 2005 |
| Tabling at the Legislative Council | 12 October 2005 |
| Commencement | 2 December 2005 |

² The cost of providing services at the two cross-boundary ferry terminals is mainly recovered by charging the relevant passenger embarkation fee (payable by ferry owners based on the number of embarking passengers) and the berthing fee (payable by ferry owners or masters based on the tonnage of vessels).

IMPLICATIONS OF THE PROPOSAL

8. The proposed fee reduction has financial and economic implications as set out at Annex C. It has no civil service, productivity, environmental or sustainability implications. The proposed legislative amendment is in conformity with the Basic Law, including the provisions concerning human rights, and do not affect the binding effect of the legislation to be amended.

PUBLIC CONSULTATION

9. The seven cross-boundary ferry operators have been consulted and they welcome the proposed fee reduction. We consulted the Legislative Council Panel on Transport on 24 June 2005. Members urged that the fee reduction be implemented as early as possible and asked the cross-boundary ferry operators to provide confirmation that they would reduce the ferry fares correspondingly. In response to the Panel's appeal, six of the seven cross-boundary ferry operators have written a joint letter to the Panel indicating their agreement to reduce the ferry fares by \$3, while the other operator indicated that all along, it has not included the embarkation fee in its ferry fares.

PUBLICITY

10. A press release will be issued. A spokesman will be available to answer media and public enquiries.

ENQUIRIES

11. Enquiries about this brief should be addressed to Mr. Donald Ng, Principal Assistant Secretary for the Environment, Transport and Works Bureau (telephone number: 2189 2186).

Environment, Transport and Works Bureau
5 October 2005

**SHIPPING AND PORT CONTROL (FERRY TERMINALS)
(AMENDMENT) REGULATION 2005**

(Made by the Chief Executive in Council under section 80 of the
Shipping and Port Control Ordinance (Cap. 313))

1. Commencement

This Regulation shall come into operation on 2 December 2005.

2. Fees

Part 3 of the Schedule to the Shipping and Port Control (Ferry Terminals) Regulations (Cap. 313 sub. leg. H) is amended, in paragraphs (a) and (b), by repealing “18” and substituting “15”.

Clerk to the Executive Council

COUNCIL CHAMBER

2005

Explanatory Note

Under the Shipping and Port Control (Ferry Terminals) Regulations (Cap. 313 sub. leg. H), a 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 terminal. The current passenger embarkation fee payable for a passenger paying an amount exceeding \$12 for a single journey or travelling free of charge on a complimentary ticket is \$18. The purpose of this Regulation is to reduce the above passenger embarkation fee to \$15.

Annex B

| | | | | |
|----------|------|---|-------------------|-----------------|
| Chapter: | 313H | SHIPPING AND PORT CONTROL (FERRY TERMINALS) REGULATIONS | Gazette Number | Version Date |
|----------|------|---|-------------------|-----------------|

| | | | | |
|-----------|--|----------|------------|------------|
| Schedule: | | SCHEDULE | 64 of 1999 | 05/11/1999 |
|-----------|--|----------|------------|------------|

[regulation 37]

FEES

PART 1-PASSES

| | | |
|-----|-----------------------------|-----|
| | | \$ |
| (a) | A standard pass | 105 |
| (b) | A replacement pass | 180 |
| (c) | (Repealed L.N. 253 of 1994) | |

(L.N. 254 of 1992; L.N. 340 of 1993; L.N. 253 of 1994)

PART 2-BERTHING

| | | |
|-----|---|------|
| | | \$ |
| (a) | For a ferry vessel, per ton for each berthing in the case of- | |
| | (i) a dynamically supported craft | 3 |
| | (ii) a ferry vessel, other than a dynamically supported craft | 1.50 |
| (b) | For a vessel, not being a ferry vessel, per ton for each berthing | 3 |

(L.N. 168 of 1988; L.N. 97 of 1990; 40 of 1991 s. 2; L.N. 380 of 1992)

PART 3-PASSENGER EMBARKATION

| | | |
|-----|--|----|
| | | \$ |
| (a) | For each passenger paying an amount exceeding \$12 for a single journey | 18 |
| | .. | |
| (b) | For each passenger travelling free of charge on a complimentary ticket .. | 18 |
| (c) | For each passenger not falling within (a) or (b) | 6 |

(L.N. 168 of 1988; L.N. 314 of 1989; L.N. 97 of 1990; 40 of 1991 s. 3; L.N. 380 of 1992;
L.N. 148 of 1998)

IMPLICATIONS OF THE PROPOSAL

Financial Implications

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

Economic Implications

2. The proposed fee reduction would reduce the operating costs of the cross-boundary ferry operators and provide greater room for them to reduce ferry fares, hence benefiting the travelling public. To that extent, the proposal would help facilitate people's movement between Hong Kong and elsewhere in the Greater Pearl River Delta Region, which should be beneficial to the Hong Kong's economy.