

立法會
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Subcommittee on Post Office (Amendment) Regulation 2013

Background brief

Purpose

This paper provides information on the background of the Post Office (Amendment) Regulation 2013 ("the Amendment Regulation") and gives a brief account of the views and concerns expressed by Members on the subject.

Background

Post Office Ordinance (Cap. 98) and the Amendment Regulation

2. Section 3 of the Post Office Ordinance (Cap. 98) empowers the Chief Executive in Council ("CE in Council") to adjust certain postal fees as prescribed under the Post Office Regulations (Cap. 98A). These fees include postal box and bag rentals, fee for redirection of postal packets, registration and compulsory registration fees and recorded delivery fee.

3. The Amendment Regulation was made by CE in Council on 9 July 2013, to increase the above fees with effect from 1 December 2013. According to the Administration, there has been no adjustment to the postal fees for postal box and bag rentals, fee for redirection of postal packet, registration and compulsory registration fees since June 1995. Fee for recorded delivery service was introduced in March 1997 and there has been no adjustment in the fee ever since. The proposed percentage increases on the above said items range from 13% to 25% and are intended to broadly recover the cumulative inflation since their last adjustments up to the end of December 2012.

Other fee adjustments made by the Postmaster General not covered under the Amendment Regulation

4. Under section 4(1) of the Post Office Ordinance, the Postmaster General ("PMG") may, subject to any direction of CE in Council, determine the principal postage rates for Local, Surface and Air Mail (Letters and Packets), Bulk Air and Local Mail, Local Parcel and Surface Bulk Bag, by administrative means. In tandem with the adjustment of the postal fees under the Amendment Regulation, PMG has also increased the principal postage rates with effect from 1 October 2013. These increases are not covered by the Amendment Regulation, and do not require the approval of the Legislative Council ("LegCo"). The Administration has explained that the adjustments of postage rates are required to broadly recover the cumulative inflation since the respective last adjustments up to the end of December 2012.

Members' views and concerns

5. The Administration briefed the Panel on Economic Development ("the Panel") on 22 July 2013 on, *inter alia*, the postal fees adjustments to be made under the Amendment Regulation. Members noted and raised no objection to the date of commencement of the Amendment Regulation being 1 December 2013. Members generally considered that percentage-wise, the postal fee increases were substantial, and that in future, the Administration should regularly review postal fees and postages in order to avoid the need for large increases after a long interval as in this instance. The Administration took note of members' views and advised that in future, it would conduct review of postage rates and postal fees every two years.

6. Some members commented that postal service was essential service to the public and it should be provided by the Government. The Government, with its huge fiscal reserve, should absorb the increase in operating costs and should avoid passing them on to service users through increasing postage rates, and postal fees and charges. Members also expressed concern about the continuing trend of operating deficit of the Hong Kong Post ("HKP"), and urged HKP to increase its competitiveness and maintain operational viability by creating additional sources of revenue and enhancing productivity.

7. The Administration responded that HKP was operated as a trading fund and had to recover its own operation cost. The financial performance of HKP had been deteriorating since 2007-2008 and had started to incur an operating loss in 2011-2012. The reserve of the Post Office Trading Fund

might not be able to sustain HKP's operating deficit in the long term. The Administration had also advised that it would continue efforts to reduce costs, enhance productivity and explore new sources of revenue.

8. At the same Panel meeting, Panel members took note of PMG's decision to increase a number of principal postage rates from 1 October 2013. Members passed a motion¹ expressing dissatisfaction with the postage revision system of HKP which, in effect, allows the Hong Kong Post to circumvent LegCo since postage revision does not require the latter's approval.

9. Panel members expressed concern that the hefty increase of principal postage would pose a burden for many local small and medium enterprises ("SMEs"). Members asked whether the increase could be implemented by phases, whether more postage concessions could be provided, and whether concessions should be provided for purchasing stamps to certain under-privileged groups. The Administration had advised that it would consider providing a rebate to local SMEs by way of a one-off concessionary discount for the first \$3,000 of stamps purchased or postage incurred during the initial three months following the increase in the principal postage rates. However, further concessions would defeat the purpose of improving the financial situation of the Post Office Trading Fund through postage rates adjustments.

10. Members called on HKP to develop new services to meet the changing needs of the society and to make reference to overseas experience in exploring new opportunities for service expansion. The Administration advised that productivity in HKP had increased over the years, which had helped absorb part of the increase in mail traffic.

Latest development

11. The Amendment Regulation was published in the Gazette on 4 October 2013 and was laid on the table in LegCo on 9 October 2013. Any amendments to be made to the Amendment Regulation would have to be

¹ "That, this Panel expresses its strong dissatisfaction with the fees revision system whereby the Post Office does not have to notify the Legislative Council when it decides to introduce postage revisions. The system allows the Post Office to simply bypass the Legislative Council when introducing service fee increases, thereby making it impossible for the voices of the people to be heard in the fee review process and eventually the affordability of the people in the face of such increases is ignored. In this connection, this Panel urges the Government to enhance the transparency of the postage revision system and to make every possible effort to alleviate the impact brought about by postage revisions on the people." (Translation)

made by 6 November 2013, or 27 November 2013 if the deadline is extended by resolution passed in LegCo by 6 November 2013.

12. At the meeting of the House Committee held on 11 October 2013, Members agreed that a subcommittee should be formed under the Panel to examine the provisions in detail.

References

13. A list of relevant papers is given below –

Legislative Council Brief on revision of postage rates and miscellaneous postal fees and charges (CITB CR 5/4-60/IC)

http://www.legco.gov.hk/yr13-14/english/subleg/brief/147_brf.pdf

Background brief on the revision of postage rates and miscellaneous postal fees and charges (LC Paper No. CB(1)1567/12-13(01))

<http://www.legco.gov.hk/yr12-13/english/panels/dev/papers/dev0722cb1-1567-1-e.pdf>

Legal Service Division Report on Subsidiary Legislation Gazetted on 4 October 2013

<http://www.legco.gov.hk/yr13-14/english/hc/papers/hc1011ls-3-e.pdf>

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