

# **立法會**

## ***Legislative Council***

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### **Paper for the House Committee meeting on 20 January 2017**

### **Report of the Subcommittee on Port Control (Cargo Working Areas) (Amendment) Regulation 2016**

#### **Purpose**

This paper reports on the deliberations of the Subcommittee on Port Control (Cargo Working Areas) (Amendment) Regulation 2016 ("the Subcommittee").

#### **Background**

2. Public cargo working areas ("PCWAs")<sup>1</sup> are fenced off seafront areas for handling cargo carried by local barges or small cargo vessels. They are managed by the Marine Department ("MD") in accordance with the Port Control (Cargo Working Areas) Ordinance (Cap. 81) ("the Ordinance") and its subsidiary legislation.

3. Under regulation 14 of the Port Control (Cargo Working Areas) Regulations (Cap. 81A), the driver of a goods vehicle who is issued with a Vehicle Entry Ticket ("VET") is entitled to use the vehicle to enter a PCWA to load or unload cargo or cargo containers and remain the vehicle in the PCWA, and is required to pay a prescribed fee for VET when the vehicle leaves the PCWA. The prescribed fee is set out in item 15 of the Schedule to Cap. 81A. The current VET fee is charged at an hourly rate of \$33, subject to a maximum of \$85 for the period after 6:00 p.m. and before 8:00 a.m. the next day.

4. The Port Control (Cargo Working Areas) (Amendment) Regulation 2016 ("the Amendment Regulation") is made by the Chief Executive in Council under section 6 of the Ordinance to amend the Schedule to Cap. 81A to introduce a new concessionary rate of VET fee at \$25 for a goods vehicle entering and remaining in a PCWA for a period not exceeding 30 minutes. The Amendment Regulation will come into operation on 30 January 2017.

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<sup>1</sup> Currently, there are six PCWAs in Hong Kong, namely Tuen Mun, Rambler Channel, Stonecutters Island, New Yaumatei, Chai Wan and Western District PCWAs.

## **The Subcommittee**

5. At the House Committee meeting held on 9 December 2016, Members agreed to form a subcommittee to study the Amendment Regulation. The membership list of the Subcommittee is in the **Appendix**.

6. Under the chairmanship of Hon WONG Ting-kwong, the Subcommittee held one meeting on 21 December 2016 with the Administration to examine the Amendment Regulation.

7. To allow time for the Subcommittee to complete its work, a motion was moved by Hon Starry LEE, the House Committee Chairman, on behalf of the Subcommittee, at the Council meeting of 14 December 2016 to extend the scrutiny period of the Amendment Regulation from the Council meeting of 14 December 2016 to that of 8 February 2017.

## **Deliberations of the Subcommittee**

8. Whilst supporting the proposal to introduce a new concessionary rate of VET fee at \$25 for a goods vehicle entering and remaining in a PCWA for a period not exceeding 30 minutes, the Subcommittee has examined the basis for its determination, and enquired whether there is any room for further reduction of the current hourly VET rate, which is \$33 per hour for each goods vehicle.

9. The Administration has advised that there is an established mechanism for the Administration to determine the charging levels of various fees. The current hourly VET rate was set in 1999 on a full cost recovery basis which includes land costs, costs for providing and maintaining the PCWA facilities etc. Although the current level of VET fee still cannot achieve the target of full-cost recovery, the Administration has no plan to increase the current hourly VET rate in view of the recent downward trend of cargo throughput and the expected difficult economic times ahead.

10. The Administration has also advised that according to a survey conducted by MD in 2014, around 70% of the goods vehicles using PCWAs stayed there for not more than 30 minutes. PCWA operators and the trucking trade have suggested changing the charging basis of VET fee from hourly to half-hourly to reduce their operating costs. However, such change will incur substantial loss of public revenue. The Administration therefore proposes to introduce a concessionary rate of VET fee for goods vehicles staying for not more than 30 minutes in PCWAs. This concessionary fee will help reduce the operating costs of truckers and possibly PCWA operators.

11. Hon Frankie YICK points out that the trade has all along been calling for the provision of a concessionary half-hourly rate for VET. Such incentive will encourage truckers to improve their cargo handling efficiency, thus expediting turn-over and lessening congestion in PCWAs. He understands that while a higher concessionary rate is requested by the trade, as a start, the trade is prepared to accept the concessionary rate of VET fee at the proposed level of \$25. Notwithstanding, he urges the Administration to review the effectiveness of the arrangement in one year's time and consider introducing a higher rate of concession, particularly when the proposed arrangement is proved to be effective in relieving traffic congestion at PCWAs.

12. In the course of discussion, Hon Frankie YICK also highlights the tough operating environment faced by the trade. He considers that suitable measures should be put in place to assist the trade. These include –

- (a) extending the tenure of the current Berth Licence Agreements ("BLAs") from currently five to at least seven years so that PCWA operators will have greater certainty in developing their business; and
- (b) reviewing the annual adjustment of the berthing fees under BLAs in accordance with the Government Consumption Expenditure Deflator, which has taken into account increases in public expenditure not related to the operation and maintenance of PCWAs and is always higher than the inflation rates.

As the matters fall outside the scope of the Amendment Regulation, he will separately follow up the matters with the Administration.

### **Recommendation**

13. The Subcommittee supports the Amendment Regulation and will not propose any amendment to it. The Subcommittee also urges the Administration to review the effectiveness of the new measure after one year of its implementation.

### **Advice sought**

14. Members are invited to note the deliberations of the Subcommittee.

**Subcommittee on Port Control (Cargo Working Areas)  
(Amendment) Regulation 2016**

**Membership list**

**Chairman** Hon WONG Ting-kwong, SBS, JP

**Members** Hon Frankie YICK Chi-ming, JP  
Hon CHAN Han-pan, JP  
Hon POON Siu-ping, BBS, MH

(Total : 4 members)

**Clerk** Ms Shirley CHAN

**Legal Adviser** Ms Vanessa CHENG