

立法會

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Panel on Transport

Background brief on Tuen Mun Ferry Terminal

Purpose

This paper sets out the background and progress of the modification of part of the ferry pier at Tuen Mun for the operation of cross boundary passenger ferry services to Macau and cities in the Mainland, and summarizes the major concerns and views expressed by Members at previous meetings of the Panel on Transport.

Cross-boundary ferry services in Hong Kong

2. At present, there are three existing cross-boundary ferry terminals (CBFTs) operating cross boundary passenger ferry services. They are the Macau Ferry Terminal in Sheung Wan, the China Ferry Terminal in Tsim Sha Tsui and the SkyPier at the Hong Kong International Airport. The Macau Ferry Terminal and the China Ferry Terminal have a total handling capacity of about 26 million passengers per annum. The combined annual passenger throughput of these two CBFTs was 16-18 million from 1997 to 2001, 20 million in 2002 and 18 million in 2003.

3. The SkyPier, which commenced operation on 29 September 2003, serves air transit passengers only and operates ferries to/from Shekou, Humen in Dongguan, Shenzhen and Macau. The estimated throughput is around one million per year initially.

Proposals from the private sector

4. In November 2001, the Administration informed the Panel that it had received proposals from the private sector to use Tuen Mun Pier to operate cross boundary passenger ferry services to Macau and other cities in the Pearl River Delta Region (the PRD region). There were also requests from residents in

Tuen Mun for provision of cross boundary passenger ferry services in Tuen Mun.

5. According to the Administration's assessment, there was no immediate need for another CBFT taking into account the patronage trend and utilization rate of the existing CBFTs. However, taking note of the views expressed by some members of the public that the proposed CBFT at Tuen Mun could enhance the convenience for residents in the New Territories, in particular those from North West New Territories, to travel to/from Macau and the PRD region, the Administration agreed to examine the proposals received.

6. At the Panel meeting on 23 November 2001, members in general considered that the provision of a CBFT at Tuen Mun would bring benefits to the commuting public in the New Territories as they would not have to travel to Kowloon or Hong Kong Island to take a ferry to go to Macau and cities in the Mainland. Moreover, such a new facility would help provide relief to the existing congestion at major cross-boundary land crossings. Members therefore urged the Administration to make a decision on the matter as early as possible.

Expression of interest exercise and tender exercise

7. In November 2002, the Administration informed the Panel that having examined carefully the technical and operational feasibility and the financial implications of the proposal, the Administration would pursue the proposal on the basis of a partnership between the Government and the private sector if there were sufficient private sector interests in the proposed scheme.

8. The Administration then conducted an expression of interest (EOI) exercise to gauge the interests and expectations of prospective operators. According to the terms and conditions contained in the Project Outline, the Government would provide Government services such as immigration, customs, police support, marine/CBFT safety and control, and port health. The project proponent would be responsible for funding, designing and carrying out the necessary works for pier conversion and modification and be required to pay for the non-recurrent items (e.g. systems, equipment and furniture etc.) required by Government Departments for the operation of the Tuen Mun Pier as a CBFT, and other annual fee and maintenance expenses, etc.

9. A total of three submissions were received by the close of the deadline for expression of interest on 30 December 2002.

10. The Administration considered that the EOI exercise confirmed that there was genuine private sector interest in the proposed project and that the Administration's proposed financial arrangements were not unreasonable. As such, the Administration decided to proceed with a tender exercise. A tender notice for the project was published in the Gazette and in major newspapers for public information on 6 June 2003. Two submissions were received by the tender submission deadline of 18 July 2003.

11. In December 2003, the Administration informed the Panel that the Government had signed a tenancy agreement with the Hong Kong North West Express Ltd. (North West) in respect of the occupation, modification and use of part of the Tuen Mun Ferry Pier for the operation of cross-boundary passenger ferry services.

Major terms of tenancy agreement

12. As advised by the Administration, the tenancy agreement includes the following major elements –

- (a) The Government will provide the necessary services such as immigration, customs, police, marine control and port health, etc. to support the operation of the CBFT.
- (b) North West, the tenant, will –
 - (i) carry out the necessary pier modification works, including the construction of an additional floor (estimated to cost about \$26 million);
 - (ii) pay for the non-recurrent items such as systems, equipment and furniture required for the Government Departments' operation (estimated to cost about \$27 million);
 - (iii) pay an annual amount of \$16.3 million to the Government;
 - (iv) pay the electricity and water charges incurred by the Government Departments providing services at the new cross-boundary ferry terminal (estimated to be about \$2.5 million per year); and
 - (v) be responsible for the maintenance and general management of the new cross-boundary ferry terminal (estimated to cost about \$8 million per year).
- (c) Subject to the availability of space and the Government's prior approval, North West may sub-let terminal premises designated by the Government, berthing slots, advertisement and shopping space (if any) and baggage handling services (if any), and keep the fees received from such sub-letting. Revenue arising from duty-free shops, if any, will be shared between the tenant and the Government.
- (d) The tenancy will be for seven years and may be extended for a period to be agreed between the Government and North West on

the same or other terms and conditions.

Service plan of the tenant

13. According to the Administration's paper issued in December 2003, North West planned to complete the pier modification works and start providing ferry services to Macau by December 2004. North West planned to use all three berths of the new CBFT to provide daily ferry services to Macau initially, at a service frequency of one sailing every 30 minutes from 11:00 am to 2:00 am. North West also planned to provide ferry services to Mainland ports in PRD region six months after the Tuen Mun Ferry Terminal (TMFT) had begun operation.

14. In regard to North West's plan to start providing ferry services to Macau by December 2004, the Administration acknowledged that it was a rather optimistic and ambitious programme and could be achievable only if all the necessary procedures could be compressed. As such, the Administration undertook to expeditiously process the building plans and other applications submitted by the tenant and prepare the enabling legislation to establish the new TMFT.

15. To oversee the project, the Administration has set up an inter-departmental steering committee to coordinate the implementation of the project, with representatives from the Environment, Transport and Works Bureau, Security Bureau, Marine Department, Immigration Department, Customs and Excise Department, Police, Architectural Services Department, Department of Health, Transport Department and Government Property Agency. Where needed, the steering committee would meet the tenant to discuss the programme of the project and the related work.

Members' concerns over the tenancy agreement and the project

16. When the subject was discussed at the Panel meeting on 30 January 2004, members expressed the following concerns/views –

- (a) North West might charge an unreasonably high fare since it was required under the tenancy agreement to bear all the costs for the pier modification works as well as the non-recurrent items for the Government department's operation;
- (b) the Administration should encourage North West to provide ferry services to Mainland ports in the PRD region as soon as practicable; and
- (c) whether there was any safeguard in the tenancy agreement to prevent the tenant from delaying the provision of services to

Mainland ports or refusing to allow other interested operators to operate such services from TMFT.

17. At the meeting, the Administration advised that the fares at TMFT were expected to be competitive as the tenant would take into account the competition from other CBFTs as well as public affordability in determining its fares. As regards the timing of introduction of ferry services to Mainland ports at TMFT, the Administration advised that this was a commercial decision to be made by the tenant and that the Administration was not involved in any way. The Administration would make every effort to facilitate the provision of services to Mainland ports when the tenant was ready.

18. With regard to the rights and obligations of the tenant in subletting the allocated berthing slots at TMFT, the Administration's advice was that under Clause III(2) of the tenancy agreement, the tenant is allowed to "sublet subject to the Director of Marine's consent in writing berthing slots and to keep the revenues arising from such subletting". As with the present policy for managing berthing slots in the two existing CBFTs, the Director of Marine's primary consideration in giving consent to the use of berthing slots is whether the ferry vessels concerned would use the berths safely. In the case of TMFT, the Director of Marine will also consider whether the operation of the ferry service from the sublet slots would comply with Clause II (19) of the tenancy agreement, which imposes restrictions on (1) the length and displacement of the vessels using the berths; (2) the maximum number of passengers arriving at and departing from the terminal so that it would not exceed the agreed number that was set having regard to the clearance capacity of the control point, and (3) the operating hours of the terminal. Subject to these considerations, the Director of Marine would not interfere with the tenant's business decisions in subletting berthing slots to ferry service operators or the business terms associated with such subletting.

Enactment of enabling legislation

19. The relevant subsidiary legislation to enable the operation of the cross-boundary ferry services at TMFT, which include the Shipping and Port Control (Ferry Terminals) (Amendment) Regulation 2004, Immigration (Places of Detention) (Amendment) Order 2004 and Immigration Service (Designated Places) (Amendment) Order 2004, was gazetted on 24 April 2004 and enacted through the negative vetting procedure.

Latest development

20. Hon Albert CHAN Wai-yip raised a written question on the progress of the modification works at TMFT at the Council meeting on 20 October 2004. According to the Administration's reply, the tenant has started the demolition works and the Architectural Services Department is vetting the revised pier

modification plans submitted by the tenant in early October 2004. Even if the tenant fails to launch cross-boundary ferry services in December 2004, it is still required under the tenancy agreement to pay around \$1.35 million to the Government every month starting from December 2004. Failure to do so would amount to a breach of the tenancy agreement, in which case the Government may consider terminating the agreement and forfeiting part or the whole of the \$2.5 million deposit paid by the tenant.

21. A list of relevant papers is at **Appendix**.

Council Business Division 1
Legislative Council Secretariat
26 October 2004

Tuen Mun Ferry Terminal

List of relevant papers

Council/Committee	Date of meeting	Papers
Transport Panel (TP)	23 Nov 2001	Proposals from the private sector to convert the Tuen Mun Pier to a cross boundary passenger ferry terminal (LC Paper No. CB(1)356/01-02(04)) http://www.legco.gov.hk/yr01-02/english/panels/tp/papers/tp1123cb1-356-4e.pdf
TP	24 May 2002 (Information paper)	Update on the Administration's consideration of the proposals to convert Tuen Mun Pier to a cross-boundary ferry terminal (LC Paper No. CB(1)1779/01-02(01)) http://www.legco.gov.hk/yr01-02/english/panels/tp/papers/tp0524cb1-1779-1e.pdf
TP	20 Dec 2002 (Information paper)	Invitation to the private sector to express interest and submit preliminary proposals to occupy and use the Tuen Mun Ferry Pier for the operation of cross-boundary passenger ferry services to Macau and cities in the Mainland (LC Paper No. CB(1)372/02-03(01)) http://www.legco.gov.hk/yr02-03/english/panels/tp/papers/tp1220cb1-372-1e.pdf
TP	27 Jun 2003 (Information paper)	Invitation of tenders for the occupation, modification and use of part of the Tuen Mun Ferry Pier for the operation of cross-boundary passenger ferry services to Macau and cities in the Mainland (LC Paper No. CB(1)1868/02-03(01)) http://www.legco.gov.hk/yr02-03/english/panels/tp/papers/tp0627cb1-1868-1e.pdf

TP	30 Jan 2004	<p>Tenancy agreement in respect of the occupation, modification and use of part of the Tuen Mun Ferry Pier for the operation of cross-boundary passenger ferry services with the Hong Kong North West Express Ltd (LC Paper No. CB(1)669/03-04(01))</p> <p>http://www.legco.gov.hk/yr03-04/english/panels/tp/papers/tpcb1-669-1e.pdf</p> <p>Update on the project to modify part of the Tuen Mun Ferry Pier to establish a new Tuen Mun Ferry Terminal (TMFT) to operate ferry services to Macau and Mainland ports (LC Paper No. CB(1)848/03-04(06))</p> <p>http://www.legco.gov.hk/yr03-04/english/panels/tp/papers/tp0130cb1-848-6e.pdf</p> <p>Supplementary information on the relevant terms and conditions of the tenancy agreement in relation to the rights and obligations of the tenant in subletting the allocated berthing slots at the Tuen Mun Ferry Terminal (LC Paper No. CB(1)1177/03-04(01))</p> <p>http://www.legco.gov.hk/yr03-04/english/panels/tp/papers/tp0130cb1-1177-1e.pdf</p>
Council	20 Oct 2004	<p>Question raised by Hon Albert CHAN Wai-yip on progress of the conversion works at the Tuen Mun Ferry Pier</p> <p>http://www.legco.gov.hk/english/index.htm</p>