

For information

Legislative Council Panel on Transport

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

Purpose

This paper informs Members of the Administration's proposal to reduce the passenger embarkation fee prescribed under the Shipping and Port Control (Ferry Terminals) Regulations (Cap. 313H) and the Merchant Shipping (Local Vessels) (Fees) Regulation (Cap. 548J).

Background

2. Under Regulation 34 of Cap. 313H and Section 29 of Merchant Shipping (Local Vessels) (Ferry Terminals) Regulation (Cap. 548B), 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 \$15 per passenger.

3. It is the Government's established policy that charges for Government utilities should in general be set at a level sufficient to recover the full cost for the provision of services, including the capital cost. 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 \$15 per passenger by around 27% to \$11 per passenger.

Financial Implications

5. The proposed fee reduction will lead to a reduction of

\$48.2 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. They welcome the proposed fee reduction and have undertaken to reduce the ferry fares to reflect the fee reduction in full.

Proposed Timetable

8. We propose the following legislative timetable for introducing the amendments to Cap. 313H and Cap. 548J to give effect to the proposed reduction -

Making of amendment regulation by the Executive Council	June 2007
Publication in the Gazette	July 2007
Tabling at the Legislative Council	July 2007
Implementation	November 2007

Advice Sought

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

**Environment, Transport and Works Bureau/
Marine Department
April 2007**