

立法會
Legislative Council

LC Paper No. CB(4)1528/17-18
(These minutes have been seen
by the Administration)

Ref: CB4/BC/4/17

Bills Committee on Ferry Services (Amendment) Bill 2018

**Minutes of the first meeting held on
Wednesday, 18 July 2018, at 4:30 pm
in Conference Room 3 of the Legislative Council Complex**

- Members present** : Hon Frankie YICK Chi-ming, SBS, JP (Chairman)
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon CHAN Han-pan, BBS, JP
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
- Member absent** : Dr Hon CHENG Chung-tai
- Public Officers attending** : Agenda item II
Mr Kevin CHOI, JP
Deputy Secretary for Transport and Housing
(Transport) 2
Mr Philip HAR
Principal Assistant Secretary for Transport and
Housing (Transport) 4
Ms Stella LEE
Assistant Commissioner for Transport/ Management
and Paratransit

Mr Gary LI
Government Counsel
Department of Justice

Clerk in attendance : Ms Shirley CHAN
Chief Council Secretary (4)5

Staff in attendance : Miss Joyce CHAN
Assistant Legal Adviser 1

Ms Shirley TAM
Senior Council Secretary (4)5

Ms Lauren LI
Council Secretary (4)5

Ms Zoe TONG
Legislative Assistant (4)5

Miss Mandy LUI
Clerical Assistant (4)5

Action

I. Election of Chairman

Election of Chairman

Mr Frankie YICK, the member of the highest precedence among those present at the meeting, presided over the election of Chairman. He invited nominations for the chairmanship of the Bills Committee.

2. Mr CHAN Han-pan nominated Mr Frankie YICK and the nomination was seconded by Mr Jimmy NG. Mr YICK accepted the nomination. There being no other nominations, Mr YICK was declared Chairman of the Bills Committee.

3. Members agreed that there was no need to elect a deputy chairman.

Action

II. Meeting with the Administration

[File Ref: THB(T) CR19/3231/00, LC Paper Nos. LS75/17-18, CB(3)712/17-18, CB(4)1403/17-18(01) to (04)]

Discussion

4. The Bills Committee deliberated (index of proceedings attached at **Annex**).

Clause-by-clause examination of the Bill

5. The Bills Committee examined the Ferry Services (Amendment) Bill 2018 ("the Bill") clause-by-clause. Upon completion of the examination, the Chairman concluded that the Bills Committee had completed scrutiny of the Bill and supported the Bill in general. The Bills Committee would not move any amendments to the Bill.

III. Any other business

Invitation of views

6. Members agreed that it was not necessary to invite views on the Bill.

Legislative timetable

7. Members noted that the Chairman would report the deliberations of the Bills Committee to the House Committee at the beginning of the next legislative session. The Administration indicated that it would inform the Bills Committee of its intended date for resumption of the Second Reading debate on the Bill in due course.

8. There being no other business, the meeting ended at 5:09 pm.

**Proceedings of the first meeting of
the Bills Committee on Ferry Services (Amendment) Bill 2018
on Wednesday, 18 July 2018, at 4:30 pm
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I – Election of Chairman			
000422 – 000550	Mr Frankie YICK Mr CHAN Han-pan Mr Jimmy NG	Election of Chairman	
Agenda item II – Meeting with the Administration			
000551 – 000838	Chairman Administration	Briefing by the Administration on the Ferry Services (Amendment) Bill 2018 ("the Bill") [File Ref: THB(T) CR19/3231/00]	
000839 – 001045	Chairman Assistant Legal Adviser 1 ("ALAI") Administration	ALAI's letter and the Administration's response [LC Paper Nos. CB(4)1403/17-18(03) and (04)] The Administration considered that no transitional provision was required in the Bill to deal with the situation where licence applications were submitted but not yet processed prior to the commencement of the enacted Ordinance. Upon the commencement of the enacted Ordinance, such applicants would be free to consider whether to keep the original licence periods they applied for, or to revise their applications to apply for a licence of a longer period. The Administration would actively inform the trade of the new arrangements upon the passage of the Bill.	
001046 – 001733	Chairman Mr CHAN Han-pan Administration	Pointing out the operating difficulties encountered by ferry operators, Mr CHAN Han-pan suggested that the Administration should consider – (a) further relaxing the cap on each licence period and the cap on the aggregate licence period to six and 12 years respectively so as to encourage ferry operators to make longer-term investment; (b) expanding the coverage of the Special Helping Measures ("SHM") to include outlying island ferry routes plying Ma Wan and Discovery Bay in addition to the existing six major outlying island ferry routes, with a view to maintaining the financial viability of the ferry services concerned and alleviating the burden of fare increases on passengers; and (c) procuring vessels for running the outlying island ferry routes which were not commercially viable. Such arrangement would also enable the Government to provide emergency ferry services	

Time marker	Speaker	Subject(s)	Action required
		<p>in case of traffic congestion on the Tsing Ma Bridge.</p> <p>The Administration replied that –</p> <p>(a) the proposal of lengthening the licence period from three to five years, as well as maintaining the aggregate licence period at 10 years, was generally supported by the trade;</p> <p>(b) upon completion of the mid-term review on the provision of SHM to the six major outlying island ferry routes under the current licence period (2017-2020) ("the mid-term review"), it was the Administration's plan to report the result to the Panel on Transport in the first half of 2019; and</p> <p>(c) it was the Government's established policy that public transport services, including ferry services, should be run by the private sector in accordance with prudent commercial principles to enhance efficiency and cost-effectiveness.</p>	
001734 – 002312	Chairman Mr Andrew WAN Administration	<p>Mr Andrew WAN did not object to the Administration's proposal which aimed to facilitate operators' longer-term investment, and in turn enhance the financial viability of ferry services and encourage continuous improvement to service quality. He opined that a mechanism should be put in place to review the effectiveness of the proposal. He also suggested that the Administration should impose conditions in the tendering exercise of the licensed ferry routes with a view to improving quality of ferry services and devise measures to help operators generate more non-fare box revenue.</p> <p>Responding to Mr WAN's call for expanding SHM to include other ferry routes, the Administration advised that the mid-term review would provide the opportunity for reviewing and enhancing, where necessary, the financial viability and quality of outlying island ferry services other than the six major routes provided with SHM.</p>	
002313 – 003250	Chairman Mr YIU Si-wing Administration	<p>Mr YIU Si-wing supported the Administration's proposal. He, however, expressed concern that the operators' risks in running ferry services would increase with the longer licence period. He thus enquired about the measures to ensure that the provision of ferry service would not be disrupted in the event that an operator surrendered its operating right. The Chairman also sought information on the exit mechanism for ferry operators.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) the proposal would not increase operators' risks in running ferry services and would not affect the existing arrangement where operators could apply for fare increases when they encountered operating difficulties; (b) the mid-term review would be an opportune time to look into ways to enhance the financial viability and quality of outlying island ferry services; and (c) as stipulated in the licence terms, ferry operators were required to notify the Transport Department six months before their exit to allow time for carrying out the relevant tendering exercise. <p>Mr YIU pointed out that the management of pier facilities by the Government and that by ferry operators varied, quality of such facilities also differed. He urged the Administration to devise measures to align and improve the facilities at different piers in order to enhance the travel experience of passengers.</p>	
003251 – 003908	Chairman Mr CHU Hoi-dick Administration	<p>Mr CHU Hoi-dick enquired –</p> <ul style="list-style-type: none"> (a) whether lengthening the licence period to five years meant that the Administration would not further intervene in the operation of ferry services in the coming five years; and (b) whether the Administration would require ferry operators to enhance the facilities at the piers riding on the opportunity that the licence period would be lengthened to five years . <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) it was the Government's established policy that public transport services should be run by the private sector in accordance with prudent commercial principles. The Administration currently had no plan to further intervene in the ferry services market; and (b) the Administration was willing to consider reviewing the facilities at the piers leveraging on the occasion that the licence period was to be lengthened. However, enhancements to such facilities would be subject to many factors, including the operators' financial viability and the structural conditions of individual piers. 	

Time marker	Speaker	Subject(s)	Action required
003909 – 004141	Chairman Administration	<p>The Chairman urged the Administration to –</p> <p>(a) consider further relaxing the cap on the aggregate licence period from 10 years to 15 years where appropriate in the future, which would include two five-year licence periods plus an option for the same operator to extend for five more years. He considered that such arrangement would facilitate longer-term planning of the ferry operators on the utilization of the piers for maximizing the non-fare box revenue; and</p> <p>(b) formulate measures to address the manpower problem in the ferry trade.</p>	
Clause-by-clause examination of the Bill			
004142 – 004253	Chairman Administration	<p><u>Clause 1 to Clause 3</u></p> <p>Members raised no query on the above clauses.</p> <p>Upon the enquiry of the Chairman, the Administration advised that it would report the result of the mid-term review to the Panel on Transport in the first half of 2019.</p>	
Agenda item III – Any other business			
004254 – 004343	Chairman The Administration	<p>Invitation of views</p> <p>Legislative timetable</p>	