

## **Legislative Council Panel on Transport**

### **Fare Increase Application by the “Star” Ferry Company, Limited and Arrangements for the Operation of Major Licensed Ferry Services of the Outlying Islands to be Tendered**

#### **Purpose**

This paper briefs members on the application by the “Star” Ferry Company, Limited (“Star Ferry”) to increase the fares of its licensed ferry services, viz. the Hung Hom-Central and Hung Hom-Wanchai routes, and the arrangements for the operation of six existing major licensed ferry services of the outlying islands to be re-tendered.

#### **Fare Increase Application by the Star Ferry**

#### **Background**

2. Since 1 April 1999, Star Ferry has been operating two licensed ferry services, viz. the Hung Hom-Central and Hung Hom-Wanchai routes in accordance with the Schedules of Service and the licence conditions of the licences. The licences of these two ferry services will expire on 31 March 2008. In addition to these two licensed ferry services, Star Ferry is operating two franchised ferry services for Tsim Sha Tsui-Central and Tsim Sha Tsui-Wanchai as well as a licensed ferry service for harbour tour.

3. According to the information provided by Star Ferry, the financial performance of the Hung Hom-Central and Hung Hom-Wanchai routes has been unsatisfactory. As at the end of 2006, the two services have accumulated losses of about \$10 million. To reduce operating deficit, Star Ferry applied in June 2007 for fare increases for the two ferry services between \$0.6 and \$1.2, i.e. at an average increase rate of 23%. The new fares proposed by Star Ferry are set out at Annex 1.

4. In the light of the unsatisfactory financial situation, Star Ferry

has been endeavouring to save cost and generate additional revenue in order to improve its financial viability during the past few years. To generate non-fare box revenue, premises at piers have been sub-let for commercial and retail activities. To save cost, Star Ferry has also taken a series of measures including procuring fuel and vessel maintenance service at lower costs. Also, since 15 May 2005, the frequency of services has been reduced between 4 p.m. to 7 p.m. when patronage is relatively low. The number of vessels and crew to operate the two services has also been reduced accordingly.

5. Fares for the two ferry services were last increased on 1 April 2000 at an average rate of 6%, i.e. an increase of \$0.3 for weekday single journey adult fare.

### **Processing of Fare Increase Application**

6. Fares of the licensed ferry services are determined by the Commissioner for Transport (“C for T”) in accordance with the provisions of the Ferry Services Ordinance (“the Ordinance”). Section 33 of the Ordinance stipulates that C for T may by notice in the Gazette determine the maximum fares that may be charged for the carriage of passengers, baggage, goods and vehicles on any licensed services. A licensed ferry operator shall not charge a fare exceeding the maximum fare.

7. Transport Department (“TD”) is examining Star Ferry’s application for fare increase. In so doing, it will take into account a basket of factors including –

- (a) financial condition of the ferry operator;
- (b) forecasts of changes in operating cost, revenue and return;
- (c) past performance of the ferry operator in the provision of the relevant ferry services;
- (d) public acceptability of the proposed fares; and

- (e) other measures adopted by the ferry operator to save cost and generate additional revenue.

TD will consider carefully all the above factors and strike a balance before reaching a decision. The vetting process is expected to require several months.

## **Arrangements for the Operation of Major Licensed Ferry Services of the Outlying Islands to be Re-tendered**

### **Background**

8. The current licenses for operating the six major outlying island ferry services<sup>1</sup> will expire in March 2008. TD plans to launch a tender exercise in August 2007 to select suitable ferry operators for the provision of the ferry services in 2008.

9. In recent years, the operating conditions of outlying island ferry services have been difficult with significant increase in operating costs caused by external factors, particularly the surge in fuel price. Moreover, patronage is low for most routes and cannot sustain the operating costs. As such, most outlying ferry services are operating at a loss. On the other hand, the population of the outlying islands is not expected to have any significant increase.

10. Taking into account the above situation, TD needs to take the opportunity of the re-tender exercise to suitably adjust the arrangements of the operation of these services so that effective and efficient ferry services for outlying islands could be maintained with fares at an acceptable level while at the same time ensuring the financial viability of the services.

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<sup>1</sup> The six major outlying island services are (i) Central-Cheung Chau, (ii) Central-Peng Chau, (iii) Central-Mui Wo, (iv) Peng Chau-Mui Wo-Chi Ma Wan-Cheung Chau; (v) Central- Yung Shue Wan and (vi) Central-Sok Kwu Wan routes.

## **Measures to Assist Ferry Operation**

11. It is the Government's established policy that public transport services should be operated by the private sector or public corporations without direct Government subsidy. In order to ensure the long term financial viability of providing effective and efficient ferry services, the Government has been taking measures to help ferry operators reduce the operating cost of the ferry services, which include taking over pier maintenance responsibility, waiving fuel tax, reimbursing pier rentals and exempting the vessel licence fees for ferry services offering concessionary fares to the elderly. Ferry operators are also permitted to generate non-fare box revenue by sub-letting premises at piers for commercial and retail activities to cross-subsidise ferry operation.

12. To further assist ferry operation, the Transport and Housing Bureau and TD have worked together with the Planning Department, the Government Property Agency ("GPA"), the Architectural Services Department ("ArchSD"), the Highways Department ("HyD") and the Fire Services Department to help ferry operators to generate non-fare revenue by implementing the following recent measures -

(a) Relax land uses

TD has applied to the Town Planning Board ("TPB") in April 2007 to relax land uses at Central Pier Nos. 4, 5 and 6 for the outlying island services and successfully obtained TPB's approval in June 2007. With effect from July 2008, the first floor of the said piers can be used for commercial activities such as restaurants, fast food shops, retail shops and service trades.

(b) Streamline procedures for approval of sub-letting

To shorten the processing time for applications by ferry operators to sub-let premises at the piers, GPA and relevant departments jointly reviewed the guidelines on processing applications for commercial concessions at piers.

Processing time is reduced to under one month for relatively straightforward applications and to under three months for more complex ones, such as those requiring structural alterations. The new procedures came into effect in early June 2007.

(c) Upgrade pier facilities

ArchSD will retrofit Central Pier Nos. 4, 5 and 6 for the outlying island ferry services to enhance fire prevention facilities, including sprinkler system and means of escape. The sprinkler works for Central Pier No. 4 (i.e. the pier for the Lamma Island ferry service) will commence in the second quarter of 2007 for completion in the third quarter of 2007. Similar works will be carried out for Central Pier Nos. 5 and 6 (i.e. the piers for the Cheung Chau and Mui Wo/Peng Chau services) for completion in 2008.

(d) Beautification of the walkway outside Central Pier Nos. 4 to 6

To improve the general outlook of the piers and the walkway outside, the ArchSD will repaint these piers and the HyD will replace the paving blocks of the dilapidated walkway.

13. The Government expects the above measures will enhance the operators' capability in generating non-fare box revenue which has to be ploughed back to cross-subsidise ferry operation so as to alleviate future pressure for fare increase.

14. The Government has spared no efforts in promoting tourism in the outlying islands. The Hong Kong Tourism Board and Home Affairs Bureau will continue to use various means (e.g. by disseminating information in publications and on websites) to promote events in the outlying islands with strong cultural or heritage characteristics, including Tin Hau Festival, Cheung Chau Bun Festival, Birthdays of the Lord Buddha and Tam Kung, to attract visitors and tourists.

## **TD's Consideration in the setting the Arrangements for Operation**

15. TD commissioned an independent opinion survey in 2006<sup>2</sup> to gauge passengers' views on the outlying island ferry services. Findings revealed that when assessing the satisfactory level of ferry services, respondents generally accorded great importance to "fare level", "frequency" and "ferry types", with "fare level" topping the list. To maintain fares at a level acceptable to passengers, TD must suitably adjust the arrangements for the operation of ferry services to avoid substantial fare increases by tenderers and to attract bids from more ferry operators.

## **Key Features of the Operating Arrangements**

16. TD consulted the Rural Committees of Cheung Chau, Peng Chau, Mui Wo and Lamma Island as well as the Islands District Council in June and July 2007 respectively. To strike a balance between different views expressed, TD proposes to implement the arrangements for operation of ferry services set out at Annex 2. The key features of the arrangements are given below.

### *Route Packages*

17. The six existing ferry services will be grouped into two packages with adjoining routes forming one single package for tender and operation -

- (a) Package I  
Ferry services between Central and Cheung Chau/Peng Chau/Mui Wo and the inter-islands services will form one package to be operated by one ferry operator.

The Central-Peng Chau and Central-Mui Wo services

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<sup>2</sup> The survey was conducted in June and July 2006. 4,200 passengers were randomly selected from passengers of outlying ferry services, out of which about half each were passengers using the services during weekdays and holidays respectively.

will be merged into the Central - Peng Chau - Mui Wo service (details at paragraphs 18 to 20). The inter-islands services will be shortened and transformed into a shuttle service between Mui Wo and Cheung Chau, with some sailings calling at Chi Ma Wan.

The package will enable cross-subsidy between routes and enhance their financial viability as a whole. It will help attract more potential tenderers and stabilise fares. In addition, the operator can enjoy greater flexibility in fleet deployment to cater for possible upsurge in passenger demand during holidays.

(b) Package II

The Central-Yung Shue Wan and Central-Sok Kwu Wan services will form one package to be operated by one ferry operator to enable greater flexibility in fleet deployment in its daily operation.

*Merging of the Central-Peng Chau and Central- Mui Wo Services during non-peak hours*

18. Patronage for the Central-Peng Chau and Central-Mui Wo services has been persistently low. The average daily patronage of the Central-Peng Chau service saw a drop from 5,300 in 2001 to 4,900 in 2006 while that of Central-Mui Wo service dropped from 6,900 to 6,400. With such low patronage, it is not financially viable for the two services to continue independent operation while maintaining the current service level. Also, the Central-Peng Chau and Central-Mui Wo services have incurred serious losses in recent years. If it is insisted that these services to be operated as independent routes, even if there were operators to bid for them, TD estimates that fare increases could amount to several tens of percentage points.

19. Ferry services are of paramount importance to residents of Peng Chau and Mui Wo. For Peng Chau residents in particular, ferry services are an indispensable means of external public transport. TD considers it

necessary to merge the two independent services into a Central-Peng Chau-Mui Wo route so as to improve its financial situation and reduce the risk of substantial fare increase. With the merging of the two routes, TD estimates that the daily patronage can increase to over 10,000. By sharing out the operating cost among more passengers and reducing fuel expenditure, the overall operating cost will be lowered, thereby stabilising fare and benefiting passengers ultimately.

20. During consultation, Peng Chau residents had no objection to the merging of the two routes but members of the Mui Wo RC objected the proposal. Having considered the views from both sides, TD revised its original proposal and with the implementation of the Central-Peng Chau-Mui Wo route, the operator will still be required to provide special direct ferry services between Mui Wo and Central and between Peng Chau and Central during morning peak hours (between 7 a.m. and 9 a.m.) from Mondays to Saturdays for the convenience of residents going to work or school. On one hand, passengers from Peng Chau and Mui Wo will be provided with ferry services during morning peak hours comparable to the current ones. On the other hand, the operating cost during non-peak hours can be reduced. This will reduce the risk of substantial fare increase in future tenders. In fact, the average patronage for both the Central-Peng Chau and Central-Mui Wo routes during non-peak hours is very low. In general, the average patronage of each sailing at the non-peak hours is only about 20% of the carrying capacity.

21. We understand that some Mui Wo residents have expressed concern that the proposed arrangements for operation may not align with the future development plans of Lantau Island. If tourism or development projects are implemented in Lantau Island in future boosting a demand for ferry services, TD will review the service level of the ferry services in accordance with the estimated changes in patronage.

### *Transforming the Inter-islands Service*

22. Since ferry services between Central and Peng Chau and between Central and Mui Wo will be merged, commuters between Peng Chau and Mui Wo no longer need to rely on the inter-islands service. This will be transformed into a shuttle service between Mui Wo and Cheung Chau with some sailings calling at Chi Ma Wan. Ferries plying

between Mui Wo and Cheung Chau will therefore be able to operate at an enhanced frequency.

23. To tie in with the special direct ferry services during morning peak hours after the implementation of the Central-Peng Chau-Mui Wo service, TD will require the ferry operator to maintain the existing inter-islands service for Peng Chau, Mui Wo, Chi Ma Wan and Cheung Chau between 6 a.m. and 9 a.m. Ferry service between Mui Wo and Cheung Chau will be provided outside this period, with some sailings calling at Chi Ma Wan.

#### *Maintaining the Existing Overnight and Freight Services*

24. In view of the low patronage of the overnight service from Central to Cheung Chau, Peng Chau and Mui Mo, TD has proposed to the relevant Rural Committees to cancel some overnight sailings with very low patronage to reduce the overall operating cost and to further stabilise future fares. However, after considering the views of the local community, TD has decided to maintain all of the existing overnight sailings. TD has advised the relevant Rural Committees and the Islands District Council that maintaining the overnight sailings would entail higher operating costs when compared with TD's original proposal and will create pressure on tenderers with regard to their fare proposals. As such, the eventual fare level may be higher than TD's original estimates.

25. As regards freight service, TD has originally proposed to restrict its provision to non-peak hours to avoid any delay of ferry services during peak hours arising from the carriage of freight at the same time. Taking into account concerns expressed by the local community over the potential impact on supplies for the islands in the morning, TD has decided to maintain the existing arrangements for freight service.

#### *Fare Arrangements for Holidays*

26. TD understands that some local residents have proposed that the present arrangement for higher fares charged during Sundays and holidays should be abolished. However, TD has to consider the fact that the existing arrangements allow the fare revenue from Sundays and holidays to subsidise about 10 to 20 percent of the weekday fare, i.e.

residents can enjoy lower fares during weekdays. Should this arrangement be abolished, fares for weekdays would have to be increased substantially which will have adverse impact on residents of the outlying islands using the services on weekdays. TD therefore considers it appropriate to maintain the present arrangement and interested ferry operators should be allowed to put forward proposals on fare levels for weekdays and holidays based on their commercial considerations. In evaluating the tenders, TD will carefully compare proposals of all tenderers on the overall fare arrangements. Tenders with overall better and reasonable fare arrangements will be given higher score.

### **Effective Date of New Ferry Licences and Operating Arrangements**

27. Subject to smooth completion of the tendering procedures, TD aims to have the new licences with the above arrangements for operation of outlying islands ferry services coming into effect in the second or third quarter of 2008.

Transport and Housing Bureau  
Transport Department  
July 2007

**“Star” Ferry’s Proposed Faretable for its Licensed Ferry Services**

**(a) Hung Hom—Central**

**(b) Hung Hom—Wanchai**

Category	Existing Fare	Proposed Fare
Adult	\$5.30	\$6.50
Child (between 3 and 12 years old)	\$2.70	\$3.30
Persons with disabilities	\$2.70	\$3.30
Child under 3 and Elderly aged 65 or above	Free	Free
Monthly ticket	\$260	Cancelled
Tourist ticket (4 days)	\$54	Cancelled
Bicycle	\$10.60	\$13.00

**Proposed Operating Arrangements for the Outlying Islands Ferry Services**

**Package I**

**Route 1**            **Central - Cheung Chau**

(i) Proposed Route

- Ferries will ply between Central Pier No. 5 and Cheung Chau Pier, following the existing arrangement.

(ii) Proposed Operating Time

- Proposed operating time for day service will remain unchanged.

Departure Time	Proposed Arrangement			
	From Central		From Cheung Chau	
	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays
First sailing	0615	0630	0510	0510
Last sailing	2345	2355	2345	2330

- Proposed arrangement for late night service will remain unchanged.

Departure Time	Proposed Arrangement			
	From Central		From Cheung Chau	
	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays
Late night sailings	0030	0030	0220	0220
	0130	0130		
	0415	0415		

(iii) Proposed Frequency

1. Morning peak hours from Mondays to Saturdays (0510-0859)
  - The number of sailings from Cheung Chau to Central will be comparable to the existing arrangement. The minimum sailings per hour are as follows:

Way Bound	Time	Proposed Arrangement	Existing Arrangement	
		Minimum Number of Sailings	Frequency	Number of Sailings
Cheung Chau to Central	0510-0559	2	40 minutes	2
	0600-0659	2	20-30 minutes	2
	0700-0759	4	5-30 minutes	4
	0800-0859	3	20 minutes	3

2. Afternoon peak hours from Mondays to Saturdays (1700-1959)

- The number of sailings from Central to Cheung Chau will be comparable to the existing arrangement. The minimum sailings per hour are as follows:

Way Bound	Time	Proposed Arrangement	Existing Arrangement	
		Minimum Number of Sailings	Frequency	Number of Sailings
Central to Cheung Chau	1700-1759	2	20-35 minutes	2
	1800-1859	3	20-25 minutes	3
	1900-1959	2	30 minutes	2

3. Non-peak hours

- Service will be provided at a headway of 30 minutes, the number of sailings will be comparable to the existing arrangement.

(iv) Proposed Ferry Types

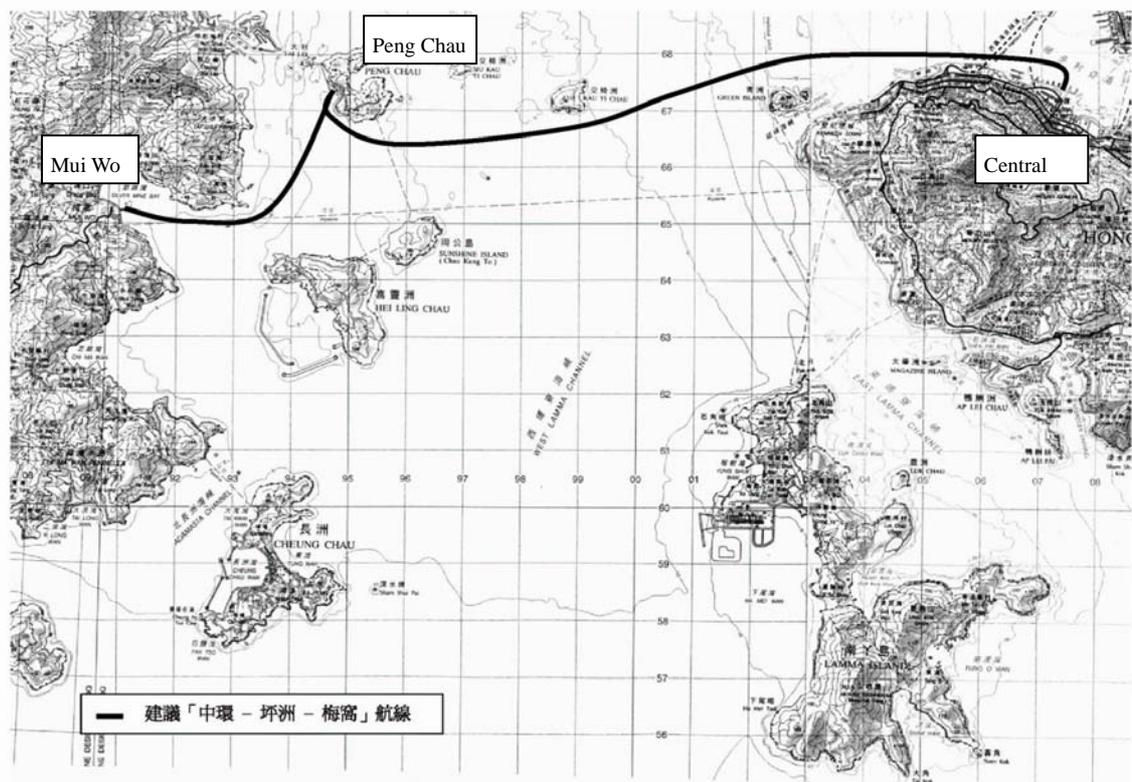
- Tenderers will provide both fast and ordinary ferries. The proposed arrangement will be comparable to the existing one.

## Route 2                      Central-Peng Chau-Mui Wo

### (i) Proposed Route

- The Central-Peng Chau service and Central-Mui Wo service will be merged into the Central-Peng Chau-Mui Wo service. The proposed new route is shown on Figure 1.
- Direct special services between Central and Mui Wo, and Central and Peng Chau will be provided during morning peak hours (0700-0859) on weekdays.
- Ferries will ply between Central Pier No. 6, Peng Chau Pier and Mui Wo Pier.

Figure 1: Proposed Route for the Central-Peng Chau-Mui Wo Service



- Proposed route for the Central-Peng Chau-Mui Wo service

### (ii) Proposed Operating Time

- Basically the proposed operating time for day service will be comparable to that of the existing Central-Peng Chau and Central-Mui Wo services.

Departure Time	Proposed Arrangement				Existing Arrangement			
	From Central		From Mui Wo (via Peng Chau)		Central to Mui Wo/Peng Chau		From Mui Wo/Peng Chau	
	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays
First sailing	0610	0700	0555	0620	0610/0700	0700/0700	0555/0615	0620/0630
Last sailing	2350	2340	2330	2330	2350/2330	2340/2340	2330/2330	2330/2335

- Proposed late night service arrangement will be comparable to the existing one.

Departure Time	Proposed Arrangement				Existing Arrangement			
	From Central		From Mui Wo (via Peng Chau)		Central to Mui Wo/Peng Chau		From Mui Wo/Peng Chau	
	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays
Late night service	0030 0200	0030 0200	0240	0240	0030 0300	0030 0300	0340/0325	0340/0325

(iii) Proposed Frequency

1. Morning peaks hours from Mondays to Saturdays (0700-0859)
  - The number of sailings from Mui Wo to Central will be comparable to the existing arrangement with a minimum of three sailings for each hour between 0700 and 0859.
  - The number of sailings from Peng Chau to Central will be comparable to the existing arrangement with a minimum of three sailings between 0700 and 0759 and two between 0800 and 0859.
2. Afternoon peak hours from Mondays to Saturdays (1700-1959)
  - The number of sailings from Central to Mui Wo via Peng Chau will be comparable to the existing arrangement with a minimum of two sailings for each hour.

3. Off-peak hours

- The frequency of sailings between Central, Peng Chau and Mui Wo will be reduced from every 40/45 minutes to every 60 minutes.

(iv) Estimated Journey time

Ferry Types	Estimated Journey Time		Present Journey Time	
	Between Mui Wo and Central (via Peng Chau)	Between Peng Chau and Central	Between Mui Wo and Central	Between Peng Chau and Central
Fast Ferry (over 15 knots)	about 46 minutes	about 25 minutes	about 31 minutes	about 25 minutes
Ordinary ferry (at or below 15 knots)	about 63 minutes	About 38 minutes	about 48 minutes	about 38 minutes

(v) Proposed Ferry Types

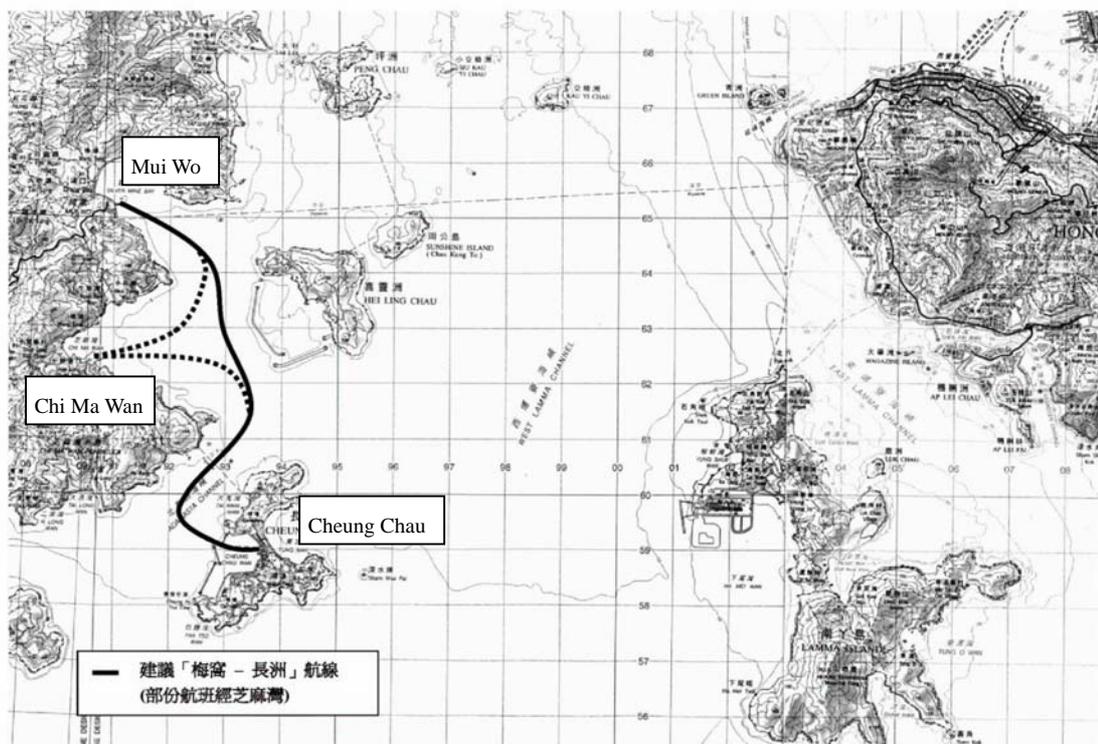
- Tenderers can operate both fast and ordinary ferries or solely with ordinary ferries which will incur lower operating cost.

**Route 3 Rationalisation of the inter-islands service : Mui Wo - Cheung Chau service (with some sailings calling at Chi Ma Wan)**

(i) Proposed Route

- After the merged Central-Peng Chau-Mui Wo service come into operation, commuters between Peng Chau and Mui Wo will no longer need to rely on the inter-islands services presently plying between Peng Chau, Mui Wo, Chi Ma Wan and Cheung Chau. It will be opportune to rationalise the inter-islands services by truncating the existing route. Only a shuttle service between Mui Wo and Cheung Chau will be provided, with some sailings calling at Chi Ma Wan.
- A shuttle service plying between Mui Wo Pier and Cheung Chau Pier with some sailings calling at Chi Ma Wan Public Pier is proposed under the rationalisation of the inter-island services. The proposed new route is shown on Figure 2.

Figure 2 : Proposed Route for the Mui Wo-Cheung Chau Service



- Proposed route for the Mui Wo-Cheung Chau service (some sailings calling at Chi Ma Wan)

(ii) Proposed Operating Time

- The current inter-islands service plying among Peng Chau, Mui Wo, Chi Ma Wan and Cheung Chau between 0600 and 0859 will continue.
- The service between Mui Wo and Cheung Chau, with some sailings calling at Chi Ma Wan, will operate between 0900 and 2300.

(iii) Proposed Frequency and Journey time

- The frequency of the service comparable to the existing inter-islands routes will be provided between 0600 and 0859.
- The service of a minimum headway of 90 minutes will be provided between 0900 and 2300. (The headway of the existing inter-islands routes is basically two hours).
- The proposed journey time will be about 30 minutes, and 40 minutes for sailings calling at Chi Ma Wan.

(iv) Proposed Ferry Types

- Tenderers can operate the service using ordinary ferries. The proposed arrangement will be comparable to the current one for the inter-islands service.

## Package II

### Route 1      **Central - Yung Shue Wan**

(i)      Proposed Route

- Ferries will ply between Central Pier No. 4 and Yung Shue Wan Pier, following the existing arrangement.

(ii)      Proposed Operating Time

- The first sailing departing from Yung Shue Wan will be advanced from 0620 to 0530. Proposed operating time is as follows:

Departure Time	Proposed Arrangement				Existing Arrangement			
	From Central		From Yung Shue Wan		From Central		From Yung Shue Wan	
	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays	Mondays to Saturdays	Sundays and Public Holidays
First sailing	0630	0730	0530	0530	0630	0730	0620	0640
Last sailing	0030	0030	2330	2330	0030	0030	2330	2330

(iii)      Proposed Frequency

1. Morning peak hours from Mondays to Saturdays (0700-0859)

- The number of sailings from Yung Shue Wan to Central will be comparable to the existing arrangement. The minimum sailings per hour are as follows:

Way Bound	Time	Proposed Arrangement	Existing Arrangement	
		Minimum Number of Sailings	Frequency	Number of Sailings
Yung Shue Wan to	0700-0759	3	20 minutes	3
	0800-0859	3	15-20 minutes	3

Central	0900-0959	3	15-25minutes	3
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2. Evening peak hours from Mondays to Saturdays (1700-1959)

- The number of sailings from Central to Yung Shue Wan will be comparable to the existing arrangement. The minimum sailings per hour are as follows:

Way Bound	Time	Proposed Arrangement	Existing Arrangement	
		Minimum Number of Sailings	Frequency	Number of Sailings
Central to Yung Shue Wan	1700-1759	3	20 minutes	3
	1800-1859	3	20minutes	3
	1900-1959	2	20-30 minutes	2

3. Non-peak hours

- In view of the low patronage during non-peak hours, the service frequency is proposed to reduce from every 40/45 minutes to every 60 minutes.

(iv) Proposed ferry types

- Tenderers can operate both fast and ordinary ferries or solely with ordinary ferries which will incur lower operating cost.

## **Route 2      Central- Sok Kwu Wan**

### (i)      Proposed Route

- Ferries will ply between Central Pier No. 4 and Sok Kwu Wan Public Pier as existing arrangement.

### (ii)      Proposed operating time

- Departure times for the first sailings from Central and Sok Kwu Wan will remain unchanged, i.e., 0720 and 0645 respectively.
- Departure time for the last sailings from Central and Sok Kwu Wan will remain unchanged, i.e., 2330 and 2240 respectively.

### (iii)      Proposed Frequency

- Tenderers will operate the service at a frequency comparable to the existing arrangement, i.e., a minimum of 11 sailings between Central and Sok Kwu Wan daily.

### (iv)      Proposed Ferry Types

- Tenderers will operate the service using fast ferries. The proposed arrangement will be comparable to the existing arrangement.