



## **Community Needs for the Mui Wo-Central Ferry Service**

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### **1. Purpose of this document**

The purpose of this document is to set out what is perceived to be the elements of a minimum reasonable ferry service between Mui Wo on Lantau and Central. The starting point is the present service but there are aspects of this that could be changed to afford a better service and, probably, cost-savings. The present 'crisis' affords an opportunity to provide a ferry service that is better and more efficient. A number of suggestions are offered.

### **2. Fares: a bizarre conclusion from an inapplicable survey**

The present crisis was brought about by TD's interpretation of the results of a survey. In its previous submission to Legco (LC Paper No. CB(1)2111/06-07(02), para 15, TD reported that it had commissioned an independent survey in July 2006 in which "respondents generally accorded great importance to 'fare level',...." On the basis of this, it concluded that it "...must suitably adjust the arrangements for the operation of ferry services to avoid *substantial fare increases*".

*(Note that, in spite of the last three words, the public have gained the clear impression that combining the ferry routes is in exchange for a zero fare increase. The creation of yet another bombshell?)*

We have asked an expert in the field of surveys to make an assessment of it in respect of this conclusion. His report is at Appendix I. Notably, he says: "there is no evidence in the report to support the argument that combining/curtailing the service is a

reasonable way to avoid a fare increase, since no such question was put to the respondents."

It is quite extraordinary that TD should have made such a drastic decision based upon such flimsy evidence from an ill conceived survey.

Elsewhere, the recent Rural Committee questionnaire gave an option: " Maintain the current ferry service & accept price adjustment (at an increase rate of not more than 30%)". This was also a badly framed question because it is impossible to tell if the negative response was to 'accepting a price adjustment' or to '30%'.

Now, to the surprise of those present in a meeting with TD on 13/8/07, it was revealed - for the first time - that the increase to avoid combining the ferries would be between 10% and 20%. The lower end of this can hardly be called a '*substantial fare increase*' and opens even further the questionable conclusion of TD to make such a draconian decision.

It is quite erroneous to believe that a fast ferry taking 15 minutes extra is acceptable in order to keep the fare at the same level. The present situation is that many passengers choose to take a fast ferry instead of a slow one and are willing to pay \$11 to save 20 mins. travelling time.

If it is believed that 45 mins, on a fast ferry is acceptable, we must also think that 50 minutes on a direct slow ferry is acceptable for all occasions. Nobody seems to be suggesting that a service based entirely upon slow ferries only would be acceptable although the journey time would be much the same as a fast ferry going via Peng Chau.

The question of weekend fares for visitors requires further consideration. Some sections of the community feel that raising the fares in this way is detrimental to the economy of South Lantau. On the other hand, the alternative route via Tung Chung already costs more and it is doubtful if the weekend fare is, indeed a deterrent. It is thought that the majority of visitors travel via MTR and bus mainly because the bulk of them live in Kowloon which is more convenient than going via Central. We suspect that any change would make little difference but we keep an open mind pending a proper study.

### **3. Policy: public investment in social infrastructure**

Taking a broader perspective, fares relate to the cost operating a service, we note that, in his last submission to Legco, the Commissioner wrote:

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.

We wonder if this "policy" is 'written down in the "Book of Policies" - or whether it has just a "notion" that gathered status by virtue of repetition, by the Commissioner, in other contexts. Whatever, it seems to us that such a sweeping notion should have received consideration by Legco - or even Exco - at some stage. Whilst the government

may hope that transport services be operated by the private sector, we cannot escape the possibility that this hope may fail in some circumstances.

It is possible that there is another 'policy' of equal or higher status that says something about supporting the population, economy and well-being of outlying areas. If these areas of Hong Kong are cherished, there should be a policy to sustain them. Certainly, there is evidence of the existence of such a policy as revealed by the recent proposals in the Concept Plan and the Mui Wo Facelift. Do these not over-ride the Commissioner's notion?

In many countries, the transport to remote areas is supported by public funds because it is simply not viable otherwise and there is a policy to sustain them. We suggest that the islands, and notably South Lantau, are emerging as being in that category. The ferries do not enjoy the benefits of diversification of business (as with MTR) nor the cross funding between urban and rural routes - as with bus companies.

Using public money to support parts of the community and, indeed businesses, that are valued for their contribution to the economy and wellbeing of Hong Kong, is widespread. It has been called 'public investment in social infrastructure' and there is no reason why it should be withheld from islands transport.

#### **4. Vessel types**

The present mix of fast vessels and slow vessels has many advantages:

The fast vessels:

- allow passengers who value their time to travel faster
- allow passengers more time in the morning
- enable passenger to reach home quicker.

The slow vessels provide:

- freight transport
- lower fares for the less wealthy
- a more leisurely journey for those who wish
- a very attractive means of travel for tourists

The favourite slow ferries are the triple deck ferries which provide a really unique experience.

#### **5. Service schedules**

It is fully appreciated that the detail of the schedules is dependent upon many factors other than what is the best for the passengers and we have no intention in trying to propose a detailed schedule. However, there are some very strange timings in the present schedule that really make no sense from any point of view and some of which are very inconvenient and wasteful.

We suggest that the schedules are re-examined with some basic guiding principles that could improve both services for passengers and operating efficiency.

We wish to **STRONGLY** suggest one fundamental principle: the schedule should be based upon **equally spaced arrival times**. It is axiomatic that a passenger selects a sailing, in the first instance, upon an arrival time that meets his/her further schedule. In some cases, he might take one ferry earlier but never later if there is an arrival commitment.

The present schedule is clearly based upon departure times which leads to very wide range of arrival gaps, throughout the day, of between zero to 70 minutes. Also, the continued mind-set of 'frequency of sailings' (departures) is clear in the 2006 survey: table 1.21 asks for responses about 'sailing frequency' but not on 'arrivals frequency'.

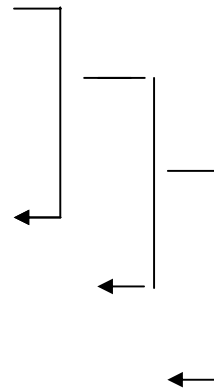
For example, the present mid-day 'normal' schedule has 20 and 60 minute gaps:

Dep. Mui Wo	Departure gap	Arr. Central	Arrival gap
12.10 fast		12.40	
	40		40
12.50 fast		12.20	
	40		60
13.30 slow		14.20	
	40		20
14.10 fast		14.40	

A better arrangement would be to have fast ferry sailings every 60 min. interspersed with a slow ferry scheduled to **arrive** approximately mid-way between the fast ferry arrivals.

Such as pattern could be as follows but we appreciate that this represents an ideal situation that, of course, has to be modified for operational reasons.

Ferry	Dep.C	Arr. MW	Dep. MW	Arr. C	Dep. C
Fast 1	11.50	12.20	12.50	13.20	13.50 repeats
Slow	12.00	12.50	13.00	13.50	14.00 repeats
Fast 2	12.50	13.20	13.50	14.20	14.50 repeats
Fast 1	13.50			15.20	
Slow	14.00			15.50	
Fast 2	14.50			16.20	



This particular model lends itself to a regular all-day pattern. Interestingly, the total number of sailing during the day for both fast and slow ferries is the same - or almost the same. This tends to show the inefficiency of the present schedule.

If a longer or shorter period than 30mins. between arrivals is chosen, the schedule will not be so regular because this one fits neatly with the journey time of the slow ferries.

We suggest that this be a starting point and that a computer programme could be used to give the optimum for everyone. Such programmes must be readily available with any airline.

## **6. Economies**

We cannot make definitive suggestions about economies other than in areas that we easily observe. Generally, we think that the operation is efficient. However, there are a few ideas that come to mind.

It would be useful to know if there could be savings by running the fast ferries a little slower. Is it possible that lengthening the ferry time by, say five minutes, could save money? This question might yield an acceptable trade-off between fares and time. It would make no difference to schedules as the rest period between journeys is much longer than 5 minutes.

Regulation of cabin temperatures is undoubtedly resulting in a waste of fuel. A rule of thumb related to indoor air conditioning is that, for temperatures around the 'reasonable' point, one degree of change results in a 10% change of fuel consumption.

We recommend that more recently available temperature and humidity control equipment is installed that regulates internal conditions relative to the outdoor conditions at any time. It could save its cost in a very short time and increase comfort considerably.

We also suggest that a clause be included in any future contract that stipulates cabin air comfort levels based upon the internationally-accepted ASHRAE recommendations. This is in the interests of both comfort and economy.

It is also suspected that, from the exhaust smoke observed, the engines of the slow ferries must be somewhat inefficient by modern standards - to say nothing of the resulting pollution.

There should be more transparency about factors affecting efficiency. As there is no competition, the usual secrecy of 'commercially sensitivity' does not apply.

## **7. Conclusions**

There is no basis whatever for the previous proposals to combine the Mui Wo and Peng Chau services. The arguments used to base this conclusion are untenable and the basis for making the suggestion - the 2006 survey - is absurd.

We suggest that the tender for the Islands ferry services be based upon a statement of service needs rather than a given schedule. The bidder should be asked to make a number of proposals for alternative solutions relating levels of service and resulting fares.

These alternatives should then be discussed with the stakeholders and a consensus reached on the preferred one.

The essential features of a service would be:

1. A level of service comparable with the present service but modified to provide more evenly spaced arrival times;
2. All sailings would be direct except in special cases;
3. A continuation of the mix of fast and slow ferries;
4. A new schedule is derived by using computer scheduling programmes that must be available in Hong Kong;
5. The aim of the schedule should be to obtain equally spaced arrival times and not, as at present, departure times;
6. An oil price surcharge be introduced to minimize future friction.

We also recommend:

7. The whole matter of public support for transport services be fully examined and a more appropriate policy is created that recognises other existing higher level policies;
8. Up to date control equipment be installed to better regulate the cabin environment and save fuel. Cabin air conditions be specified.
9. All other factors affecting costs and, therefore, fares should be more thoroughly and independently examined and made public.

Living Islands Movement

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### **Brief expert evaluation of the TD's 2006 survey**

I am not impressed by the questionnaire or the report derived from it. The questionnaire was too long to yield meaningful responses (people lose interest after the first couple of pages). The questions concerning performance against expectation and value for money appeared only on page 6 of the questionnaire, yet formed page 2 of the report, indicating an importance to the researchers that was not evident from the questionnaire.

The 'overall expectations' question was meaningless as there is no way to judge whether respondents' expectations were high or low. If people already have a poor opinion of a service, their expectations will be met by poor service. The 'overall satisfaction' figures quoted appear to be inconsistent with attitudes expressed later in the report, especially in relation to fares. The 'satisfaction index' for fares is shown as 55%, yet further down the report much larger percentages express a lower than 'value for money' rating.

The whole 'value for money' judgement seems dubious. First the questionnaire is extremely vague. What is the difference between 'value of money' and 'quite value for money'? The second rating is meaningless. A fare is either value for money or it is not. This leads to a glass-half-full vs. glass-half-empty interpretation of the resulting figures. In table 1.3 (to take a representative example; the same applies in others), the researchers interpret 'quite value for money' as a positive indicator and use it to inflate the positive figure to 27.3%. An alternative reading of the same table is that 98% of respondents rate the service as less than 'value for money'!

To answer your second question, there is no evidence in the report to support the argument that combining/curtailing the service is a reasonable way to avoid a fare increase, since no such question was put to the respondents. They were asked only some relatively complex (confusing?) questions about higher and lower fares on various services in order to increase/decrease the Sunday subsidy. Had the questionnaire asked something like, "Would you accept a slightly slower service, calling at Peng Chau, in exchange for maintenance of the current fare structure?" they might have a case. But it didn't.

Part XI, which asked respondents to say how much they would be prepared to pay for a ferry service in an ideal world, was absurd. They were told to ignore current fares and have a stab at acceptability, however they chose to interpret that (they could have said a free service but apparently no one did). Since all respondents were current users of the service, they were bound to produce figures that had some sort of relationship to current fares -- no one would vote for a higher fare, and many would be deterred from nominating a hugely lower fare by the assumption that this would be impossible. Also, none of them (presumably) had any idea of the economics of running a ferry service, or the extent to which weekday fares are subsidised by Sunday fares, so their opinions are meaningless from a commercial perspective. I presume (but don't know, as I rarely use the service) that they mostly came up with a fare that they thought looked reasonable but was somewhat lower than the current fare.