

## **LEGISLATIVE COUNCIL BRIEF**

### Ferry Services Ordinance (Chapter 104)

## **THE “STAR” FERRY COMPANY, LIMITED: APPLICATION FOR FARE INCREASE FOR FRANCHISED SERVICES**

### **INTRODUCTION**

At the meeting of the Executive Council on 20 January 2009, the Council ADVISED and the Chief Executive ORDERED that The “Star” Ferry Company, Limited (Star Ferry)’s application for fare increase for its two franchised ferry routes should be approved and –

- (a) under section 19(1)(a) of the Ferry Services Ordinance -
  - (i) the new fare scales for Star Ferry at Annex A should be approved, to take effect from 29 March 2009 and 1 January 2010 respectively;
  - (ii) the Ferry Services (The "Star" Ferry Company, Limited) (Determination of Fares) (Amendment) Order 2009 at Annex B, giving effect to the new ferry fares, should be made; and
- (b) under section 51 of the Tramway Ordinance -
  - (i) consent should be given to the proposed increase in the fare for tourist tickets, as set out in the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2009, at Annex C; and
  - (ii) Tramway Ordinance (Commencement of Alteration of Fares) Order 2009, at Annex D, ordering that the proposed increase in the fare for tourist tickets shall come into operation on 29 March 2009 should be made.

## **BACKGROUND**

2. The fares of Star Ferry's franchised ferry routes were last increased on 1 June 1997 by an average rate of 7.5%. In view of the increasing operating cost and decrease in patronage, Star Ferry has applied for increases in ferry fares by 13.6% (\$0.3) for the adult weekday upper deck service (or a weighted average increase of 23% if including both weekday and weekend services for all passengers). Star Ferry also proposes to cancel monthly tickets and tourists tickets<sup>1</sup> in view of low utilization. Details of the proposal are at Annex E.

3. In the light of the current economic climate, Star Ferry has reconsidered the situation. Notwithstanding the further loss on its accounts, Star Ferry has recently revised its original proposal to the effect that the fare increases should be implemented in two phases, i.e. a smaller fare increase (to increase all weekday fares by 10 cents and to increase weekend fares by 20 to 30 cents) to take effect on 29 March 2009 and the full fare increase to take effect on 1 January 2010. The revised proposal reflects Star Ferry's willingness to ride out the present difficulties with the community and good corporate citizenship. Details of the proposed fares under the revised proposal are in Annex A.

4. According to the revised proposal, the rate of increase for adult weekday upper deck service and the overall weighted average increase rate for phase one are 4.5% and 8.5% respectively; and the rate of increase for adult weekday upper deck service and the overall weighted average increase rate for phase two are 8.7% and 13.3% respectively (the accumulative rates are 13.6% and 23% respectively). Star Ferry has also agreed to retain monthly tickets and tourist tickets. The fare of the monthly tickets will be increased by 4.5% (i.e. to \$115) on 29 March 2009 and then by 8.7% (i.e. to \$125) on 1 January 2010 in accordance with the increase rates for adult weekday upper deck service. As regards tourist ticket, Star Ferry proposes that its fare should be increased by 13.6% (i.e. to \$34) on 29 March 2009 without going through two phases.

5. Star Ferry has provided all relevant financial information to support its application. This has been verified and, where necessary,

<sup>1</sup> A tourist ticket is accepted by the two operators for unlimited travel on the two ferry routes and trams for four consecutive days.

adjusted by the Transport Department and the Financial Monitoring Unit of this bureau. The adjusted figures are used in this paper.

### **Consideration of the fare increase application**

6. In considering the fare increase application, the following factors were taken into account –

- (a) financial condition of the ferry operator;
- (b) forecasts of changes in operating cost, revenue and return;
- (c) past performance of ferry operator in the provision of the relevant ferry services;
- (d) public acceptability of the proposed fares, and
- (e) measures implemented by the ferry operator to save cost and generate additional revenue.

### **Forecast of Patronage, Revenue and Return**

7. Star Ferry operates two franchised ferry services, namely the “Central – Kowloon Point<sup>2</sup>” and the “Wan Chai – Kowloon Point<sup>2</sup>” routes. The patronage of the “Central – Kowloon Point” route declined from 20 million in 2000 to 19 million in 2006 at an average annual rate of 0.86%. After the pier relocation in Central in late 2006, patronage of the “Central – Kowloon Point route was further dropped by 17% in 2007 over 2006. It is also expected to have been reduced by 1% in 2008 and to increase slightly in 2009 and 2010. The patronage of the “Wan Chai – Kowloon Point” route increased by 28.5% from 6.12 million in 2000 to 7.87 million in 2007. It is expected to have decreased by 0.2% in 2008 and remain stable in 2009 and 2010.

8. Star Ferry’s total revenue dropped by 14.6% from 2000 to 2007. It was mainly due to the drop in patronage which adversely affected fare

<sup>2</sup> It is the wording used in the existing franchise and refers to Tsim Sha Tsui.

revenue and indirectly impacted on non-fare box revenue. If fares remain unchanged, fare box revenue is expected to have been reduced by 1.1% in 2008 and remain stable in 2009 and 2010. As regards non-fare box revenue, Star Ferry projects that shop rental in 2008 will have increased by 28% over 2007 due to the expiry of the 50%-concession rental period for Central Pier No. 7, the increased number of sub-tenants and increased rental charge due to contract renewal. Star Ferry also estimates that it will have an average rental increase of 4.2% in 2009, which is in line with the anticipated inflation rate, and an average increase of 1% in 2010 due to the impact of the anticipation of the relocation of public transport interchange at Tsim Sha Tsui in 2011.

### **Expenditure forecast**

9. Star Ferry's total operating costs reduced from \$68.9 million in 2000 to \$65.1 million in 2005 through various cost saving measures mentioned in paragraph 12 below. Despite its efforts to save costs, its operating costs rose to \$68.1 million in 2006 and \$72.9 million in 2007 due to increase in fuel costs; 3% pay rise in 2006 and 2007 respectively; and increase in depreciation cost and letting commission and management fee for shop renting service due to pier relocation.

### **Projected financial position**

10. Star Ferry has incurred losses since 2007. Despite the alleviating effect of the recent decline in oil price, we forecast that Star Ferry will still incur losses in 2009 and 2010 without a fare increase.

### **Service performance**

11. Overall, Star Ferry has been providing a proper and efficient service to the public. In the monitoring surveys conducted by the Transport Department on the two ferry routes between 2000 and 2007, it was found that the adherence rate to the Schedule of Services remained high, ranging from an average of 96% to 99%. According to the passenger opinion survey commissioned by the Transport Department in 2007, about 97.2% of the respondents considered that Star Ferry's franchised ferry services met or exceeded their expectation.

## **Cost Saving Measures**

12. Since 2000, Star Ferry implemented a number of cost saving measures which has brought about total savings of about \$5 million per annum. These measures include optimizing the locations of the entrance turnstiles and automating the manual change arrangement by token-vending machine to save manning resource, outsourcing the cleansing work, replacing the power-generation system of vessels to save maintenance expenses and rationalizing the fleet deployment to save manpower.

13. To help reduce the operating costs of ferry services, the Government has implemented various measures including taking over pier maintenance responsibility, waiving fuel duty, reimbursing pier rentals and exempting vessel licence fees for ferry services under the Elderly Concessionary Fares Scheme. In addition, the Government also allows ferry operators to sub-let premises at piers for commercial and retail activities to generate non-fare box revenue for cross-subsidizing the ferry operation so as to alleviate pressure for fare increase. Star Ferry has sub-let almost all areas at the pier premises at its franchised ferry piers for commercial and retail activities to generate rental income to cross-subsidise its ferry operation. In 2007, Star Ferry's non-fare box revenue constituted 35% of its total revenue. This is much higher than that of most other ferry operators.

## **The approved fare scale**

14. Having considered the aforementioned factors and taking into account the advice of the Transport Advisory Committee (TAC) mentioned in paragraph 17 below, the Chief Executive in Council approved the new fare scales at Annex A.

15. It is estimated that the first-phase fare increase effective on 29 March 2009 will result in -

- (a) 60% of Star Ferry's passengers paying 10 cent more per trip;

- (b) 32% paying 20 to 30 cents more per trip; and
- (c) 8% (passengers aged under three and those aged 65 or above who enjoy free rides) would not be affected.

16. Starting from 1 January 2010 and compared with the position at the existing fares, the recommended fare increase will result in -

- (a) 60% of Star Ferry's passengers paying 20 to 30 cents more per trip;
- (b) 32% paying 50 to 80 cents more per trip; and
- (c) 8% (passengers aged under three and those aged 65 or above who enjoy free rides) would not be affected.

### **Transport Advisory Committee's Advice**

17. The TAC was consulted on the fare increase application from Star Ferry on 24 September 2008. The TAC considered all the relevant factors and supported the fare increase rates proposed by Star Ferry for its franchised routes and the Administration's recommendation to retain monthly tickets and tourist tickets with the same fare increase rate as that for adult weekday upper deck service. Members noted the low utilization of tourist tickets and suggested that Star Ferry should step up its promotional efforts. Members further suggested that consideration should be given to whether more diversity and flexibility could be introduced to the packaging of tourist tickets in future. The TAC's detailed advice is set out in its letter to the Secretary for Transport and Housing at Annex F.

### **Implementation**

18. Ferry fares are subject to negative vetting by the Legislative Council (LegCo). The Ferry Services (The "Star" Ferry Company, Limited) (Determination of Fares) (Amendment) Order 2009 at Annex B will be gazetted on 23 January 2009 and laid before the Legislative Council (LegCo) on 4 February 2009.

19. As tourist tickets can be used on the two ferry routes and trams, fare increase for tourist tickets has to be effected under both Section 19(1)(a) of the Ferry Services Ordinance and Section 51(2) of the Tramway Ordinance. Section 51(2) of the Tramway Ordinance stipulates that any fare alteration shall come into force one month after its publication in the Gazette or within such shorter period after such publication as the Chief Executive in Council may order. Taking into account the timing requirement under section 51(2) of the Tramway Ordinance, the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2009 and the Tramway Ordinance (Commencement of Alteration of Fares) Order 2009 at Annex C and Annex D respectively will be published in the gazette on 6 March 2009 and laid before LegCo on 11 March 2009. The commencement date of the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2009 is 29 March 2009 (i.e. the same effective date as that of other fare types), before the 28-day negative vetting period expires.

## **IMPLICATIONS OF THE APPROVED FARE INCREASE**

20. The approved fare increase is in conformity with the Basic Law, including the provisions concerning human rights, and does not affect the current binding effect of the Ferry Services Ordinance, the Tramway Ordinance and their subsidiary legislation. The proposal has no productivity, financial, civil service and environmental implications. The first phase fare increase would lead to a year-on-year rise of about 0.0006% in the Composite Consumer Price Index (CCPI) for 2009, while the second phase increase would lead to a year-on-year increase of about 0.0015% in the CCPI for 2010.

## **PUBLIC CONSULTATION**

21. We consulted LegCo Panel on Transport on 30 June 2008 on the fare increase and cancellation of monthly ticket and tourist ticket applications by Star Ferry. The TAC has also been consulted as mentioned in paragraph 17 above.

## **PUBLICITY**

22. A press release will be issued on 20 January 2009. A spokesman will be available to answer media questions.

## **ENQUIRIES**

23. Any enquiries can be directed to the following officer in the Transport Department –

Mr Don Ho  
Assistant Commissioner for Transport/ Management &  
Paratransit  
(Telephone No.: 2829 5208)

Transport and Housing Bureau  
January 2009



## New Fare Table

Annex A

### (1) Central – Kowloon Point

Fare Type	Existing Fare		Effective 29 March 2009				Effective 1 January 2010			
			Mon – Fri		Sat, Sun and Public Holiday		Mon – Fri		Sat, Sun and Public Holiday	
	Upper Deck	Lower Deck	Upper Deck	Lower Deck	Upper Deck	Lower Deck	Upper Deck	Lower Deck	Upper Deck	Lower Deck
Adult	\$2.2	\$1.7	\$2.3 (+\$0.1)	\$1.8 (+\$0.1)	\$2.5 (+\$0.3)	\$2.0 (+\$0.3)	\$2.5 (+\$0.2)	\$2.0 (+\$0.2)	\$3.0 (+\$0.5)	\$2.4 (+\$0.4)
Child (between 3 and 12 years old) and passenger with disabilities	\$1.3	\$1.2	\$1.4 (+\$0.1)	\$1.3 (+\$0.1)	\$1.5 (+\$0.2)	\$1.4 (+\$0.2)	\$1.5 (+\$0.1)	\$1.4 (+\$0.1)	\$1.8 (+\$0.3)	\$1.7 (+\$0.3)
Child aged under 3 and passenger aged 65 or above <u>Note 1</u>	Free		Free				Free			
Monthly Ticket	\$110		\$115 (+5)				\$125 (+10)			
Tourist Ticket <u>Note 2</u>	\$30		\$34(+4)				No change			

### (2) Wan Chai – Kowloon Point

Fare Type	Existing Fare	Effective 29 March 2009		Effective 1 January 2010	
		Mon – Fri	Sat, Sun and Public Holiday	Mon – Fri	Sat, Sun and Public Holiday
Adult	\$2.2	\$2.3 (+\$0.1)	\$2.5 (+\$0.3)	\$2.5 (+\$0.2)	\$3.0 (+\$0.5)
Child (between 3 and 12 years old) and passenger with disabilities	\$1.3	\$1.4 (+\$0.1)	\$1.5 (+\$0.2)	\$1.5 (+\$0.1)	\$1.8 (+\$0.3)
Child aged under 3 and passenger aged 65 or above <u>Note 1</u>	Free	Free	Free	Free	Free
Monthly Ticket	\$110	\$115(+5)		\$125(+10)	
Tourist Ticket <u>Note 2</u>	\$30	\$34(+4)		No change	

#### Net change in fares put in square brackets

Note 1: Upon production of HKID card or senior citizen card.

Note 2: Unlimited travel permitted for four consecutive days on the two ferry routes and trams.

**FERRY SERVICES (THE "STAR" FERRY  
COMPANY, LIMITED) (DETERMINATION OF  
FARES) (AMENDMENT) ORDER 2009**

(Made by the Chief Executive in Council under section 19(1) of the Ferry  
Services Ordinance (Cap. 104))

**1. Commencement**

(1) Subject to subsection (2), this Order comes into operation on 29 March 2009.

(2) Section 3(2) comes into operation on 1 January 2010.

**2. Paragraph substituted**

Paragraph 2 of the Ferry Services (The “Star” Ferry Company, Limited) (Determination of Fares) Order (Cap. 104 sub. leg. C) is repealed and the following substituted –

**“2. Determination of fares**

The maximum fares that the grantee may charge for the routes specified in the Schedule shall, for the services specified in relation to those routes, be the amounts specified in the Schedule.”.

**3. Schedule substituted**

(1) The Schedule is repealed and the following substituted –

“SCHEDULE [para. 2]

**MAXIMUM FARES THAT GRANTEE MAY CHARGE**

First Column	Second Column	Third Column	
Route	Service	Fare	
		per trip except Saturday, Sunday and	per trip on Saturday, Sunday and

			public holiday	public holiday
1.	Between Kowloon Point and Central	(a) Upper Deck Passenger	\$2.3	\$2.5
		(b) Upper Deck Child Passenger (other than a child under 3 years accompanied by a person of 12 years or more)	\$1.4	\$1.5
	(c) Upper Deck Child Passenger under 3 years (accompanied by a person of 12 years or more)	Nil	Nil	
	(d) Lower Deck Passenger	\$1.8	\$2.0	
	(e) Lower Deck Child Passenger (other than a child under 3 years accompanied by a person of 12 years or more)	\$1.3	\$1.4	
	(f) Lower Deck Child Passenger under 3 years (accompanied by a person of 12 years or more)	Nil	Nil	
2.	Between	(a) Upper or Lower	\$2.3	\$2.5

	Kowloon	Deck Passenger		
	Point and Wanchai	(b) Upper or Lower Deck Child Passenger (other than a child under 3 years accompanied by a person of 12 years or more)	\$1.4	\$1.5
		(c) Upper or Lower Deck Child Passenger under 3 years (accompanied by a person of 12 years or more)	Nil	Nil
				per ticket
3.	All routes	Monthly Ticket (valid for current month only)		\$115
4.	All routes	Tourist Ticket (valid for unlimited travel on any route for 4 consecutive days counting from (and including) the day of issue of the ticket, and available only to a person having permission to land in Hong Kong as a visitor under the Immigration		\$34".

## Ordinance (Cap. 115))

(2) The Schedule is repealed and the following substituted –

“SCHEDULE [para. 2]

## MAXIMUM FARES THAT GRANTEE MAY CHARGE

First Column Route	Second Column Service	Third Column Fare	
		per trip except Saturday, Sunday and public holiday	per trip on Saturday, Sunday and public holiday
1. Between Kowloon Point and Central	(a) Upper Deck Passenger	\$2.5	\$3.0
	(b) Upper Deck Child Passenger (other than a child under 3 years accompanied by a person of 12 years or more)	\$1.5	\$1.8
	(c) Upper Deck Child Passenger under 3 years (accompanied by a person of 12 years or more)	Nil	Nil
	(d) Lower Deck Passenger	\$2.0	\$2.4
	(e) Lower Deck Child Passenger (other	\$1.4	\$1.7

		than a child under 3 years accompanied by a person of 12 years or more)		
		(f) Lower Deck Child Passenger under 3 years (accompanied by a person of 12 years or more)	Nil	Nil
2.	Between Kowloon Point and Wanchai	(a) Upper or Lower Deck Passenger	\$2.5	\$3.0
		(b) Upper or Lower Deck Child Passenger (other than a child under 3 years accompanied by a person of 12 years or more)	\$1.5	\$1.8
		(c) Upper or Lower Deck Child Passenger under 3 years (accompanied by a person of 12 years or more)	Nil	Nil
3.	All routes	Monthly Ticket (valid for current month only)		per ticket \$125

4. All routes Tourist Ticket (valid for unlimited travel on any route for 4 consecutive days counting from (and including) the day of issue of the ticket, and available only to a person having permission to land in Hong Kong as a visitor under the Immigration Ordinance (Cap. 115)) \$34”.

Clerk to the Executive Council

COUNCIL CHAMBER

2009

### **Explanatory Note**

This Order increases in two phases the maximum fares chargeable by The “Star” Ferry Company, Limited on routes that it operates under franchise.

## **TRAMWAY ORDINANCE (ALTERATION OF FARES) (AMENDMENT) NOTICE 2009**

(Made by Hong Kong Tramways Limited under section 51(1) of the Tramway Ordinance (Cap. 107) with the consent of the Chief Executive in Council)

### **1. Commencement**

This Notice comes into operation on a day to be ordered by the Chief Executive in Council under section 51(2) of the Tramway Ordinance (Cap. 107).

### **2. Rates of fares**

Item 5 of the Schedule to the Tramway Ordinance (Alteration of Fares) Notice (Cap. 107 sub. leg. D) is repealed and the following substituted –

- “5. Tourist ticket (valid for unlimited travel for \$34”.  
4 consecutive days counting from (and including) the day of issue of the ticket, and available only to a person having permission to land in Hong Kong as a visitor under the Immigration Ordinance (Cap. 115))

Chairman,  
Hong Kong Tramways Limited



The Chief Executive in Council consented to the above alteration of fare on  
2009.

Clerk to the Executive Council

COUNCIL CHAMBER

2009

**Explanatory Note**

This Notice increases the fare for a tourist ticket of the tramway.

**TRAMWAY ORDINANCE (COMMENCEMENT OF  
ALTERATION OF FARES) ORDER 2009**

(Made by the Chief Executive in Council under section 51(2) of the  
Tramway Ordinance (Cap. 107))

**1. Commencement of alteration of fares**

It is ordered that the alteration of fare specified in the Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2009 comes into operation on 29 March 2009.

Clerk to the Executive Council

COUNCIL CHAMBER

2009

**Explanatory Note**

The Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2009 (L.N. of 2009) increases the fare for a tourist ticket of the tramway. By this Order, the Chief Executive in Council specifies the commencement of the Notice.

### Fare Scale of Star Ferry's original proposal

#### (1) Central – Kowloon Point

Fare Type	Existing Fare		Proposed Fare			
			Mon – Fri		Sat, Sun and Public Holiday	
	Upper Deck	Lower Deck	Upper Deck	Lower Deck	Upper Deck	Lower Deck
Adult	\$2.2	\$1.7	\$2.5 (+\$0.3)	\$2.0 (+\$0.3)	\$3.0 (+\$0.8)	\$2.4 (+\$0.7)
Child (between 3 and 12 years old) and passenger with disabilities	\$1.3	\$1.2	\$1.5 (+\$0.2)	\$1.4 (+\$0.2)	\$1.8 (+\$0.5)	\$1.7 (+\$0.5)
Child aged under 3 and passenger aged 65 or above <u>Note 1</u>	Free		Free			
Monthly Ticket	\$110		\$125			
Tourist Ticket <u>Note 2</u>	\$30		\$34			

#### (2) Wan Chai – Kowloon Point

Fare Type	Existing Fare	Proposed Fare	
		Mon – Fri	Sat, Sun and Public Holiday
Adult	\$2.2	\$2.5 (+\$0.3)	\$3.0 (+\$0.8)
Child (between 3 and 12 year old) and passenger with disabilities	\$1.3	\$1.5 (+\$0.2)	\$1.8 (+\$0.5)
Child aged under 3 and passenger aged 65 or above <u>Note 1</u>	Free	Free	Free
Monthly Ticket	\$110	\$125	
Tourist Ticket <u>Note 2</u>	\$30	\$34	

Note 1: Upon production of HKID card or senior citizen card.

Note 2: Unlimited travel permitted for four consecutive days on the two ferry routes and trams.



29 September 2008

Ms Eva Cheng, JP  
Secretary for Transport and Housing  
16/F, Murray Building  
Garden Road  
Central, Hong Kong

Dear Ms Cheng,

**The "Star" Ferry Company, Limited's  
fare increase application for franchised Services**

This letter sets out the Transport Advisory Committee (TAC)'s advice to the Chief Executive in Council ("CE-in-Council") on the fare increase application from The "Star" Ferry Company, Limited ("SF") for its two franchised ferry routes, "Central – Kowloon Point" and "Wan Chai – Kowloon Point".

Members appreciated that SF had become an icon of Hong Kong over the years. In advising on the franchised ferry service application, Members have taken into account all relevant factors including –

- (a) the financial condition of the ferry operator;
- (b) forecasts of changes in operating cost, revenue and return;
- (c) past performance of ferry operator in the provision of the relevant ferry services;
- (d) public acceptability of the proposed fares, and
- (e) measures implemented by the ferry operator to save cost and generate additional revenue.

Members noted that in 2007, SF recorded a loss of \$5.8M with -8.6% return on turnover mainly attributable to the decrease in patronage of the "Central – Kowloon Point" route and the increase in operating costs;

Members noted that SF projects that its fare box revenue will remain more or less stable until 2010. While the non-fare box revenue in the coming two years will increase due to higher rental income, this will not be able to offset the increase in operating costs during the same period. As such, it is projected that SF's financial position will continue to deteriorate at existing fares and the losses in the coming two years will be greater than the loss experienced in 2007.

As regards the past performance of the operator, Members noted the high service adherence rate ranging from an average of 96% to 99%, the customer satisfaction reflected in opinion surveys and the consistently low accident rate.

As for public acceptability of the proposed fares, Members noted that the fares of SF's franchised ferry routes were last increased on 1 June 1997 by an average rate of 7.5%. Members noted that the average fares of SF at existing fare levels and after the recommended fare increase are \$1.83 and \$2.25 respectively. They noted the estimates that the recommended fare increase would result in -

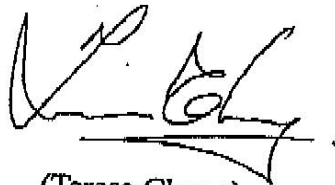
- (a) 32% of SF's passengers paying 50 to 80 cents more per trip;
- (b) 60% paying 20 to 30 cents more per trip; and
- (c) 8% (passengers aged under three and those aged 65 or above who enjoy free rides) would not be affected.

Regarding saving measures, Members noted SF implemented in the past years a number of them which brought about total savings of about \$5M per annum.

Taking into account all relevant factors, TAC considers that it is justified to allow SF to increase its fares for the two routes including the adult fare by \$0.3 for weekdays and by \$0.7 to \$0.8 for weekends and holidays. TAC also notes that SF proposed to cancel the monthly tickets and tourists tickets in view of low utilization. To alleviate the impact on commuters especially those who might need the service on Saturdays, TAC considers that the monthly tickets should be retained with the same fare increase rate of 13.6% as that for adult weekday upper deck service. As to the tourist tickets, Members noted the low utilization and suggested that Star Ferry should step up its promotional efforts. Members suggested that in future consideration should be given to whether more diversity and flexibility could be introduced to the packaging of tourist tickets. TAC considers that these ferry service fare increases would have struck a good balance between minimising the impact of fare increases on passengers while ensuring the provision of quality ferry services could be sustained for the benefits of the community.

I would be grateful if you would kindly convey TAC's advice to the CE-in-Council for consideration. TAC's advice may be released for public information in due course after the CE-in-Council's decision is announced.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Teresa Cheng', written over a horizontal line.

(Teresa Cheng)  
Chairman  
Transport Advisory Committee