

香港油蔴地小輪船有限公司的信頭  
Letterhead of The Hongkong & Yaumati Ferry Co. Ltd.

**The Position of  
The Hongkong and Yaumati Ferry Co. Ltd.  
Regarding  
Ferry Services Provided to  
Cheung Chau/Mui Wo/Peng Chau  
As From 1 April 1999**

**Introduction**

This paper explains the position of The Hongkong and Yaumati Ferry Co. Ltd. (“HYF” or the “Company”) regarding the ferry services that the Company have been providing to Cheung Chau / Mui Wo / Peng Chau since 1 April 1999 and what the Company will be / will not be capable of doing in meeting various demands raised by islands passengers.

**Ferry Services Provided as from 1 April 1999**

Despite the fact that the services provided by HYF since 1 April have attracted a lot of criticisms, the Company maintains that the problems experienced by passengers were teething troubles which could happen during a normal ferry operation to any ferry operator (or other transport operators for that matter). What is unfortunate is that the problems occurred at the *same* time.

While HYF did not expect for a worst-case scenario, but the Company did have contingency plans to solve possible problems and minimize the inconvenience. They were implemented swiftly when these problems arose:

- **Capacity** - There were cases where 15-30 fast ferry passengers have been left behind at island piers during morning rush hours on 1 April, but they were quickly taken care of when the Company deployed extra vessels.

- **Smart-card ticketing system** - The automatic ticketing system breakdown on the first day caused longer queuing time for passengers. While the Company had to revert to manual ticketing system, the most “untolerable” queuing occurred at Central’s Cheung Chau Pier during evening peak hours, but even in that case the problem was resolved within half an hour.

There was short periods of breakdown on 2 April morning resulting in queuing at Central’s Mui Wo Pier at around 10am and noon respectively, but again queues were cleared within half an hour which the Company believes is bearable for holiday travellers.

- **Vessel breakdown** - There were a couple of vessel breakdowns between April 1 and 6, but passengers were quickly ferried away by standby vessels.

On the whole, HYF does not agree with some accusation that there was “Chaos” on the first day of changeover and during the Easter holiday. On the contrary, as a result of a total of 152 extra sailings deployed during the holiday, ferry traffic to Cheung Chau / Mui Wo / Peng Chau was very smooth during the five-day period despite the 240,000-strong passenger volume.

### **Passengers’ Demands vs. Commercial Viability**

Since 1 April, the Company has made various adjustments to its services so as to meet some of the most urgent (and justified) passengers’ demands. The adjustments have been detailed in a separate report (Sect. 16) submitted to the Transport Bureau.

While HYF had cooperated to its best with the Administration in the past three weeks to ensure an adequate service to the public, the Company wishes the public to understand that such adjustments already exceed the tender requirements and will incur substantial costs to the Company.

The Company wishes to reiterate that the spirit of open tender is to get the

most competitive service available in the market and to let market forces determine the appropriate form and level of service to be provided. The Company believes that HYF's bids to the two packages of routes (covering Cheung Chau / Mui Wo /Peng Chau / Inter-island) are the most competitive services available in the market and at the same time commercially viable to the operator. While there may be a gap between what a ferry operator can afford to offer and what passengers expect to enjoy, it would be unfair for the Administration and the public to expect an operator to comply with passengers' wish without due consideration on commercial viability.

### ***Reverting to the Old Mode?***

The Company basically cannot agree to reverting to the pre-April 1 service mode as demanded by some passengers and political parties. Under the former service mode, both the Peng Chau and Mui Wo routes made a heavy loss and the Company is not prepared to repeat the losses under the new licence system. The Company also doubt very much whether it is realistic to expect that the demands can be satisfied by any other ferry operator.

### ***Using Triple-Deckers for Peng Chau / Mui Wo?***

True, from a passenger's point of view a triple-decker is more comfortable and stable than a double-decker, but it is definitely economically unjustified to deploy a 1,500-seat triple decker for the Peng Chau / Mui Wo routes, each of which has a daily passenger volume of some 6,000 pax and a per-sailing passenger volume of 500 pax at most at peak hours. The 600-seat double-deckers deployed for Peng Chau and Mui Wo, which have been used in the past without complaint, are more than adequate in meeting traffic demand from the two islands.

Meanwhile, additional costs resulted from operating a triple-decker, such as more manpower needed, higher fuel costs/ maintenance costs/ depreciation incurred, amount to millions of dollars per vessel.

### ***Fare Level***

One of HYF’s aims in submitting our bids was to provide an *affordable* ferry service. The Company fully understands the importance of affordability in view of the present economic downturn. The new fare structure has made very minimum adjustments on an ordinary class fare for weekdays (from HK\$9.20/ 9.70 to HK\$10.00) and very significant *reductions* on other fares (i.e. holiday fares and weekday deluxe class/ fast ferry fares). Also, holiday fares are no longer charged on Saturday afternoons. The Company believes the present fare structure is very competitive and it would be unrealistic for the Administration to expect a substantial change from tendered contractual terms.

Notwithstanding the above, the Company is seriously considering the Administration’s suggestions on the following:

- Reinstating the weekend/ holiday fare concessions for islands residents so that validity covers the whole holiday period instead of one day only;
- Continuing to provide concessionary fares for students taking the 6:20am fast ferry from Mui Wo.

***Timetable and Capacity***

The present timetables are a result of a number of revisions before 1 April after consultation with the Administration and the Islands Provisional District Board as well as other district representatives. While it would be unrealistic to accommodate every passenger/ district representative’s wish, the finalised timetables are believed to be adequate in serving the islands’ travel need, as evidenced by the following statistics compiled after the changeover:

The daily average patronage in the morning peak hours (data extracted from 6:00am-9:00am from 12th to 15th April)				
	Fast Ferry Patronage	Fast Ferry total Capacity	Ordinary Ferry Patronage	Ordinary Ferry total Capacity
Cheung Chau	1,024	1,604	2,765	5,488
Mui Wo	685	991	457	1,211
Peng Chau	246	390	1,452	2,125

Nevertheless, the Company has tried to accommodate islanders' wish since 1 April and has deployed extra measures as detailed in Sect. 16 of the Transport Bureau's report. HYF is also considering adding more ordinary ferry trips in the morning and evening peaks for the Mui Wo service so that passengers could have more choices between fast and ordinary ferries.

### **Conclusion**

While HYF considers the problems that occurred during the first week of changeover as minor problems, those problems have been properly addressed and rectified, and thereafter islands ferry traffic has been smooth.

The Company will consider further adjustments in its timetables and vessel deployment so that a most suitable mix of fast ferries vs. ordinary ferries will be formulated to meet varied needs of islanders. The Company will also consider some minor fare adjustments as regards holiday return tickets and student fares. A reversion to running tripledeckers for Peng Chau and Mui Wo, however, will not be viable given the present fare structure.

The Hong Kong and Yaumati Ferry Co, Ltd.  
24 April 1999