

INFORMATION PAPER FOR LEGCO PANEL FOR TRANSPORT

KOWLOON-CANTON RAILWAY CORPORATION

REVIEW OF PASSENGER FARES FOR 2000

INTRODUCTION

This paper informs Members of the outcome of the Kowloon-Canton Railway Corporation's 2000 fare review.

BACKGROUND

2. Passenger fares for the East Rail, Light Rail and KCR Bus services were last revised on 1 September 1997. After careful consideration of various factors, including the need to maintain its competitiveness in the public transport market, the Corporation decided not to adjust its fares in 1998 and 1999.

Review of fares in 2000

3. Given the current state of the economy, the Corporation's competitiveness in the public transport market and its present and future financial obligations, the Corporation has decided to freeze its fares at the September 1997 levels for the year 2000.

Sunrise Savings Scheme

4. In 1990, KCRC's East Rail introduced a Sunrise Savings Scheme to encourage southbound passengers to travel before the morning peak hour in order to alleviate congestion along the critical East Rail section between Tai Wai and Kowloon Tong Stations during the morning peak. Since then, southbound passengers who enter the East Rail system at stations in the New Territories between Sheung Shui and Tai Wai before 7:45 a.m. for travel to stations in Kowloon have been offered fare discounts of between \$1.10 and \$1.50 from the normal Octopus fares. However, single journey ticket users are not entitled to such discounts. About 26,000 (or 3.3% of) East Rail passengers currently enjoy this fare concession each day.

Loading at critical section

5. Following completion of the mid-life train refurbishment programme in December 1999, the passenger carrying capacity of the East Rail fleet of trains increased by 15%. With improved train capacity, the average train loading at the critical section during the peak hour from 8 a.m. to 9 a.m. has been greatly improved, from 70% in 1997 to 57% as at present. Congestion at the Shatin and Tai Wai southbound platforms has also been reduced significantly.

6. The Automatic Train Protection (ATP) system installed on East Rail since mid-1998 has increased East Rail's capacity by 20%, from 20 trains to 24 trains per hour per direction. With the current East Rail fleet of 29 trains, a frequency of 21 trains an hour can be achieved. On the delivery of an additional eight 12-car trains, the train frequency in the early morning peak will be increased from 21 trains to 24 trains per hour per direction. In other words, the compound growth in total carrying capacity resulting from the train refurbishment programme, eight additional trains and the ATP system will be 38%. This means that train loading in the critical section of East Rail will remain below 75% over the coming few years, notwithstanding the growth in ridership generated upon the opening of Ma On Shan Rail and the Sheung Shui to Lok Ma Chau Spur Line. Train loading at the critical section will further decline to below 66% when East Rail's ATP system is upgraded to Automatic Train Operation system and East Rail can run 27 trains per hour per direction.

Withdrawal of Sunrise Savings Scheme

7. The need to offer fare concessions in order to encourage passengers to travel before the morning peak hour no longer exists. East Rail fares are very competitive when compared with the fares charged by other modes of transport. The Corporation, therefore, has decided that the East Rail Sunrise Savings Scheme should be withdrawn, with effect from 1 August 2000.

CONCLUSION

8. The KCRC's decisions on its review of passenger fares for 2000 are summarized as follows -

- (a) all East Rail, Light Rail and KCR Bus fares are to stay at the current levels for the year 2000; and
- (b) the East Rail Sunrise Savings Scheme will be withdrawn with effect from 1 August 2000.

Kowloon-Canton Railway Corporation
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