

(Translation)

**Motion on**  
**“Executive Council as gate-keeper for MTR fares”**  
**moved by Hon Michael TIEN**  
**at the Council meeting of 5 December 2012**

**Motion as amended by Hon CHAN Kam-lam**

That, given that the net profit of the MTR Corporation Limited (‘MTRCL’) in 2011 reached \$14,716 million, but as computed under the formula of the Fare Adjustment Mechanism (‘FAM’) (i.e. the mechanism that allows fares to go upwards and downwards), MTR fares may be increased by 5.4%, rendering the burden of rail transport expenses on grass-root people heavier; at present, the community generally considers the formula not comprehensive enough and that the Government should, during the present review of MTRCL’s FAM, include in the formula components that can better reflect public affordability and profit level, rental income and service performance (including the level of performance in handling incidents), etc. of MTRCL; in this connection, this Council urges the Government, being the major shareholder of MTRCL, to:

- (a) conduct a study on amending the existing formula of FAM, consider including factors such as public affordability, MTRCL’s profit level and its overall rail service performance, etc. in the formula, and submit the fare adjustment rates computed under the formula to the Executive Council for vetting, with the Executive Council having the power to make final adjustments; such an arrangement enables the Executive Council to serve as the final gate-keeper on MTR fares and MTRCL and its shareholders to have a basis for projecting the profit of MTRCL;
- (b) set up a fare stabilization fund to reduce fare increase pressure;
- (c) require MTRCL to strictly implement the ‘eight-minute notification system’ to ensure that MTRCL can speedily notify the public in case of incidents, and the Executive Council should take account of MTRCL’s performance in this regard when vetting MTRCL fare adjustment rates;
- (d) require MTRCL to reduce cross-boundary rail fares to reasonable levels; abolish the existing time limit for accumulating the number of journeys required under the ‘Ride 10 Get 1 Free’ fare concession scheme; co-operate with other transport operators to offer more interchange concessions; introduce reasonably-priced territory-wide monthly tickets to benefit all passengers, and utilize this as an incentive to promote

working across districts, with a view to alleviating workers' financial burden; and

- (e) improve station facilities, including installing platform screen doors for all rail lines, providing washrooms for all rail lines, and installing more barrier-free facilities, etc., and ensure that the expenses on the facilities concerned will not constitute a cause for MTR fare increases.