

立法會
Legislative Council

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Tel : 3919 3300

Date : 23 November 2012

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 5 December 2012

**Motion on
“Executive Council as gate-keeper for MTR fares”**

Hon Michael TIEN has given notice to move the attached motion on “Executive Council as gate-keeper for MTR fares” at the Council meeting of 5 December 2012. The President has directed that “it be printed in the terms in which it was handed in” on the Agenda of the Council.

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

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

Wording of the Motion

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; however, the re-establishment of a formula is bound to be protracted, time-consuming and fruitless because the various social sectors can hardly reach a consensus on the definitions, assessment methods and respective weightings of the aforesaid components; there is also a proposal in society of using the dividends distributed by MTRCL to set up a fare stabilization fund to offset the extent of fare increases, yet both the Government and academics consider that this ‘dedicated-funds-for-dedicated-uses’ practice deviates from the Government’s public finance principle; in this connection, this Council urges the Government, being the major shareholder of MTRCL, to:

- (a) maintain the existing formula of FAM, 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, subject to the condition that the difference between such adjustment rates and the adjustment rates computed under the formula must not exceed 30%; 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) 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; and

- (c) require MTRCL to 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.