

立法會 *Legislative Council*

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Panel on Transport

Meeting on 24 May 2013

Background brief on construction of additional floors on Central Piers Nos. 4 to 6

Purpose

This paper provides background to the proposed construction of additional floors on Central Piers Nos. 4 to 6.

Background

2. Due to the fact that outlying island ferry services are the only means of transport for some of the outlying islands, members of the public have been urging the Government to ensure that the fares of ferry services are maintained at a level affordable by residents of the outlying islands. Also, Members of the Legislative Council ("LegCo") have all along been urging the Government to discuss with various public transport operators and adopt effective measures to alleviate the burden of travelling expenses on the public. A motion was passed on 17 December 2008 on "Alleviating the burden of travelling expenses", urging the Government to, amongst other things, focus on the problem of high fares of outlying island ferry services, studying suitable options and allocating resources to alleviate the burden of ferry expenses on outlying island residents, and offering half-fare concessions on ferry services to students of outlying islands. Another motion was passed on 4 November 2009 on the same subject. The Government was urged, inter alia, to target at the problem of high fares of outlying island ferry services, to actively study various suitable options, including substantially increasing the non-fare box revenue of ferry operators or the Government directly operating the services, etc; allocate resources to alleviate the burden of ferry service expenses on outlying island residents; and offer half-fare concessions on ferry services to students of outlying islands. The wording of the abovesaid motions are in **Appendices I** and **II** respectively.

3. In May 2008, the Government committed a review on ferry services for outlying islands with a view to enhancing the long-term financial viability of these services and maintaining fare stability. The review was completed in mid-2010. According to the Administration, the chronic problems faced by the outlying island ferry services were essentially two-fold: lack of growth in demand and highly volatile fuel cost. On the demand side, the average daily patronage of the 14 outlying island routes¹ was about 64 000 in 2010, which represented only 0.6% of the total public transport ridership. On the cost side, the major components are staff remuneration, maintenance cost and fuel cost. Whereas fuel cost constitutes a significant portion of the total operating expenditure, it is outside the operators' control and putting the business at high risk. According to the Administration, there is not much room for cost cutting and revenue generation or cost containment. At the same time, the Administration recognized the increasing expectation and demand on these services of the community and the public. While fare increases could help sustain the financial viability of these services, such increases would need to be above general inflation and would be subject to residents' criticism.

4. At the meeting of the Panel on Transport ("the Panel") on 23 April 2010, members were informed of the various helping measures which the Administration had been providing to enhance the viability of ferry services. Measures provided to all ferry routes include the taking over of pier maintenance responsibility, waiving of fuel duty, reimbursing pier rental, obtaining the Town Planning Board's approval to relax land uses at Central Piers Nos. 4, 5 and 6 so that the operators can sublet the upper deck of these piers for commercial activities such as restaurants, retail shops and streamlining the subletting procedures to help generate non-fare box revenue for cross-subsidizing the ferry operation so as to alleviate the pressure for fare increase. For the major routes, special measures provided by the Administration include waiving of annual vessel survey fee, private mooring fee and pier water charge, reimbursing of pier cleansing and electricity charges and balance forgone due to the provision of elderly fare concessions. Besides, members noted that the Administration had retrofitted Central Piers Nos. 4 and 6 with fire prevention facilities so that ferry operators could sublet pier premises for more diversified commercial and retail activities. In addition, members noted that the Administration was then working on the construction of one-and-a-half additional floors at Central Piers Nos. 4 to 6, so that ferry operators could use that floor for commercial or retail activities to generate more non-fare box revenue for cross-subsidizing the ferry operation. It was also noted that the tender for the design consultancy was being conducted and the project would be subject to the approval of the Town Planning Board and the Finance Committee of LegCo.

¹ The "Ma Wan – Tsuen Wan" licensed ferry service had ceased operation since 14 December 2012. At present, there are 13 outlying island ferry routes.

Latest development

5. The Administration will consult the Panel on the funding application for the construction of additional floors on Central Piers Nos. 4, 5 and 6 at the Panel meeting to be held on 24 May 2013.

Relevant papers

6. A list of relevant papers is in **Appendix III**.

Council Business Division 1
Legislative Council Secretariat
21 May 2013

(Translation)

Motion on
“Alleviating the burden of travelling expenses”
moved by Hon CHEUNG Hok-ming
at the Legislative Council meeting
of Wednesday, 17 December 2008

Motion as amended by Hon WONG Kwok-hing, Hon Andrew CHENG Kar-foo and Hon WONG Sing-chi

That the fares of local public transport are escalating, and local franchise bus companies have recently announced the cancellation of fare concessions for the elderly on holidays and same day return fare concessions which were provided in the past three years, causing the travelling expenses of the elderly and grassroots to increase, this Council expresses condemnation in this regard; since public transport operators have continued to increase their fares, causing the public to bear a heavy burden of travelling expenses for a long time, coupled with the fact that a large number of middle-class and grassroots face further difficulties in life amid continuous layoffs and pay cuts by enterprises under the impact of the financial tsunami, this Council urges the Government to adopt further effective measures to alleviate the burden of travelling expenses on the public, including:

- (a) providing subsidies to the MTR Corporation, bus companies, green minibus and ferry operators so that they will offer half-fare concessions to passengers on Saturdays, Sundays and public holidays, thereby enabling the public to have more opportunities to get together with their families and friends on those days;
- (b) further relaxing the eligibility criteria and subsidy period under the Transport Support Scheme, and expanding the Scheme to cover all districts in the territory;
- (c) discussing with various public transport operators to offer the Free-ride Day for the elderly on Sundays and public holidays on a permanent basis, formulate an implementation timetable for the provision of half-fare concessions to people with disabilities, and study the feasibility of introducing daily, weekly and monthly travel passes that are valid among various public transport operators;
- (d) focusing on the problem of high fares of outlying island ferry services, actively studying various suitable options, including substantially increasing the non-fare box revenue of ferry operators or the Government directly operating the services, etc; and allocating resources to alleviate

the burden of ferry service expenses on outlying island residents, and offering half-fare concessions on ferry services to students of outlying islands;

- (e) discussing with the MTR Corporation to extend its two-year fare-freeze period, re-launch the 'Ride 10 Get One Free' Promotion and, according to the request of the residents and using more consistent standards, set up more MTR Fare Savers as well as explore further extension of the existing monthly ticket schemes;
- (f) discussing with the franchised bus companies ways to improve their existing fare structures, expeditiously revise the scale of fares under the Public Bus Services Ordinance as well as the route groupings under the scale, reformulate the existing guidelines on the setting of fares to provide comprehensive sectional fares and bus-bus interchange concessions, including discounts for interchange among buses of different companies, provide half-fare concessions to all full-time students, as well as introduce daily and monthly ticket schemes for buses; and
- (g) on the basis of the above measures, further utilizing Octopus card which is widely used by the public to provide all people in the territory with concessions on monthly tickets that are valid for use on all types of public transport, and continuing to provide the current fare concessions for the elderly on holidays and same day return fare concessions provided by local franchise bus companies, hence will provide convenience to the public and not lead to excessively high administrative and operating costs to the various public transport operators, thereby alleviating the burden of travelling expenses on the general public, particularly the elderly and the working class; and
- (h) discussing with the MTR Corporation to establish a fare stabilization fund to be underpinned by the proceeds from properties and make monthly ticket schemes a permanent arrangement.

(Translation)

**Motion on
“Alleviating the burden of travelling expenses”
moved by Hon CHEUNG Hok-ming
at the Legislative Council meeting
of Wednesday, 4 November 2009**

Motion as amended by Hon Andrew CHENG Kar-foo

That, as the people of Hong Kong are still under the impact of the financial tsunami, many of them face difficulties in life and bear a heavy burden of travelling expenses, and the fare concessions offered to the elderly by local franchised bus companies and the MTR Corporation Limited will also expire early next year; this Council urges the Government to discuss with various public transport operators and adopt effective measures to alleviate the burden of travelling expenses on the public, which include:

- (a) to provide subsidies to the MTR Corporation Limited, bus companies, green minibus and ferry operators so that they will offer half-fare concessions to passengers on Saturdays, Sundays and public holidays, thereby enabling the public to have more opportunities to get together with their families and friends on those days;
- (b) to extend the deadline for submitting applications under the Transport Support Scheme, further relax the eligibility criteria and the subsidy period under the Scheme and expand it to cover all districts in the territory;
- (c) to discuss with various public transport operators to extend the existing fare concessions for the elderly and offer the Free-ride Day for the elderly on public holidays and specified days of each week on a permanent basis, formulate an implementation timetable for the provision of half-fare concessions to people with disabilities, and expeditiously introduce daily, weekly and monthly travel passes that are valid among various public transport operators;
- (d) to discuss with the MTR Corporation Limited to continue extending its fare-freeze period, re-launch the ‘Ride 10 Get One Free’ Promotion, set up more MTR Fare Savers according to the requests of the residents and by using more consistent standards, and further extend the existing monthly and daily ticket schemes as soon as possible, including introducing monthly tickets for short-haul trips and making it a permanent arrangement, etc;
- (e) to rationalize the fare structure of the MTR Corporation Limited, including rectifying the unreasonable and chaotic situation of ‘fares for short-haul trips being more expensive than long-haul trips’, adjusting downwards the fares of the Kowloon Southern Link to a reasonable level, and enabling the passengers to travel to Hung Hom Station using Tuen Mun-Nam Cheong Monthly Pass at the original price; as well as resume the service of the free bus route number K16;

- (f) to discuss with the franchised bus companies to re-launch same day return fare concessions, improve their existing fare structures, expeditiously revise the scale of fares under the Public Bus Services Ordinance as well as the route groupings under the scale, re-formulate the existing guidelines on the setting of fares to provide comprehensive sectional fares and bus-bus interchange concessions, including discounts for interchange among buses of different companies, provide half-fare concessions to all full-time students, as well as introduce daily and monthly ticket schemes for buses; and
- (g) targeting at the problem of high fares of outlying island ferry services, to actively study various suitable options, including substantially increasing the non-fare box revenue of ferry operators or the Government directly operating the services, etc; allocate resources to alleviate the burden of ferry service expenses on outlying island residents; and offer half-fare concessions on ferry services to students of outlying islands.

Appendix III**Construction of additional floors on Central Piers Nos. 4 to 6
List of relevant papers**

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
23.4.2010	Panel on Transport	Administration's paper on review on ferry services for outlying islands	CB(1)1648/09-10(04) http://www.legco.gov.hk/yr09-10/english/panels/tp/papers/tp0423cb1-1648-4-e.pdf
		Minutes of meeting	CB(1)2320/09-10 http://www.legco.gov.hk/yr09-10/english/panels/tp/minutes/tp20100423.pdf
		Administration's paper on review on ferry services for outlying islands (follow-up paper)	CB(1)2765/09-10(01) http://www.legco.gov.hk/yr09-10/english/panels/tp/papers/tp0423cb1-2765-1-e.pdf

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