

立法會
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Panel on Transport
Meeting on 25 November 2014

Background brief on fares of MTR West Island Line

Purpose

This paper provides background information on the West Island Line ("WIL") and its fares. It also summarizes the major views and concerns expressed by the Legislative Council ("LegCo") Members on MTR fares and fare structure during previous discussions.

WIL and its fares

2. WIL is a three-kilometre long railway extension of the existing Island Line from Sheung Wan Station to Kennedy Town Station with two intermediate stations at Sai Ying Pun and the University of Hong Kong ("HKU") (the alignment is in **Appendix I**).

3. WIL is designed to provide fast and reliable railway service to the Western District. It will also provide convenient pedestrian passages between the Mid-levels and the waterfront at Des Voeux Road West through the unpaid zones within the station premises. With the new railway line, passengers will be able to reach Sheung Wan from Kennedy Town in eight minutes, as compared with 15 to 25 minutes by using road transport during peak hours.

4. According to the estimate in 2009, the estimated capital cost for WIL project is \$15,400 million (in December 2008 prices). The Administration found that WIL would not be financially viable based on fare and non-fare revenue alone. WIL was therefore funded by a capital grant. In July 2009, LegCo approved a provision of \$12.7 billion for the MTR Corporation Limited ("MTRCL") to bridge the funding gap. Financial support by means of granting property development rights is not

involved.

5. On 11 November 2014, the Administration announced that WIL was expected to commence passenger service at the end of December 2014. Initially, trains will not stop at Sai Ying Pun Station. Rather, Island Line will run from Sheung Wan Station direct to HKU Station and Kennedy Town Station. Sai Ying Pun Station (except Ki Ling Lane Entrance) is expected to be opened for use in the first quarter of 2015. Details of the latest works progress and opening arrangement of WIL can be found in LC Paper No. CB(1)204/14-15(01) provided by the Administration to the Subcommittee on Matters Related to Railways ("the Subcommittee") on the same day.

6. According to the Administration's paper issued to the Panel on Transport ("the Panel") on 11 November 2014 (LC Paper No. CB(1)203/14-15(01)), the fares of WIL will adopt the same fare structure of the existing MTR heavy rail system according to the following basic principles:

(a) Cross-harbour journeys

Fares of cross-harbour journeys of the three new WIL stations will make reference to the existing fare structure of similar cross-harbour journeys based on distance travelled.

(b) Non-cross-harbour journeys on Island Line

Fares of journeys between the three new WIL stations and other Island Line stations will make reference to the existing fare structure of similar non-cross-harbour journeys on Island Line, Kwun Tong Line and Tsuen Wan Line based on distance travelled.

7. The fare tables of journeys between WIL stations and all other MTR stations are in Annex 1 of LC Paper No. CB(1)203/14-15(01).

Major concerns raised by LegCo Members on MTR fares and its structure

8. From time to time, LegCo Members raised concerns on MTR fares and its fare structure. The Panel last discussed the fares of a new railway line, namely the Kowloon Southern Link ("KSL")¹, in July 2009 before its

¹ KSL is an extension of the West Rail Line, which connects the Nam Cheong and East Tsim Sha Tsui Stations via the Austin Station, providing direct access to Hung Hom Station.

commissioning. Panel members considered that the new fares was high and that the grassroots' affordability was not taken into account. Some members were concerned that there were significant fare differences between journeys with similar distances.

9. At the Council meeting held on 4 November 2009, Members raised concern about the situation that the MTR fares for some short-haul trips were more expensive than that of long-haul trips when they discussed the motion on "Alleviating the burden of travelling expenses". Members urged that the fare structure of MTRCL should be rationalized, including the rectification of the unreasonable and chaotic situation of "fares for short-haul trips being more expensive than long-haul trips", and downward adjustment of the fares of KSL to a reasonable level. The motion was passed at the meeting.

10. The Administration advised that the fares of KSL were set according to the existing fare structure. MTRCL had indicated that they planned to make gradual adjustments to irregularities in fares of KSL when fare adjustments were made in future.

11. In the context of discussing the MTR fare adjustments and the MTRCL's fare adjustment mechanism ("FAM")², Panel members also raised concerns on MTR's fare structure.

12. Some Panel members considered that the existing distance-based fare structure of MTR should be reviewed in order to relieve the burden of high travelling expenses on those living in remote districts. They considered that despite the offer of some fare promotion schemes, such as the MTR City Saver ticket scheme³ and Monthly Pass Extra scheme⁴, which were claimed to benefit medium and long-distance frequent MTR travellers, their usage were complicated and restrictive. As a result, passengers needed to spend some time to study how and to what extent they could benefit from the various schemes.

13. Some members commented that MTRCL should offer greater discount to commuters through the 400-dollar MTR City Saver and expand the said scheme to cover the whole territory of Hong Kong.

² The FAM is a direct-drive formula that takes into account changes in the Composite Consumer Price Index, and the Nominal Wage Index (Transportation Section), as well as a pre-determined productivity factor. In April 2013, the Administration concluded the five-yearly review of the FAM with MTRCL. The enhanced FAM, together with a package of related fare measures took effect from June 2013 onwards (see THB(T)CR33/1017/99 issued by the Transport and Housing Bureau in April 2013).

³ MTRCL launched the "MTR City Saver" at a price of \$400 on 8 June 2014. Ticket holders of "MTR City Saver" are entitled to 40 rides within 30 days from the day of first use between the designated stations in the urban area.

⁴ The holder of a monthly pass can enjoy a 25% fare discount for onward domestic journeys reaching stations not covered by the pass.

14. Regarding the "Early Bird Discount Promotion" Trial Programme launched from 1 September 2014 to 31 May 2015⁵, Members considered that the Trial Programme should be extended to the evening rush hours and cover other stations.

Relevant motions/questions moved/raised at Council meetings

15. During the legislative sessions from 2012-2013 and 2013-2014, two motions which touched on MTR fares were passed at the Council meeting on 5 December 2012 and 11 December 2013, one on "Executive Council as gate-keeper for MTR fares" and the other on ""Enhancing the railway service in the Northwest New Territories".

16. In addition, Members raised a total of six questions relating to MTRCL's FAM, MTR fares and the WIL project at the Council meetings of 24 October 2012, 31 October 2012, 8 May 2013, 6 November 2013, 14 May 2014 and 18 June 2014.

17. The hyperlinks to the above-mentioned motions and questions; and the Administration's response, together with other relevant papers, are given in **Appendix II**.

Latest developments

18. The Administration will update the Subcommittee members on the progress of the construction of WIL at its meeting to be held on 24 November 2014. It will brief Panel members on WIL fares at the Panel meeting to be held on 25 November 2014.

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⁵ Under the "Early Bird Discount Promotion" Trial Programme, passengers holding Adult Octopus would be able to enjoy a 25% fare discount when they exited from any of the 29 core urban stations between 7:15 am and 8:15 am from Mondays to Fridays (except Public Holidays).

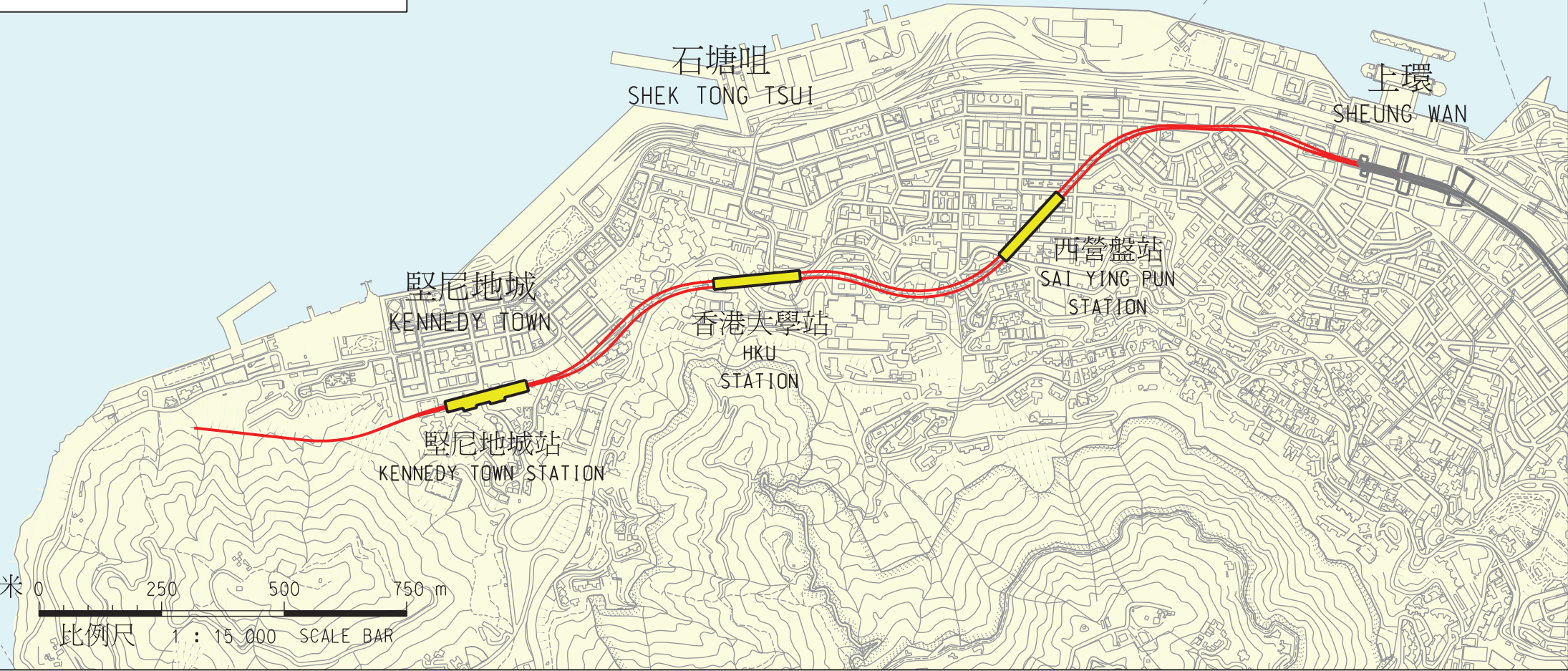
圖例
LEGEND

- 現有鐵路路線
EXISTING RAIL LINE
- 西港島線
WEST ISLAND LINE

附錄 I
Appendix I



維多利亞港
VICTORIA HARBOUR



西港島線
WEST ISLAND LINE

來源: 立法會CB(1)204/14-15(01)

Source: LC Paper No. CB(1)204/14-15(01)

Fares of MTR West Island Line

List of relevant papers

Date of meeting	Committee	Minutes/Paper	LC Paper No.
17.7.2009	Panel on Transport ("TP")	Administration's paper on Kowloon Southern Link progress update and fares from MTR Corporation Limited	CB(1)2237/08-09(02) http://www.legco.gov.hk/yr08-09/english/panels/tp/papers/tp0717cb1-2237-2-e.pdf
		Minutes of meeting	CB(1)200/09-10 http://www.legco.gov.hk/yr08-09/english/panels/tp/minutes/tp20090717.pdf
		Administration's supplementary information paper	CB(1)2376/08-09(01) http://www.legco.gov.hk/yr08-09/chinese/panels/tp/papers/tp0717cb1-2376-1-ec.pdf
4.11.2009	Council Meeting	Motion on "Alleviating the burden of travelling expenses"	http://www.legco.gov.hk/yr09-10/english/legco_rpt/legco_motion11051-e.pdf
		Progress Report	http://www.legco.gov.hk/yr09-10/english/counmtg/motion/cm1104-m3-prpt-e.pdf
24.10.2012	Council Meeting	Hon Albert CHAN raised a question on MTR "Tung Chung – Hong Kong Monthly Pass"	http://www.info.gov.hk/gia/general/201210/24/P201210240240.htm
31.10.2012	Council Meeting	Hon TANG Ka-piu raised a question on MTR fare adjustment mechanism and fare concessions	http://www.info.gov.hk/gia/general/201210/31/P201210310243.htm

Date of meeting	Committee	Minutes/Paper	LC Paper No.
18.1.2013	TP	Administration's paper on 2013 Policy Address Transport-related Policy Initiatives of the Transport and Housing Bureau	CB(1)409/12-13(03) http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp0118cb1-409-3-e.pdf
		Minutes of meeting	CB(1)839/12-13 http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20130118.pdf
19.4.2013	TP	Legislative Council Brief on review of the Fare Adjustment Mechanism of the MTR Corporation Limited	THB(T)CR33/1017/99 http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp0419-thbtcr33101799-e.pdf
		Information Paper on a comparison of incentive schemes offered to frequent users of railway services in selected cities	IN18/12-13 http://www.legco.gov.hk/yr12-13/english/sec/library/1213in18-e.pdf
		Updated background brief on adjustment to MTR fares and the Fare Adjustment Mechanism of the MTR Corporation Limited	CB(1)878/12-13(01) http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp0419cb1-878-1-e.pdf
		Minutes of meeting	CB(1)1813/12-13 http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20130419.pdf
8.5.2013	Council Meeting	Hon TANG Ka-piu raised a question on new MTR fares and concessions	http://www.info.gov.hk/gia/general/201305/08/P201305080200.htm

Date of meeting	Committee	Minutes/Paper	LC Paper No.
6.11.2013	Council Meeting	Hon TANG Ka-piu raised a question on MTR fares	http://www.info.gov.hk/gia/general/201311/06/P201311060269.htm
14.5.2014	Council Meeting	Dr Hon LAM Tai-fai raised a question on MTR railway services	http://www.info.gov.hk/gia/general/201405/14/P201405140494.htm
17.6.2014	Subcommittee on Matters Relating to Railways	Administration's paper on the progress update of the construction of the West Island Line, South Island Line (East) and Kwun Tong Line Extension	CB(1)1604/13-14(01) http://www.legco.gov.hk/yr13-14/english/panels/tp/tp_rdp/papers/tp_rdp0617cb1-1604-1-e.pdf
		Background brief on the construction of the West Island Line, South Island Line (East) and Kwun Tong Line Extension	CB(1)1604/13-14(02) http://www.legco.gov.hk/yr13-14/english/panels/tp/tp_rdp/papers/tp_rdp0617cb1-1604-2-e.pdf
		Minutes of meeting	CB(1)38/14-15 http://www.legco.gov.hk/yr13-14/english/panels/tp/tp_rdp/minutes/rdp20140617.pdf
18.6.2014	Council Meeting	Hon Michael TIEN raised a question on MTR profits and fare concessions	http://www.info.gov.hk/gia/general/201406/18/P201406180408.htm
23.6.2014	TP	Administration's paper on MTR Corporation Limited's Paper on adjustment to MTR fares in 2014	CB(1)1523/13-14(01) http://www.legco.gov.hk/yr13-14/english/panels/tp/papers/tpcb1-1523-1-e.pdf

Date of meeting	Committee	Minutes/Paper	LC Paper No.
		Background brief on adjustment to MTR fares and the Fare Adjustment Mechanism of the MTR Corporation Limited	CB(1)1621/13-14(03) http://www.legco.gov.hk/yr13-14/english/panels/tp/papers/tp0623cb1-1621-3-e.pdf
		Minutes of meeting	CB(1)79/14-15 http://www.legco.gov.hk/yr13-14/english/panels/tp/minutes/tp20140623.pdf
24.11.2014	Subcommittee on Matters Relating to Railways	Administration's paper on progress update and commissioning arrangement of the West Island Line	CB(1)204/14-15(01) http://www.legco.gov.hk/yr14-15/english/panels/tp/tp_rdp/papers/tp_rdp20141124cb1-204-1-e.pdf
25.11.2014	TP	Administration's paper on fares of MTR West Island Line	CB(1)203/14-15(01) http://www.legco.gov.hk/yr14-15/english/panels/tp/papers/tp20141125cb1-203-1-e.pdf

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