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Panel on Transport Meeting on 21 April 2017

Background brief on fare adjustment of Airport Express Line

Purpose

This paper provides background information on the fare adjustment of of the Airport Express Line ("AEL"). It also summarizes the major views and concerns expressed by Legislative Council ("LegCo") Members on the subject.

Background

2. AEL provides a dedicated express railway service linking the city centre with the Hong Kong International Airport ("HKIA") and the AsiaWorld-Expo ("AWE"). It commenced operation in July 1998 to tie in with the opening of the new airport, and has been extended to AWE since December 2005 to serve passengers patronizing the exhibition centre. AEL is operated by the MTR Corporation Limited ("MTRCL"). At present, there are five stations along AEL, namely, AWE Station, Airport Station, Tsing Yi Station, Kowloon Station and Hong Kong Station.

Patronage

3. As the clienteles of AEL are mainly passengers travelling to and from HKIA, MTRCL advises that its patronage fluctuates and is affected by various factors such as travel season and overall economic conditions. From 2006 to 2016, the average daily patronage of AEL increased from around 26 200 to around 44 100. Having regard to the growing loading in recent years, MTRCL has enhanced train frequency of AEL from 12 minutes to 10 minutes since January 2012, with a view to providing a better travelling environment for passengers. The patronage figures for the past decade are at **Appendix I**.

Fares

4. According to the Operating Agreement signed between the Government and MTRCL ("OA") upon the rail merger in 2007, AEL is not a public transport mode for daily commuting, but mainly for business and travelling. The fare adjustment of AEL is determined by MTRCL after consulting the Panel on Transport ("the Panel") and the Transport Advisory Committee. The Fare Adjustment Mechanism of MTRCL is not applicable. The current fares of AEL are set out at **Appendix II**.

5. Since the commissioning in July 1998, AEL has not adjusted its fares in the past 19 years.¹ MTRCL plans to appropriately adjust the fares of AEL. According to OA, MTRCL will make reference to the results of passenger surveys when adjusting the fares of AEL. Besides, MTRCL will also consider factors including the overall economic conditions, growth in number of tourists and competitiveness of AEL.

Major views and concerns of Members

6. Members of the Panel were consulted on matters relating to AEL fares at Panel meetings. Council questions on relevant matters were also raised. The major views and concerns of Members are summarized in the ensuing paragraphs.

Fare concessions

Some Members urged MTRCL to introduce an AEL Monthly Pass 7. similar to the Tung Chung Line Monthly Pass to provide Tsing Yi residents with one more transport option and attract Tsing Yi residents to switch from riding on cross-harbour buses to railway, so as to increase the patronage of AEL. The Administration responded that to attract more passengers to ride on AEL, MTRCL introduced from time to time different kinds of fare concessions such as group tickets and child concessions, etc. In addition, MTRCL offered two kinds of AEL Morning Express Service, namely "Kowloon - Hong Kong" and "Tsing Yi—Hong Kong" Morning Express Services. These services were available from 7:00 am to 10:00 am from Monday to Saturday (except public holidays) and the fare was \$20. Tickets were available at AEL Customer Service Centres at Kowloon or Tsing Yi Stations. The Administration advised

¹ Upon the opening of AEL, a 30% promotional discount off the announced fares was provided in July 1998. Having considered the economic condition, increase in tourists and AEL market share, the ex-MTRCL removed the promotional discount, in phases in July 2000 and July 2001.

LegCo in 2014 that, according to MTRCL's statistics, there were on average around 830 passengers enjoying the said services each day and around 90% of them boarded at Tsing Yi Station.

Members noted that in light of the traffic expenses incurred by airport 8. staff travelling between urban areas and the airport, MTRCL had put in place an "Airport Staff Discount Travel Scheme".² Airport staff could use Airport Staff Octopus Card to take AEL at a concessionary fare at the current level of around 57% off. There was a view that similar concessions could be apply to all train trips and franchised bus routes stopping at HKIA. In response, the Administration indicated that it had been encouraging public transport operators to offer fare concessions as far as possible having regard to various factors including the operators' own operational and financial situations, service nature of individual routes and passenger demand. In respect of franchised bus services, discounted fares in the range of some 10% to 44% off the regular fares were offered to airport staff on specified airport bus routes and overnight airport bus routes.

Carrying capacity

9. Some Members noted that the original intention of constructing AEL was to provide direct and efficient transport services for people travelling between city centre and HKIA. However, since the opening of AWE adjacent to HKIA, the patronage of AEL had increased. As AEL trains were often fully packed with passengers when they left AWE Station, especially when exhibitions or other activities were held in AWE, this might cause inconvenience to people who were getting on board at the next station (i.e. the Airport Station) to leave HKIA. MTRCL was therefore urged to take measures to ensure provision of adequate AEL train services for the priority use of people travelling between city centre and HKIA.

10. The Administration responded that with the increase in AEL patronage arising from the operation of AWE, AEL trains (including one baggage car) had been converted from seven-car to eight-car trains, thus enhancing the maximum carrying capacity from 3 000 to 3 500 passengers per hour per direction. MTRCL had also put in place various measures, such as deploying additional AEL trains when major events were held at AWE, to meet the occasional increase in passenger demand.

² Under the "Airport Staff Discount Travel Scheme", airport staff are eligible to apply for the scheme if they are hired by recognized companies or organizations and are certified by their employers to be working for at least four days every week in a place within the airport area which is their usual workplace or where they report for duty. In 2015, a daily average of more than 7 500 passenger trips were made using this concession scheme.

11. Some Members also expressed concern about the carrying capacity of AEL and other railway lines in meeting the growing patronage. The Administration advised LegCo in November 2016 that, MTRCL would introduce new signalling systems for AEL and six other MTR lines.³ The signalling system upgrading works for AEL were expected to be completed in 2026. After completion of the works, the carrying capacity of AEL could be increased by around 10%.

Latest position

12. The Administration plans to brief members on fare adjustment of AEL at the Panel meeting to be held on 21 April 2017.

Relevant papers

13. A list of relevant papers is at **Appendix III**.

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³ Tsuen Wan Line, Island Line, Kwun Tong Line, Tseung Kwan O Line, Disneyland Resort Line and Tung Chung Line.

Appendix I

Average daily patronage of Airport Express Line from 2006 to 2016

Year	Average daily patronage ¹
2006	26 200
2007	27 800
2008	29 000
2009	27 000
2010	30 500
2011	32 300
2012	34 700
2013	37 400
2014	40 800
2015	43 100
2016	44 100

¹ Source: http://www.mtr.com.hk/en/corporate/investor/patronage.php#search

Appendix II

Fares of Airport Express¹

Fares to/from Airport Station

	Ac (Including per ab	Child (Aged 3 to 11)	
	Round Trip Ticket	Single Journey/ Same Day Return Ticket/ Octopus	Single Journey/Same Day Return Ticket/Octopus
Hong Kong Station – Airport Station	\$180	\$100	\$50
Kowloon Station – Airport Station	\$160	\$90	\$45
Tsing Yi Station – Airport Station	\$110	\$60	\$30

Fares to/from AsiaWorld-Expo Station

	Single Journey Ticket/ Octopus		Same Day Return Ticket/ Octopus	
	Adult	Child	Adult	Child
Hong Kong				
Station –	\$100	\$50	\$100	\$50
AsiaWorld-	\$100	\$30	\$100	\$30
Expo Station				

¹ Source: http://www.mtr.com.hk/en/customer/tickets/tf_index.html

	Single Journey Ticket/ Octopus		Same Day Return Ticket/ Octopus	
	Adult	Child	Adult	Child
Kowloon				
Station –	\$90	\$45	\$90	\$45
AsiaWorld-	\$90	\$4 <i>5</i>	\$90	\$4J
Expo Station				
Tsing Yi				
Station –	\$60	\$30	\$60	\$30
AsiaWorld-	\$00	\$30	\$UU	\$30
Expo Station				
Airport				
Station –	\$5	\$2.5	Not	Not
AsiaWorld-	φJ	φ2.3	available	available
Expo Station				

Background brief on fare adjustment of Airport Express Line

List of relevant papers

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
		MTR Corporation's paper on Mass Transit Railway and Airport Express Line Fares for 2000	CB(1)1891/99-00(01) http://www.legco.gov.hk/y r99-00/english/panels/tp/p apers/tpcb1-1891-1e-scan. pdf
		MTR Corporation Limited's paper on Airport Express Line Fares for 2001	CB(1)1494/00-01 http://www.legco.gov.hk/y r00-01/english/panels/tp/p apers/a1494e01.pdf
		MTR Corporation Limited's paper on AsiaWorld-Expo Station	CB(1)2388/04-05(01) <u>http://www.legco.gov.hk/y</u> <u>r04-05/english/panels/tp/p</u> <u>apers/tpcb1-2388-1e.pdf</u>
7.3.2007	Council meeting	Hon Howard YOUNG raised a question on Airport Express service after opening of AsiaWorld-Expo	http://www.info.gov.hk/gia /general/200703/07/P2007 03070130.htm
19.2.2014	Council meeting	Dr Hon Kwok Ka-ki raised a question on MTR service	http://www.info.gov.hk/gia /general/201402/19/P2014 02190400.htm
1.4.2015	Finance Committee (Special meeting)	Replies to initial written questions raised by Finance Committee members in examining the Estimates of Expenditure 2015-2016 (Session No.: 12) (Question Serial No. 3087)	http://www.legco.gov.hk/y r14-15/english/fc/fc/w_q/t hb-t-e.pdf

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
7.4.2016	Finance Committee (Special meeting)	Replies to initial written questions raised by Finance Committee members in examining the Estimates of Expenditure 2016-2017 (Session No.: 14) (Question Serial No. 4868)	http://www.legco.gov.hk/y r15-16/english/fc/fc/w_q/t hb-t-e.pdf
25.5.2016	Council meeting	Hon Alice MAK Mei-kuen raised a question on public transport services on Lantau Island	http://www.info.gov.hk/gia /general/201605/25/P2016 05240802.htm
23.11.2016	Council meeting	Hon LUK Chung-hung raised a question on upgrade of signalling systems for railway lines	http://www.info.gov.hk/gia /general/201611/23/P2016 112300399.htm
		Legislative Council Brief on review outcome of the Fare Adjustment Mechanism of the MTR Corporation Limited	File Ref.: THB(T)CR 19/5591/00 <u>http://library.legco.gov.hk:</u> <u>1080/articles/1195086.289</u> <u>931/1.PDF</u>

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