

**For discussion  
on 19 January 2018**

## **LEGISLATIVE COUNCIL PANEL ON TRANSPORT**

### **New Franchise for The “Star” Ferry Company, Limited**

#### **PURPOSE**

The current franchise of The “Star” Ferry Company, Limited (“SF”) for operating two ferry routes (i.e. “Central – Tsim Sha Tsui” and “Wan Chai – Tsim Sha Tsui” routes) will expire on 31 March 2018. At the meeting of the Panel on Transport (“the Panel”) of the Legislative Council (“LegCo”) held in February 2017, Members were briefed on the Government’s plan to engage the operator for discussion on the terms of a new franchise. The Panel raised no objection to the plan and put forth views for service enhancement. Having completed the public consultation, the Government has commenced discussion with the SF on items to be included in the new franchise. This paper briefs Members on the findings of the public consultation and our progress of the discussion with the SF.

#### **BACKGROUND**

2. The Victoria Harbour is among the most precious natural resources of Hong Kong. With a long history, SF ferries have been plying between Hong Kong and Kowloon since 1898, witnessing the development of our city over the past 120 years. As the most economical cross-harbour public transport mode, SF ferries commute between the harbourfronts with a daily patronage of some 53 000 passenger trips. The two SF ferry routes link up the downtown areas and tourist hotspots of Hong Kong, and the promenades where SF piers are located serve as both leisure haunts for tourists worldwide and amenity areas for local citizens. In recent years, the Government has been pressing on harbourfront enhancement, with due consideration given to the unique features and development potentials of various areas, so as to build a more liveable city with greener landscape for our citizens. Apart from serving as a means of public transport, the SF is also a key icon of Hong Kong in terms of tourism, heritage and history and one of our collective memories, and has all along been

promoting Hong Kong's tourism<sup>1</sup>, history and culture, and playing a vital role in bringing vibrancy to the harbourfront.

3. The current franchise for the two ferry routes operated by the SF commenced on 1 April 2008 for a period of 10 years and will expire on 31 March 2018. In accordance with the requirements<sup>2</sup> as set out in the Ferry Services Ordinance ("the Ordinance") (Cap. 104), the SF submitted to the Government in January 2016 an application for extension of its franchise for 15 years upon its expiry.

4. Under the Ordinance, the Executive Council ("ExCo") may grant a franchise for no more than 15 years to any company. The ExCo may, at the request of the existing operator, extend the franchise for a period or periods not exceeding 15 years if satisfied that the operator is capable of maintaining a proper and efficient ferry service and it is in the public interest to continue the franchised service.

5. The Ordinance also stipulates that a grantee shall at all times during the franchise period maintain to the satisfaction of the Commissioner for Transport a proper and efficient ferry service. To assess whether the SF has been providing proper and efficient ferry services, the Transport Department ("TD") regularly reviews the service performance of the SF through site surveys, examination of regular returns by the company and collection of public feedback. According to the results of a two-day TD survey on the two ferry routes conducted in November 2017, the SF adherence rate to the Schedule of Services for over 900 sailings was at around 96%, with the remaining 4% of sailings slightly delayed for two to four minutes. In general, departure time of ferry sailings is affected by factors such as the number of passengers embarked/disembarked, weather and sea conditions, etc. Besides, the TD commissioned a consultant to conduct a Passenger Opinion Survey on board on SF service standard in September 2016. Among the respondents interviewed, 99% were satisfied with the overall quality of SF ferry services.

6. In addition, during the current franchise period, the SF has been implementing various measures to further improve its services, such as

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<sup>1</sup> According to the SF's website, *The National Geographic Traveler* named the SF ferry crossing as "one of 50 places of a lifetime" in 1999, and the travel website TripAdvisor also rated the SF crossing as one of the "Top 10 Must-See Destinations in Hong Kong" in 2011. In the *Lonely Planet Hong Kong (Travel Guide)* published by the renowned Lonely Planet in May 2017, taking a ride on a SF ferry across Victoria Harbour is recommended as one of the five tourist hotspots in Hong Kong.

<sup>2</sup> According to the Ordinance, the grantee may make a request for extension of its franchise not less than two years before the expiration of the franchise period.

upgrading the air-conditioning systems on its ferries and the facilities at its piers, enhancing dissemination channels for service information, as well as retrofitting and testing various green installations. Complaint and accident figures concerning the SF also remain at a low level<sup>3</sup>. Overall speaking, the SF has been providing proper and efficient ferry services to our citizens. Therefore, the Government stated in the LegCo paper numbered CB(4)578/16-17(07) that it planned to engage the SF to discuss direct the terms of the new franchise. At the meeting on 24 February 2017, Members raised no objection to the Government's plan and noted that the Government had launched a public consultation on matters to be covered under the new franchise.

7. The public consultation took place between 23 February and 22 April 2017. The TD also wrote to relevant committees<sup>4</sup> of the Central and Western District Council ("DC"), Wan Chai DC and Yau Tsim Mong DC to collect views from their members. Major views collected during the public consultation are set out at the **Annex**.

## **DISCUSSION ON NEW FRANCHISE**

8. Negotiation between the Government and the SF is almost complete. The Government has requested the SF to proactively follow up the concerns raised by the public and the Panel, as well as the various cross-bureaux and cross-departmental policy objectives as abovementioned. The SF has also been required to launch new initiatives on service enhancement in response to environmental changes and passenger needs. In this regard, the initiatives to be undertaken by the SF under its new franchise are set out below. Overall speaking, where its financial position permits, the SF is committed to assuming the financial responsibility of these initiatives. However, the financial requirements of certain initiatives (e.g. those on expediting the introduction of green technology and enhancing the harbourfront environment as mentioned below) that are beneficial to the well-being of Hong Kong as a whole may exceed the SF budget for operating basic ferry services. The Government will collaborate with the SF in a pragmatic manner, rendering policy support and, if

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<sup>3</sup> From the commencement of the current franchise in 2008 and till 2016, the TD received on average 22 complaints against the SF annually. The number of complaints for 2017 (as at October) is 12, accounting for 0.05% of the complaints against public transport services. As regards safety, from 2008 to 2016, the average number of incidents recorded by the company is four cases per year, with an average of one case per year involving minor injuries on passengers. For 2017, the company has no record of any incidents.

<sup>4</sup> Including the Traffic and Transport Committee of the Central and Western DC, the Development, Planning and Transport Committee of the Wan Chai DC as well as the Traffic, Transport and Housing Committee of the Yau Tsim Mong DC.

necessary, suitable financial assistance to the implementation of such additional initiatives in the form of partnership.

### ***Provision of affordable services and fare concessions if viable***

9. SF fares are the lowest among those of the cross-harbour public transport modes. Currently, the upper deck fare for adult on weekdays is \$2.7 while that on weekends and public holidays is \$3.7, which are 56% to 72%<sup>5</sup> cheaper than those of the Mass Transit Railway (“MTR”) or franchised buses. Besides, the SF has been offering free rides to elderly passengers aged 65 or above since October 1992. The revenue foregone (i.e. the amount of full adult fares) by the SF in offering free rides has been reimbursed by the Government since 1993, capped by the actual revenue foregone or the sum of pier rentals and vessel licence fees, whichever is the less. In this connection, the Government’s reimbursement to the SF for offering free rides to elderly passengers amounts to around \$0.27 million per annum, while the level of total revenue foregone by the SF in offering free rides to the elderly in recent years is some \$2.6 million per year, which is roughly equivalent to 60% of its average annual profit of about \$4 million<sup>6</sup> in the current franchise period. During the franchise period over the past decade, the total revenue foregone by the SF in offering free rides to the elderly was around \$37 million. In 2016, a total of 952 000 elderly passenger trips benefited from free SF rides, meaning a daily average of some 2 600 passenger trips, accounting for about 4.9% of the SF’s total daily patronage of 53 400 passenger trips. The SF has also been offering fare concessions to holders of registration cards for people with disability<sup>7</sup> and children aged 3 to 12. There were approximately a total of 962 000 passenger trips benefited from the above concession schemes in 2016.

10. The SF undertakes that it will endeavour to keep its fares affordable throughout the new franchise period as far as possible. Ferry fare concessions will continue to be provided to elders, children and the disabled under the current scale and mechanisms as abovementioned. Moreover, noting the public aspirations for fare concessions, the SF will explore other fare concession

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<sup>5</sup> It costs an adult \$9.7 to travel between Central/Wan Chai and Tsim Sha Tsui by the MTR with the Octopus Card. If the same cross-harbour journey is made via franchised bus services, the cost ranges from \$8.4 to \$9.3.

<sup>6</sup> During the period from 2008 to 2016, the average annual profit of the SF was around \$4 million, representing a profit rate of about 4.1%.

<sup>7</sup> Under the Government’s Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities, the SF is also reimbursed for the difference between fares for persons with disabilities and \$2.

possibilities to reward passengers<sup>8</sup>, subject to financial viability and upon meeting suitable conditions.

### ***Service quality enhancement***

11. Starting from April 2018, the SF will provide free Wi-Fi services at the passenger waiting area at SF piers in Central, Wan Chai and Tsim Sha Tsui to support Hong Kong's smart city development and for the convenience of inbound tourists. Besides, SF fare tables and ferry schedules are now available on the SF website and mobile applications. The SF agrees to provide the Government and the public with such passenger information for free in future through the application programming interface, which will facilitate third-party development of other mobile applications. The Government will continue to explore the feasibility of opening up other data with the SF in future.

12. To enhance the service quality of the SF crew and to respond to public requests, the SF undertakes to strengthen its staff training starting from early 2018. Efforts will include enhancing service attitudes and improving proficiency in English and Putonghua through training or assessment.

13. As a tourist hotspot, the SF has already set up passenger information counters at its piers in Central, Wan Chai and Tsim Sha Tsui to provide ferry service information in the light of public feedback. The SF will continue to explore how its services can be further diversified to attract more inbound tourists.

### ***Further environmental enhancement and protection***

14. As to environmental protection and sustainable development, the SF is willing to continue to invest in new green technology. In fact, with the subsidy from the Pilot Green Transport Fund ("the Fund")<sup>9</sup>, the SF has retrofitted the diesel engine of a ferry serving non-franchised ferry routes with a low-emission diesel-electric propulsion system, with a view to reducing the emission of air pollutants and lessen the ferry's fuel consumption. The trial was completed in

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<sup>8</sup> The SF has explored interchange discount opportunities with franchised bus companies for the next franchise period but in vain, as consensus could not be reached on the necessary commercial arrangements despite rounds of discussion. The SF undertakes to continue to explore interchange discount opportunities in future.

<sup>9</sup> The Fund has provided a \$3 million subsidy to the SF for retrofitting one of its ferry running the non-franchised ferry routes with the diesel-electric propulsion system and a \$1.125 million subsidy for installing a seawater scrubber in the same ferry. According to the rules of the Fund, each company is subject to an upper limit of \$12 million of subsidy.

late 2017. According to the Environmental Protection Department (“EPD”), the data collected from the first six months of the trial have shown that the diesel-electric propulsion system is effective in reducing air pollutants. The SF has committed that, so long as its financial position permits, with due consideration given to the prevailing technological standards, the Company will retrofit eight ferries (i.e. the entire SF franchised ferry fleet) with the low-emission, green propulsion system and a newly designed exhaust gas system by batches within the next franchise period with a view to minimising their chimney emission of exhaust gas<sup>10</sup>. Based on the information provided by the SF, the cost of retrofitting each ferry (including the preparation, the retrofitting works and the inspections and testing afterwards etc.) will be around \$7 million, and thus the total cost of retrofitting the eight ferries will be around \$56 million. The SF is applying for a subsidy of some \$6 million from the Fund for retrofitting the diesel engines of two ferries running the franchised ferry routes into diesel-electric propulsion system.

15. The SF plans to retrofit two ferries in 2018 and retrofit one ferry per year thereafter. Such progress has not only taken into account the time required for undergoing the retrofitting works for the ferries, but also the need for maintaining adequate vessels for providing normal ferry services.

16. Separately, it was mentioned in the 2017 Policy Address that the Government would explore launching a scheme for putting the adoption of green technologies in local ferries on trial, to reduce the emission of air pollutants. The Government will seek the stakeholders’ views, test and adopt other more proven and desirable green technologies when appropriate, so as to further enhance the environment and uplift the international image of Hong Kong.

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<sup>10</sup> The SF has been working with the University of Hong Kong (“HKU”) since 2012 on developing a device, known as seawater scrubber, to reduce air pollutants (particularly sulphur dioxide) from the exhaust gas of in-service ferry diesel engines. In 2012, the SF invested some \$1.3 million to install, on a trial basis, the device on a ferry serving SF franchised routes. In addition, the SF applied to the EPD in 2014 for a subsidy under the Fund to test the seawater scrubber’s performance. The subsidy was granted and the design and installation of the device were completed in late 2016. The 12-month performance test under the Fund was completed in late 2017. The Government notes that the amount of sulphur dioxide emitted from that ferry has significantly decreased. However, the main reason is that all local ferries have switched to low sulphur diesel with sulphur content at 0.05%, which is far less than 0.5%, the sulphur content of the diesel commonly used at the time when the SF and HKU started developing the seawater scrubber. Therefore, the efficacy of using seawater scrubbers to further reduce the emission of sulphur dioxide and black smoke from SF ferries is relatively limited. The SF originally planned to install seawater scrubbers on five ferries over the next five years from 2017 to 2021. In the light of the said latest development, the arrangement mentioned in this paragraph will replace the original plan of installing seawater scrubbers.

## *Harbourfront enhancement*

17. Currently, the SF is responsible for the routine management (including crowd management, cleansing and handling of complaints, etc.) of the Central Pier No. 7, part of the upper deck of the Central Terminal Building, the ground floor and first floor of the Wan Chai Ferry Pier and the whole Tsim Sha Tsui Ferry Pier, while the ground floor of the Central Terminal Building near the Central Pier No. 7 and the Observation Deck of the Wan Chai Ferry Pier are managed by the Government. To consolidate the management of the piers and the nearby areas, the SF will take up the additional management responsibilities of the ground floor of the Central Terminal Building and the Observation Deck of the Wan Chai Ferry Pier during the new franchise period. The SF undertakes to improve signage to facilitate better utilisation of the harbourfront public space by visitors.

18. For better utilisation of pier facilities and nearby sites and enhance visitors' experience at the harbourfront, during the new franchise period, the Government will also seek to explore whether and how restrictions should be relaxed to allow the SF to make use of the areas of the Central and Wan Chai Piers with more flexibility, so as to incorporate commercial elements to bring about diversified uses and visitor facilities. If there would be any additional revenue, the SF has to use that additional non-fare box revenue thus generated to cross-subsidise the franchised ferry services as per the established practice, so as to alleviate the fare increase burden for the benefit of passengers.

19. The SF has always been a key partner of the Government in enhancing the waterfront of the Victoria Harbour. In the long run, the Government looks forward to collaborating with the SF and other stakeholders in developing the Central and Wan Chai harbourfront into a promenade where citizens and visitors could enjoy for pleasant.

## *Others*

20. At present, the SF has 170 staff, including 40 coxwains as well as 130 sailors and engineering personnel. Since 2010, the SF has been recognised as a "Manpower Developer"<sup>11</sup> by the Employees Retraining Board. To continue the provision of appropriate staff remuneration and increase the attractiveness of the

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<sup>11</sup> The Employees Retraining Board launched the "ERB Manpower Developer Award Scheme" in December 2009 to recognise organisations which demonstrate outstanding achievements in manpower training and development as "Manpower Developers".

local ferry industry<sup>12</sup>, the SF commits to continuously review the appropriate level of staff remuneration and keep on providing relevant on-the-job trainings during the new franchise period, on the premise that resources are available with the right balance struck between company development and service enhancement in the light of the public aspirations for affordable SF fares. In fact, the SF increased its staff remuneration by about 11% and 3.5% in 2016 and 2017 respectively. In 2016, staff remuneration expenses accounted for over 60% of the overall SF expenditure.

21. In the wake of increasing availability of more electronic payment (“EP”) platforms in varied forms in the market, terms regulating the use of EP systems by the SF will be added under the new franchise. In short, the SF may apply to the TD for introducing any new EP systems to replace or run in parallel with the existing one(s) for fare collection. The TD will consider such application(s) proactively and ensure that the operator will be able to introduce the new EP system(s) in an orderly manner without hindering the smooth provision of ferry services.

## **NEXT STEP**

22. The Government has granted franchises to the SF on a 10-year or 15-year basis and each has its own merits<sup>13</sup>. When discussing the arrangements under the next franchise with the SF, the Government has taken a holistic view and the major consideration is the operator’s willingness to commit to a longer franchise period. During the discussions with the SF about the aforesaid commitments, the Government has co-ordinated cross-bureaux and cross-departmental efforts to comprehensively review the roles of the SF in

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<sup>12</sup> Overall speaking, the Government has been assisting the local maritime industry in training up newcomers through various measures. Under the Maritime and Aviation Training Fund which was launched in 2014, the Local Vessel Trade Training Incentive Scheme provides economic incentives for eligible deck or engine room seafarers newly employed and encourage them to acquire professional qualifications as coxswains or engine operators on local vessels. Each participant receives a maximum grant of \$30,000. The Maritime Services Training Institute under the Vocational Training Council and the Hong Kong Seamen’s Union also provide a variety of training course for individuals who aspire to pursue a career in the maritime sector. The Government has also introduced a series of measures in recent years to address the problems of manpower shortage and ageing in the local vessel trade, including:

- (1) allowing holders of a Coxswain Grade 2 Certificate to operate certain types of large local vessels for routes specified by the Marine Department, provided that the applicant completed relevant in-house shipboard training and passed capability assessment; and
- (2) allowing candidates to sit for coxswain or engine operator Grade 3 examination first before acquiring the necessary sea experience. .

<sup>13</sup> For instance, a shorter period allows the Government more flexibility to make arrangements according to the operator’s performance, while a longer one may encourage the operator to make investment and longer-term planning for the enhancement of services.



various aspects including public transport, harbourfront enhancement, environmental protection and tourism. Discussions have been conducted in a prudent and pragmatic manner with a view to maximising the benefits for the general public. Though faced with challenges such as a declining patronage, uncertainty over projected non-fare box revenue and increasing operating costs, the SF is willing to make the commitments (including substantial enhancement of the green efficiency of its fleet) set out in paragraphs 9 to 21 above. As mentioned above, for initiatives that are worth further actions, the Government will provide appropriate policy support and economic incentives in the light of the actual circumstances. They serve to encourage the SF, which is approaching its 120<sup>th</sup> anniversary, to preserve and optimise its historical significance and value in line with the planning and development of our society and to keep pace with the times. In respect of the arrangements under the next franchise, generic and long-lasting requirements will generally be set out as franchise terms, while specific initiatives or objectives required to be achieved within a certain timeframe will be set out in terms of written commitments made by the grantee.

23. Members are invited to note the content of and comment on this paper.

**Transport and Housing Bureau  
Development Bureau  
Environment Bureau  
Transport Department**

**January 2018**

## Views collected from the Public Consultation Exercise

Public consultation on matters to be covered under the new franchise took place between 23 February and 22 April 2017. The consultation document was uploaded to the websites of GovHK, the Transport and Housing Bureau, the Transport Department (“TD”) and the Public Affairs Forum of the Home Affairs Bureau. Press releases inviting public views were issued on 23 February and 10 April 2017. The TD also wrote to relevant committees<sup>1</sup> of the Central and Western, Wan Chai and Yau Tsim Mong District Councils (“DCs”) to collect views from their members. The TD received a total of eight submissions during the public consultation, namely one from a political party<sup>2</sup>, one from an organisation and the remaining six from individual members of the public. Other views fall under the following major categories:

(a) **Service**

- Should enhance service and improve staff performance (including Putonghua and English proficiency as well as service attitude)
- Should set up information counter(s) for passengers
- Should provide diversified services to attract tourists

(b) **Fares**

- Should maintain its fares at the existing affordable levels
- Should discuss provision of interchange concessions with franchised bus operators and the Mass Transit Railway Corporation Limited (“MTRCL”)

(c) **Ferry fleet**

- Should enhance safety equipment (including the retrofitting of railings and radars)<sup>3</sup>

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<sup>1</sup> Including the Traffic and Transport Committee of the Central and Western DC, the Development, Planning and Transport Committee of the Wan Chai DC as well as the Traffic, Transport and Housing Committee of the Yau Tsim Mong DC.

<sup>2</sup> The Liberal Party proposed that the Government should consider granting the SF a franchise of 15 years to encourage it to make long-term investment.

<sup>3</sup> Currently, both the upper deck and lower deck of the SF ferries have been installed with handrails and there is no need for installing additional handrails at this stage. Besides, there is no need for the existing SF fleet to be installed with radars. However, the SF will install radars on its ferries when retrofitting them with the diesel-electric propulsion systems so as to comply with the relevant regulations.

- Should designate areas for placing large luggage<sup>4</sup>
- Should be more environmentally friendly and reduce the emission of dark smoke
- Should use smaller vessels at an increased frequency of service<sup>5</sup>

(d) **Piers**

- Should improve lavatories at piers<sup>6</sup>

2. We note the views that the Government should provide subsidies to the SF, as well as those on sustainable development of ferry services. Under the current policy, the Government will not directly subsidise in-harbour ferry routes as there are a variety of land (and railway) transport alternatives available<sup>7</sup>. That said, to help reduce operating costs of ferry services (including the SF), the Government has implemented various measures, including taking over the responsibility of pier maintenance, waiving fuel duty, as well as reimbursing pier rental and exempting vessel licence fees under the Elderly Concessionary Fares Scheme, where applicable.

3. Besides, some views suggest that the Government should help the SF develop business that can generate non-fare box revenue. The

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<sup>4</sup> Under Bylaw 5(a) of The “Star” Ferry Company, Limited, By-laws (Cap. 104E), restrictions have been set out on the weight and measurement of passengers’ personal luggage (including small handbaskets, bags and parcels) being taken on board. The weight of such luggage shall not exceed 12 kilograms and its measurement shall not exceed 0.028 cubic metre. Passengers are allowed to bring a reasonable quantity of hand baggage during non-peak hours. Setting aside a designated area for storing luggage may lead to reduction in the number of seats. Therefore, there is no plan to provide a designated place for storing large pieces of luggage at this stage.

<sup>5</sup> At present, ferries of the SF “Central – Tsim Sha Tsui” and “Wan Chai – Tsim Sha Tsui” routes are running at every 6-12 minutes and 8-20 minutes respectively. According to the passenger demand survey conducted by the TD in the fourth quarter of 2017, the two ferry routes can meet the passenger demand. Therefore, there is no need to increase service frequency at this stage and the SF has no plan to introduce smaller vessels.

<sup>6</sup> In the light of public requests for improving the conditions of the pier lavatories, the TD inspected the three pier lavatories at the Central Pier, Wan Chai Ferry Pier and Tsim Sha Tsui Pier and considered their hygiene conditions and maintenance satisfactory. The SF has also agreed to keep the lavatories in good hygiene conditions.

<sup>7</sup> There is basically no direct subsidy from the Government for public transport services save for the six major outlying island ferry routes. These six routes are “Central – Cheung Chau”, “Inter-islands” serving Peng Chau, Mui Wo, Chi Ma Wan and Cheung Chau, “Central – Mui Wo”, “Central – Peng Chau”, “Central – Yung Shue Wan” and “Central – Sok Kwu Wan”. The Government provides Special Helping Measures (“SHM”) to these routes because for the islands in question there is basically no alternative to the ferry services as a means of public transport (only Mui Wo is also linked by an external road network, but its cross-district land-based public transport services are very limited). Short of the SHM, the ferry services will not be commercially viable without periodic hefty fare increases.

Government always allows the SF to sub-let premises at its piers for commercial (such as catering) and retail purposes to generate non-fare box revenue to cross-subsidise the ferry operation. In fact, benefiting from the good business of the new restaurant at the Wan Chai Ferry Pier, which was opened in the fourth quarter of 2016, the SF's rental income in 2016 increased by about 12.5% (around \$3.25 million) as compared to 2015, accounting for about 32.2% (around \$29.16 million<sup>8</sup>) of the SF's total revenue. The rental revenue from January to October 2017 (around \$28.66 million) is about 33.0% (around \$7.11 million) higher than the rental income of the same period in 2016 (around \$21.55 million).

4. There are also views suggesting that the Government should improve the walking environment for access to the piers, and increase the number of directional signage. At present, the construction works being carried out by the Civil Engineering and Development Department and the MTRCL for the Central – Wan Chai Bypass and the Shatin – Central Link respectively have affected the walking environment in the vicinity of the Wan Chai Ferry Pier. Upon completion of the construction works, the environment in the vicinity of the Pier will improve. The TD will also examine the adequacy of existing directional signage leading to the piers.

5. In addition, some views consider that the SF fleet should be further promoted given its tourism value. The TD has relayed such views to the Hong Kong Tourism Board. We also note the suggestions of improving the design of piers for more convenient boarding and alighting arrangements<sup>9</sup>, and that the Government should preserve the original design of the Tsim Sha Tsui Pier<sup>10</sup>.

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<sup>8</sup> The audited rental income in 2016 was adjusted upward to around \$29.16 million from about \$28.94 million.

<sup>9</sup> There is a view that when ferries are moored, passengers should board the ferries on one side and at the same time those onboard should alight on the other side of the ferries. The design of ordinary piers do not allow such boarding and alighting arrangements. Should there be a need to construct new ferry piers, the Government will suitably consider this view.

<sup>10</sup> Piers are government properties and the Government is responsible for their maintenance. The Tsim Sha Tsui Pier was built long time ago in 1958. The Government has no plan to change either its design or appearance.