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Legislative Council

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Panel on Transport
Meeting on 26 April 2019

**Updated background brief on the Fare Adjustment Mechanism of
the MTR Corporation Limited and adjustments to MTR fares**

Purpose

This paper provides updated background information on the Fare Adjustment Mechanism ("FAM") of the MTR Corporation Limited ("MTRCL") and summarizes the major views and concerns expressed by Legislative Council ("LegCo") Members about FAM and fare adjustments by MTRCL in recent discussions.

The Fare Adjustment Mechanism of the MTR Corporation Limited

2. The existing FAM has been put in place since the rail merger in 2007 to replace the fare autonomy MTRCL until then enjoyed.¹ According to the Administration, FAM is an open, objective and transparent mechanism. Under FAM, fare adjustments of MTRCL are made through a direct-drive formula that takes into account economic figures released by the Government. The formula is as follows:

¹ FAM forms part of the rail merger agreement between the Government and MTRCL, and is included in the Operating Agreement signed between the two parties. It is legally binding.

Overall fare adjustment rate =

$$\begin{aligned} &0.5 \times \text{change in Composite Consumer Price Index ("CCPI")} \\ &\quad (\text{in December of the previous year}) + \\ &0.5 \times \text{change in Nominal Wage Index (Transportation Section)} \\ &\quad \text{"NWI(TS")} (\text{in December of the previous year}) - \\ &\text{Productivity Factor ("PF")} \text{ the value of which is set at 0\%} \\ &\quad \text{from 2017-2018 to 2022-2023}^2 \end{aligned}$$

Further, MTRCL has agreed to, based on the fare adjustment outcome as per the FAM formula for the six years from 2017-2018 to 2022-2023, lower its fare increase by 0.6 percentage point each year.

3. Pursuant to the Operating Agreement signed between the Government and MTRCL in August 2007, the FAM of MTRCL is to be reviewed every five years. The first review was conducted in 2013.³ The second review is originally planned for completion in 2018, but upon the Government's request in 2016, MTRCL agreed to advance the FAM review one year earlier. The 2017 review outcome is applicable to the fare adjustment of the six-year period from 2017-2018 to 2022-2023.⁴

Outcome of the review on the Fare Adjustment Mechanism in 2017

4. Salient points of the FAM review outcome in 2017 include:
- (a) Retain the existing direct-drive FAM formula and reduce the fare adjustment rate by 0.6 percentage point;
 - (b) Increase the provision for fare concessions under the "Profit Sharing Mechanism" ("PSM") in response to public concern about the correlation between MTRCL's profitability and the implementation of FAM. Details are set out in **Appendix I**.

² Productivity is measured as a ratio between income and cost in MTRCL's transport operation, and shared between MTRCL and the passengers. According to the Operation Agreement and the above methodology, in the event that PF value is negative, it should be reset at zero to avoid the situation where fare increase rate according to the FAM formula would be increased as a result of a negative PF value. MTRCL has agreed to, based on the fare adjustment outcome as per the FAM formula for the six years from 2017-2018 to 2022-2023, lower its fare increase by 0.6 percentage point each year to ensure that passengers can still benefit from a moderated fare adjustment to an extent which is consistent with the prevailing PF value of 0.6 percentage point.

³ See THB(T)CR33/1017/99.

⁴ See THB(T)CR19/5591/00.

- (c) Increase the provision for fare concessions under "Service Performance Arrangement" ("SPA"). The maximum amount to be given back to passengers for each serious service disruption, as defined as disruptions of 31 minutes or above caused by factors within MTRCL's control, has been increased from \$15 million to \$25 million;⁵
- (d) 3% Rebate – the total amount set aside under PSM and SPA will be used to fund a 3% fare discount per trip for passengers who travel on MTR journeys using Octopus. The scheme will last for at least six months every year to benefit more passengers, without any condition. If the proceeds are insufficient to cover the full period, MTRCL will top up the balance;
- (e) Interchange discounts for Green Minibuses – a new discount of \$0.3 for interchange between MTR and Green Minibus routes (over 500 routes in total) will be offered to Octopus users. The new interchange concession is expected to be implemented until June 2023;
- (f) Extend monthly pass schemes and related fare promotions – Monthly Pass Extras and MTR City Saver have been extended to June 2023, and the validity of the MTR City Saver was extended from 30 to 40 days to enable more flexible use for passengers;
- (g) Retain the affordability cap under FAM – this would ensure that the fare increase pursuant to the FAM formula outcome should not be higher than the change in the Median Monthly Household Income for the corresponding period; and

⁵ The amount to be set aside for fare concession for each serious service disruption under the Service Performance Arrangement:

Equal to or more than 31 minutes but less than or equal to one hour	\$1 million
More than one hour but less than or equal to two hours	\$2 million
More than two hours but less than or equal to three hours	\$3 million
More than three hours but less than or equal to four hours	\$5 million
Each additional hour (or part thereof) exceeding four hours	\$2.5 million
Maximum amount per incident, i.e. covering a disruption of twelve hours or more	\$25 million

- (h) Continue to offer other fare concessions, including the "Early Bird Discount Promotion" Programmes.

Adjustments to MTR fares

5. According to the Operating Agreement, MTRCL adjusts its fares in accordance with FAM in June every year. Since the rail merger in 2007, MTR fares have been adjusted eight times. Details are as follows:

<u>Year</u>	<u>Overall fare adjustment rate</u>
2008	0%
2009	0%
June 2010	+2.05%
June 2011	+2.2%
June 2012	+5.4%
June 2013	+2.7%
June 2014	+3.6%
June 2015	+4.3%
June 2016	+2.65%
2017	0% ⁶
2018	+3.14% ⁷

6. MTR fare adjustment for 2018 was implemented in accordance with FAM as reviewed in 2017, which included a special annual adjustment of -0.6% as shown in footnote 7. MTRCL also offered total fare concessions of \$222.5 million, including \$200 million from PSM and \$22.5 million from SPA to passengers. In addition, MTRCL provided a "3% Rebate" to Octopus users for at least six months in 2018, thus offsetting any actual fare increase for Octopus users in the year.

MTR Fare Adjustment for 2019

7. On 28 March 2019, MTRCL announced that the overall adjustment rate of MTR fares in 2019-2020 according to FAM should be +3.3%.⁸ MTRCL also announced that the committed "3% rebate" for

⁶ The calculated overall fare adjustment rate for 2017 was +1.49%. As this is within the range of $\pm 1.5\%$, according to FAM, the adjustment rate will be rolled over to 2018. Hence, there was no adjustment of MTR fares in 2017.

⁷ Calculation of 2018 fare adjustment rate is as follows:
(0.5 x Change in CCPI for December 2017 which was 1.7%) + (0.5 x Change in NWI(TS) for December 2017 which was 2.8%) – PF which was 0% + Rolled-over rate from 2017 which was 1.49% - Special annual adjustment of 0.6% = +3.14%.

⁸ Calculation of 2019 fare adjustment rate is as follows:

every Octopus trip under FAM would be topped-up to a "3.3% rebate" for six months until the end of 2019, and thus resulted in no actual MTR fare increase for every passenger travelling with Octopus for the remainder of the year. The existing prices of the "MTR City Saver", "Monthly Pass Extras" and "Tuen Mun-Nam Cheong Day Pass" would also remain unchanged for the same six-month period. Press release of MTRCL on fare adjustment for 2019 is in **Appendix II**.

Major views and concerns of Legislative Council Members

Increases in MTR fares

8. Members discussed the 2018 MTR fare adjustment at the Panel meeting on 18 May 2018. Members were in general dissatisfied that MTRCL still increased its fares according to FAM despite its hefty profits, and urged MTRCL to forgo the 1.49% fare increase rolled over from 2017. They opined that the Administration should duly play the role as the regulator of public transport service in negotiation with MTRCL and enquired whether FAM would be reviewed again.

9. In discussing MTR fare adjustment at previous Panel meetings, members suggested ways to mitigate the impact of MTR fare increase, such as deploying the dividends received by the Government from MTRCL to subsidize MTR fare increase, or set up a fare stabilization fund. Some members considered that the Administration should buy back the shares of MTRCL, so as to gain full control of MTR fares.

10. The Administration responded that it had been proactive in carrying out its duty as MTRCL's majority shareholder by reflecting the community concerns to the Board from time to time and closely monitoring MTRCL's service performance. As regards the dividends received from MTRCL, they formed part of the public coffers and the Administration was obliged to ensure the prudent use of the dividends in appropriate areas. It also stressed that there had been thorough discussions and general consensus in the community towards the listing of MTRCL in 2000 and the rail merger in 2007. Public interests had been protected through the introduction of FAM under the Operating Agreement. As such, the Administration had no plan to buy back MTRCL.

(0.5 x Change in CCPI for December 2018 which was 2.5%) + (0.5 x Change in NWI(TS) for December 2018 which was 5.9%) – PF which was 0% - Special annual adjustment of 0.6% - Affordability Discount of 0.3% = +3.3%.

Views on FAM

11. Members had all along expressed concerns over FAM as it allowed MTRCL to increase fare despite the handsome profits it earned. Some members were disappointed with the outcome of the second FAM review which made no change to the FAM formula but only minor patch-ups introduced, such as a reduction of the annual overall fare adjustment rate by 0.6 percentage point from 2017-2018 to 2022-2023. They considered that the FAM formula should be linked to earnings of MTRCL before interest, tax, depreciation and amortization so as to better reflect the profitability of MTRCL, and suggested to conduct a review on FAM again. In this connection, the Panel passed a motion at the meeting on 28 April 2017, urging the Administration and MTRCL to reconsider incorporating a profit factor into the FAM formula to ensure that the fares were stable and affordable to the public. There was also a view that the factor on change in NWI(TS) in the FAM formula should be replaced by the index on growth in real wages for all employees in Hong Kong.

12. The Administration explained that FAM was using a direct-drive formula that adjusted fares in accordance with the economic figures, and that the mechanism was open, objective and transparent. The Administration also stressed that FAM formed part of the rail merger agreement between the Administration and MTRCL, and was included in the Operating Agreement signed between the two parties, and it was legally binding.

Profit Sharing Mechanism and Service Performance Arrangement

13. At the Panel meeting on 18 May 2018, members noted that the maximum amount per incident of serious service disruption to be set aside for fare concession had been increased from \$15 million to \$25 million, but as service disruption lasting for more than eight hours was rather rare, it was unlikely that MTRCL would be penalized the maximum amount. Members suggested increasing the penalty level per incident of train service disruption for various durations in order to achieve the intended deterrent effect. Other members opined that SPA was only a short-term palliative to reduce railway service disruptions, and MTRCL should attach importance to improving its maintenance of railway systems by applying advanced technology in the long term, such as drawing reference to Mainland's experience in installing detectors to enable timely detection of irregularities in the railway network for taking prompt actions.

14. The Administration considered that the existing level of penalty per incident of train service disruption under SPA appropriate. Heavier penalties might put undue pressure on MTRCL's frontline staff. Notwithstanding this, the Administration noted members' suggestion and would consider this in future FAM reviews. As regards the issue of railway safety, MTRCL responded that the company had spent a significant amount of resources on maintaining, upgrading and renewing railway assets, and had been making use of advanced technology in railway maintenance.

15. During discussions at previous meetings, there was a particular concern that in case MTRCL manipulated to credit its huge profits derived from property developments under one single year, the underlying business profits in that year might far exceed the profit sharing limit and the profits to be shared through PSM would be disproportionate. In response, MTRCL assured members that the booking of profits was subject to vigorous accounting procedures, and there was no cause for MTRCL to credit the profits from property developments in one single year.

16. Some members were of the view that the bonus or salary of the senior management of MTRCL should be deducted in case of serious service disruptions. The Administration replied that upon the Administration's request, the remuneration of MTRCL's staff at directorate level and above was already linked with the service performance of MTRCL.

Fare concessions

17. At the Panel meeting on 18 May 2018, members pointed out that while MTRCL offered total fare concessions of \$222.5 million in accordance with FAM, the amount was minimal if compared with MTRCL's net profit of \$16.8 billion gained in the previous year. They considered that MTRCL should share a specified proportion, say 30%, of its profits with the passengers. There were also opinions that MTRCL should offer more concessions for a longer period of time.

18. The Administration replied that MTRCL had complied with the requirements stipulated in FAM to share \$222.5 million with passengers, and that the Administration would encourage MTRCL to offer more fare concessions and promotional schemes every year to benefit passengers. MTRCL supplemented that it had considered a basket of factors and made the best endeavours to strike a reasonable balance among interests of all stakeholders.

19. A member indicated that the single journey fares for the West Rail Line and Tung Chung Line were more than doubled than that of East Rail Line, and enquired if Day Pass would be introduced for the two railway lines. The member also considered that fare differential among the three railway lines should be addressed in the long-run. MTRCL replied that the company had comprehensively enhanced the monthly passes to address the need and affordability of frequent medium- and long-distance MTR passengers. MTRCL would review the effectiveness of the fare promotions from time to time and introduce suitable schemes as far as possible.

20. When considering the MTR fare adjustments in the past Panel meetings, some members considered that MTRCL should return to passengers the total amount of extra income generated by the fare increase by means of providing fare concessions. Some members requested for the consolidation of the various monthly pass schemes, which were quite fragmented at this moment. There was concern over whether the concessions such as "MTR City Saver" could address the transport need and affordability of passengers as these concessions could only be enjoyed by passengers subject to meeting some pre-conditions.

21. Some members, however, suggested that instead of spending resources to manage the various fare promotional schemes to benefit selected groups of passengers, MTRCL could simply lower the rate of fare increase so as to benefit all passengers.

22. In response, the Administration advised that MTRCL had been introducing different concession schemes from time to time in response to the market situation, with a view to attracting patronage from various passenger groups. Passengers might choose the most suitable fare concessions taking into account their individual travel patterns.

23. Regarding the interchange concessions, the Administration advised that apart from offering interchange discounts in its own railway network, MTRCL also launched interchange discount schemes in collaboration with different public transport operators from time to time, having regard to the needs of the public. At the Panel meeting on 28 April 2017, members urged MTRCL to put more efforts into studying and considering the extension of the interchange discounts for green minibus routes to bus routes operated by franchised bus companies such as Citybus Limited and New World First Bus Services Limited. A motion was passed in this regard.

24. As for the "Early-Bird 25% Discount" programme, MTRCL explained in June 2015 that since about 80% passengers who passed

through the busiest train loading sections of the railway network during the morning peak period would exit from the designated urban stations,⁹ it considered that the coverage of the programme appropriate. In addition, as no regular pattern of travelling during evening rush hours had been identified, the effectiveness of implementing the programme in the evening to change the travelling pattern of passengers was doubtful. Since the busy hours in the morning were rather focused, MTRCL considered it desirable to continue to implement the programme in the morning.

Relevant motions/questions moved/raised at Council meetings

25. The hyperlinks to relevant motions and questions moved/raised at Council meetings and other relevant papers are in **Appendix III**.

Latest development

26. The Administration plans to brief members on MTR fare adjustment for 2019 at the Panel meeting to be held on 26 April 2019.

Council Business Division 4
Legislative Council Secretariat
18 April 2019

⁹ According to the Administration, as at March 2017, the number of core urban stations under the "Early-Bird 25% Discount" programme has been increased to 35.

Existing arrangement of “Profit Sharing Mechanism”

“Profit Sharing Mechanism”

MTRCL will set aside the amount to be shared with passengers each year under different profit levels according to a pre-determined tiered table. Details of the pre-determined tiered table are as follows:

<u>Underlying Business Profit in previous Year</u>	<u>Amount for Fare Concessions</u>
Below \$5 billion	0
\$5 billion to <\$6 billion	\$75 million
\$6 billion to <\$7 billion	\$100 million
\$7 billion to <\$8 billion	\$125 million
\$8 billion to <\$9 billion	\$150 million
\$9 billion to <\$10 billion	\$175 million
\$10 billion to <\$11 billion	\$200 million
\$11 billion to <\$12 billion	\$225 million
\$12 billion to <\$13 billion	\$250 million
\$13 billion to <\$14 billion	\$275 million
\$14 billion to <\$15 billion	\$300 million
≥\$15 billion	\$325 million

Note: The underlying business profits include profits from all MTRCL businesses, i.e. profits from Hong Kong transport operations, Hong Kong station commercial business, Hong Kong property rental and management businesses, property developments, as well as profit from the Corporation’s overseas ventures. Profit arising from investment property revaluation is excluded.

PR019/19
28 March 2019**3.3% Rebate for Every MTR Octopus Trip upon the Implementation of New Fares in June Resulting in No Actual MTR Fare Adjustment for the Remainder of 2019**

Following the announcement by the Government of the year-on-year change in the Nominal Wage Index (Transportation Section) for December 2018, the overall adjustment rate of MTR fares in 2019/20 according to the Fare Adjustment Mechanism (FAM) should be +3.3%*. MTR Corporation announced today (28 March 2019) that the committed “3% rebate” for every Octopus trip under the FAM will be topped-up to a “3.3% rebate” for six months until the end of this year. This will result in no actual MTR fare increase for every passenger traveling with Octopus for the remainder of 2019. The existing prices of the “MTR City Saver”, “Monthly Pass Extras” and “Tuen Mun – Nam Cheong Day Pass” will also remain unchanged for the same six-month period.

“The annual fare adjustment provides a stable revenue source, enabling MTR to cope with the increasing operating expenses and costs of asset renewal. On the other hand, MTR understands the public’s concern on fares, so we have topped-up the committed fare rebate to 3.3% and deferred the price adjustment of the ‘MTR City Saver’, ‘Monthly Pass Extras’ and ‘Day Pass’ to benefit our frequent users,” said Ms Jeny Yeung, Commercial Director of MTR Corporation.

Having served the community for 40 years, MTR Corporation’s railway network has entered a mature stage, requiring increasing and significant investment in maintaining, upgrading and renewing railway assets every year. The Corporation has invested more than \$8 billion, \$8.6 billion and \$9 billion in 2016, 2017 and 2018 respectively. Sustaining a high standard of on-time train service performance and continuous improvement in railway services requires a stable financial position, in which fare revenue is one of the major revenue sources.

The Government Census and Statistics Department (C&SD) today published the year-on-year change in Nominal Wage Index (Transportation Section) for December 2018 to be +5.9%. By applying the FAM formula, the fare adjustment rate, after the special annual adjustment of -0.6% offered by the Corporation, for the year 2019/20 should be +3.6% (Ref. Steps 1 & 2).

The “Affordability-Linked Arrangement” has been introduced into FAM since 2013, where the effective fare increase pursuant to the FAM outcome should not be higher than the year-on-year change in the Median Monthly Household Income for the fourth quarter of the previous year. The relevant figure was +3.3% as published by C&SD earlier. Hence, the overall adjustment rate for MTR fares in 2019/20 will be +3.3% (Ref. Step 3), which will take effect in June 2019. The remaining +0.3% fare adjustment will be recouped in 2021/22**. As aforementioned, MTR has topped-up the fare rebate to 3.3%, so that every passenger traveling with an Octopus will have no actual MTR fare increase in the remainder of this year.

-more-

Since the Rail Merger, from 2008 to 2018, the average year-on-year inflation rate in Hong Kong has been 3.0% and the average annual increase in the Hong Kong Payroll Index has been 4.4%. Both of them are well above the average annual increase of 2.6% in MTR fares over the same period.

The Corporation will now work out the actual changes to individual fares using the overall fare adjustment rate of +3.3%, and will announce the 2019/20 fare table at a later date, after completing all required administrative procedures including the submission of two independent experts' certificates to the Government verifying compliance with the FAM. With the topped-up rebate, passengers traveling with Octopus and Monthly Pass Extras will not have any actual MTR fare increase in the remaining months of 2019.

-End-

About MTR Corporation

Every day, MTR connects people and communities. As a recognised world-class operator of sustainable rail transport services, we are a leader in safety, reliability, customer service and efficiency.

MTR has extensive end-to-end railway expertise with more than 40 years of railway projects experience from design to planning and construction through to commissioning, maintenance and operations. Going beyond railway delivery and operation, MTR also creates and manages dynamic communities around its network through seamless integration of rail, commercial and property development.

With more than 40,000 dedicated staff*, MTR carries over 12 million passenger journeys worldwide every weekday in Hong Kong, the United Kingdom, Sweden, Australia and the Mainland of China. MTR strives to grow and connect communities for a better future.

For more information about MTR Corporation, please visit www.mtr.com.hk.

*includes our subsidiaries and associates in Hong Kong and worldwide

***Calculation of 2019/20 Fare Adjustment Rate**

Step 1: Applying the FAM formula

Year-on-year % change in Composite Consumer Price Index for December 2018	Year-on-year % change in Nominal Wage Index (Transportation Section) for December 2018	Productivity Factor#	Fare Adjustment Rate based on FAM Formula			
2.5%	5.9%	0%				
(2.5% × 0.5)	+	(5.9% × 0.5)	-	0%	=	+4.2%

#A productivity factor of 0% will be used in the FAM formula for 2017/18 to 2022/23.

Step 2: After counting the Special Annual Adjustment

Fare Adjustment Rate based on FAM Formula	Special Annual Adjustment	Fare Adjustment Rate Calculated for 2019/20		
+4.2%	-	0.6%	=	+3.6%

Step 3: After counting the "Affordability-Linked Arrangement", the result of the overall fare adjustment rate for 2019/20 is:

Fare Adjustment Rate Calculated for 2019/20	Affordability Discount**	Overall Fare Adjustment Rate for 2019/20		
+3.6%	-	0.3%	=	+3.3%

**Given the small value of the affordability discount, the "Affordability-Linked Arrangement" introduced in 2013 is now simplified, with the remaining +0.3% fare adjustment to be recouped in 2021/22.

Fare Adjustment Mechanism of the MTR Corporation Limited and adjustments to MTR fares

List of relevant papers

Date	Meeting	Paper
23.4.2010 (Item VI)	Panel on Transport	Agenda http://www.legco.gov.hk/yr09-10/english/panels/tp/agenda/tp20100423.htm Minutes (LC Paper No. CB(1)2320/09-10) http://www.legco.gov.hk/yr09-10/english/panels/tp/minutes/tp20100423.pdf
9.6.2010	Council Meeting	Question No. 6 – MTR fares and station facilities http://www.info.gov.hk/gia/general/201006/09/P201006090142.htm
29.6.2010 (Item I)	Panel on Transport	Agenda http://www.legco.gov.hk/yr09-10/english/panels/tp/agenda/tp20100629.htm Minutes (LC Paper No. CB(1)442/10-11) http://www.legco.gov.hk/yr09-10/english/panels/tp/minutes/tp20100629.pdf
16.3.2011	Council Meeting	Question No. 6 – MTR fare structure and fare concessions http://www.info.gov.hk/gia/general/201103/16/P201103160128.htm
15.4.2011 (Item IV)	Panel on Transport	Agenda http://www.legco.gov.hk/yr10-11/english/panels/tp/agenda/tp20110415.htm Minutes (LC Paper No. CB(1)2544/10-11) http://www.legco.gov.hk/yr10-11/english/panels/tp/minutes/tp20110415.pdf

Date	Meeting	Paper
11.5.2011	Council Meeting	Question No. 14 – Fare concessions offered by MTR for cross-boundary students http://www.info.gov.hk/gia/general/201105/11/P201105110106.htm
16.5.2011 (Item I)	Panel on Transport	Agenda http://www.legco.gov.hk/yr10-11/english/panels/tp/agenda/tp20110516.htm Minutes (LC Paper No. CB(1)340/11-12) http://www.legco.gov.hk/yr10-11/english/panels/tp/minutes/tp20110516.pdf
8.6.2011	Council Meeting	Question No. 3 – MTR services and fares http://www.info.gov.hk/gia/general/201106/08/P201106080147.htm
2.11.2011	Council Meeting	Question No. 2 – Measures to alleviate the burden of travelling expenses on the public http://www.info.gov.hk/gia/general/201111/02/P201111020220.htm
12.4.2012 (Item III)	Panel on Transport	Agenda http://www.legco.gov.hk/yr11-12/english/panels/tp/agenda/tp20120412.htm Minutes (LC Paper No. CB(1)2491/11-12) http://www.legco.gov.hk/yr11-12/english/panels/tp/minutes/tp20120412.pdf
25.4.2012	Council Meeting	Question No. 3 – Fare Adjustment Mechanism of the MTR Corporation Limited http://www.info.gov.hk/gia/general/201204/25/P201204250277.htm

Date	Meeting	Paper
7.5.2012 (Item I)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr11-12/english/panels/tp/agenda/tp20120507.htm</p> <p>Minutes (LC Paper No. CB(1)2629/11-12) http://www.legco.gov.hk/yr11-12/english/panels/tp/minutes/tp20120507.pdf</p>
30.5.2012	Council Meeting	<p>Question No. 19 – Fare Adjustment Mechanism and fare concession schemes of the MTR Corporation Limited http://www.info.gov.hk/gia/general/201205/30/P201205300231.htm</p>
20.6.2012	Council Meeting	<p>Question No. 12 – Increase in MTR fares http://www.info.gov.hk/gia/general/201206/20/P201206200247.htm</p>
27.6.2012 (Item III)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr11-12/english/panels/tp/agenda/tp20120627.htm</p> <p>Minutes (LC Paper No. CB(1)2544/11-12) http://www.legco.gov.hk/yr11-12/english/panels/tp/minutes/tp20120627.pdf</p>
17.9.2012	--	<p>Consultation paper on Review of the Fare Adjustment Mechanism of the MTR Corporation Limited http://www.td.gov.hk/filemanager/en/utilityarticle_cp/consultation%20paper%20(eng)%20(17.9.2012)%20final.pdf</p>
24.10.2012	Council Meeting	<p>Question No. 12 – MTR "Tung Chung – Hong Kong Monthly Pass" http://www.info.gov.hk/gia/general/201210/24/P201210240240.htm</p>

Date	Meeting	Paper
30.10.2012 (Item II)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr12-13/english/panels/tp/agenda/tp20121030.htm</p> <p>Administration's follow-up paper (LC Paper No. CB(1)161/12-13(01)) http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp1030cb1-161-1-e.pdf</p> <p>Minutes (LC Paper No. CB(1)407/12-13) http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20121030.pdf</p>
31.10.2012	Council Meeting	<p>Question No. 10 – MTR fare adjustment mechanism and fare concessions http://www.info.gov.hk/gia/general/201210/31/P201210310243.htm</p>
5.12.2012	Council Meeting	<p>Motion on "Executive Council as gate-keeper for MTR fares" http://www.legco.gov.hk/yr12-13/english/counmtg/motion/cm1205-m2-wordings-e.pdf</p> <p>Progress Report on Motion on "Executive Council as gate-keeper for MTR fares" http://www.legco.gov.hk/yr12-13/english/counmtg/motion/cm1205-m2-prpt-e.pdf</p>
18.1.2013 (Item IV)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr12-13/english/panels/tp/agenda/tp20130118.htm</p> <p>Minutes (LC Paper No. CB(1)839/12-13) http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20130118.pdf</p>

Date	Meeting	Paper
17.4.2013	--	Legislative Council brief on review of the fare adjustment mechanism of the MTR Corporation Limited http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp0419-thbtr33101799-e.pdf
19.4.2013 (Item III)	Panel on Transport	Agenda http://www.legco.gov.hk/yr12-13/english/panels/tp/agenda/tp20130419.htm Administration's follow-up paper (LC Paper No. CB(1)1804/12-13(01)) http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tp0419cb1-1804-1-e.pdf Minutes (LC Paper No. CB(1)1813/12-13) http://www.legco.gov.hk/yr12-13/english/panels/tp/minutes/tp20130419.pdf
6.2013	--	Information paper on adjustment to MTR fares in 2013 provided by MTR Corporation Limited http://www.legco.gov.hk/yr12-13/english/panels/tp/papers/tpcb1-1253-1-e.pdf
6.11.2013	Council Meeting	Question No. 21 – MTR fares http://www.info.gov.hk/gia/general/201311/06/P201311060269.htm
11.12.2013	Council Meeting	Motion on "Enhancing the railway service in the Northwest New Territories" http://www.legco.gov.hk/yr13-14/english/counmtg/motion/cm1211-m2-wordings-e.pdf Progress Report on Motion on "Enhancing the railway service in the Northwest New Territories" http://www.legco.gov.hk/yr13-14/english

Date	Meeting	Paper
		h/counmtg/motion/cm1211-m2-prpt-e.pdf
14.5.2014	Council Meeting	Question No. 15 – MTR railway services http://www.info.gov.hk/gia/general/201405/14/P201405140494.htm
5.2014	--	Information paper on adjustment to MTR fares in 2014 provided by MTR Corporation Limited http://www.legco.gov.hk/yr13-14/english/panels/tp/papers/tpcb1-1523-1-e.pdf
--	Panel on Transport	Letter dated 13 May 2013 from Hon TANG Ka-piu on the monthly pass scheme introduced by the MTR Corporation Limited http://www.legco.gov.hk/yr12-13/chinese/panels/tp/papers/tpcb1-1270-1-c.pdf Administration's response http://www.legco.gov.hk/yr12-13/chinese/panels/tp/papers/tpcb1-1270-2-c.pdf
18.6.2014	Council Meeting	Question No. 9 – MTR profits and fare concessions http://www.info.gov.hk/gia/general/201406/18/P201406180408.htm
23.6.2014 (Item IV)	Panel on Transport	Agenda http://www.legco.gov.hk/yr13-14/english/panels/tp/agenda/tp20140623.htm Minutes (LC Paper No. CB(1)79/14-15) http://www.legco.gov.hk/yr13-14/english/panels/tp/minutes/tp20140623.pdf
28.1.2015	Council Meeting	Question No. 2 – Light Rail service http://www.info.gov.hk/gia/general/201501/28/P201501280459.htm

Date	Meeting	Paper
12.5.2015 (Item VI)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr14-15/english/panels/tp/agenda/tp20150512.htm</p> <p>Minutes (LC Paper No. CB (4)85/15-16) http://www.legco.gov.hk/yr14-15/english/panels/tp/minutes/tp20150512.pdf</p>
16.6.2015 (Item IV)	Panel on Transport	<p>Agenda http://www.legco.gov.hk/yr14-15/english/panels/tp/agenda/tp20150616.htm</p> <p>Minutes (LC Paper No. CB(4)165/15-16) http://www.legco.gov.hk/yr14-15/english/panels/tp/minutes/tp20150616.pdf</p>
11.11.2015	Council Meeting	<p>Question No. 16 – MTR student concessionary fares http://www.info.gov.hk/gia/general/201511/11/P201511110475.htm</p>
24.2.2016	Council Meeting	<p>Question No. 9 – Interchange discount for public transport http://www.info.gov.hk/gia/general/201602/24/P201602240438.htm</p>
20.4.2016	--	<p>Press release published by MTR Corporation Limited on "MTR Corporation Agrees to Joint Review of Fare Adjustment Mechanism" http://www.mtr.com.hk/archive/corporate/en/press_release/PR-16-035-E.pdf</p>
20.4.2016	--	<p>Press release published by the Government on Early review of the MTR Fare Adjustment Mechanism http://www.info.gov.hk/gia/general/201604/20/P201604200437.htm</p>

Date	Meeting	Paper
29.4.2016	--	<p>Press release published by MTR Corporation Limited on overall MTR Fare Adjustment Rate in 2016 Lowered to +2.65% Consequential to Government's Revision of Composite Consumer Price Index</p> <p>http://www.mtr.com.hk/archive/corporate/en/press_release/PR-16-037-E.pdf</p>
20.5.2016	--	<p>Consultation paper on "Review of the MTR Fare Adjustment Mechanism" provided by the Administration</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/papers/tpcb4-1022-1-e.pdf</p>
23.5.2016 (Item III)	Panel on Transport	<p>Agenda</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/agenda/tp20160523.htm</p> <p>Administration's follow-up paper (LC Paper No. CB(4)54/16-17(01))</p> <p>http://www.legco.gov.hk/yr15-16/chinese/panels/tp/papers/tp20160523cb4-54-1-c.pdf</p> <p>Minutes (LC Paper No. CB(4)1319/15-16)</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/minutes/tp20160523.pdf</p>
30.5.2016	--	<p>Paper on adjustment to MTR fares in 2016 provided by MTR Corporation Limited</p> <p>http://www.legco.gov.hk/yr15-16/english/panels/tp/papers/tpcb4-1056-1-e.pdf</p>

1.6.2016	Council Meeting	Question No. 1 – Fare Adjustment Arrangement for franchised buses and MTR Fare Adjustment Mechanism http://www.info.gov.hk/gia/general/201606/01/P201606010457.htm
21.6.2016 (Item IV)	Panel on Transport	Agenda http://www.legco.gov.hk/yr15-16/english/panels/tp/agenda/tp20160621.htm Administration's follow-up paper (LC Paper No. CB(4)54/16-17(01)) http://www.legco.gov.hk/yr15-16/chinese/panels/tp/papers/tp20160523cb4-54-1-c.pdf Minutes (LC Paper No. CB(4)1315/15-16) http://www.legco.gov.hk/yr15-16/english/panels/tp/minutes/tp20160621.pdf
29.6.2016	Council Meeting	Question No. 8 – MTRCL financial position and fare concessions http://www.info.gov.hk/gia/general/201606/29/P201606290360.htm
1.3.2017	Council Meeting	Question No. 20 – Railway service http://www.info.gov.hk/gia/general/201703/01/P2017030100561.htm
3.2017	--	Legislative Council Brief on review outcome of the Fare Adjustment Mechanism of the MTR Corporation Limited http://library.legco.gov.hk:1080/articles/1195086.289931/1.PDF

27.3.2017	--	<p>Press release published by MTR Corporation Limited on "No adjustment of MTR fares in 2017/18 with 3% rebate for every octopus trip for six months" http://www.mtr.com.hk/archive/corporate/en/press_release/PR-17-032-E.pdf</p>
28.4.2017 (Item I)	Panel on Transport	<p>Agenda https://www.legco.gov.hk/yr16-17/english/panels/tp/agenda/tp20170428.htm</p> <p>Minutes (LC Paper No. CB(4)1617/16-17) https://www.legco.gov.hk/yr16-17/english/panels/tp/minutes/tp20170428.pdf</p>
31.1.2018	Council Meeting	<p>Question No. 4 – Railway service disruption http://www.info.gov.hk/gia/general/201801/31/P2018013100633.htm</p>
27.3.2018	--	<p>Press release published by MTR Corporation Limited on "Overall adjustment rate for MTR Fares in 2018/19 comes to +3.14% — Octopus passengers unlikely to pay extra fare this year" http://www.mtr.com.hk/archive/corporate/en/press_release/PR-16-037-E.pdf</p>
18.5.2018	Panel on Transport	<p>Agenda https://www.legco.gov.hk/yr17-18/english/panels/tp/agenda/tp20180518.htm</p> <p>Minutes (LC Paper No. CB(4)570/17-18) https://www.legco.gov.hk/yr17-18/english/panels/tp/minutes/tp20180518.pdf</p>

28.3.2019	--	<p>Press release published by MTR Corporation Limited on "3.3% Rebate for Every MTR Octopus Trip upon the Implementation of New Fares in June Resulting in No Actual MTR Fare Adjustment for the Remainder of 2019"</p> <p>https://www.mtr.com.hk/archive/corporate/en/press_release/PR-19-019-E.pdf</p>
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Council Business Division 4
Legislative Council Secretariat
18 April 2019