

Question on fares for the Discovery Bay-Central route

(Paper T&TC 24/2016)

Written reply of Transport Department

A comparison of the journey distances and fares of the seven outlying island ferry routes and a comparison of the percentage changes in fare adjustments of the seven routes and changes in oil prices over the past 10 years, as requested by Ms YUNG, are set out in **Annex 1** and **Annex 2** respectively.

In accordance with the ferry service licence of the “Discovery Bay – Central” ferry route, the Discovery Bay Transportation Services Limited (“DBTPL”) is required to submit its operational and financial data to the Transport Department (“TD”) to facilitate the TD to conduct an internal review on the financial situation of the DBTPL and the operating conditions of the above route. From the legal advice gathered by the TD, the operational and financial data submitted by ferry operators belong to the operators themselves. Without the consent of the operators, the TD cannot disclose such data unilaterally. Nevertheless, on each occasion when public consultation was conducted for its fare adjustment application, the DBTPL had released the operational and financial data of the above route to the residents of Discovery Bay for their reference. Such data included type and number of vessels, number of passenger trips, income/expenditure and profits/losses made.

Pursuant to the Ferry Services Ordinance, the TD will consider the fare adjustment applications submitted by the ferry operators and determine the maximum fares that may be charged for the routes concerned. The operators may, having regard to their own financial situation and the trade’s operating environment at that time, charge lower fares or provide concessionary fares to passengers, both of which are the commercial decisions of the operators.

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Annex 1

A comparison of the journey distances and fares¹ per trip of the seven outlying

| Ferry route | Journey distance (km) | Fare (\$) | Average fare per km (\$/km) |
|--|------------------------------|------------------|------------------------------------|
| Discovery Bay – Central | 16.7 | 40 | 2.40 |
| Cheung Chau-Central (ordinary ferry, ordinary class) | 19.1 | 13.2 | 0.69 |
| Cheung Chau - Central (fast ferry) | 19.1 | 25.8 | 1.35 |
| Mui Wo - Central (ordinary ferry, ordinary class) | 17.6 | 15.2 | 0.86 |
| Mui Wo - Central (fast ferry) | 17.6 | 29.9 | 1.70 |
| Peng Chau - Central (ordinary ferry, ordinary class) | 14.3 | 15.3 | 1.07 |
| Peng Chau - Central (fast ferry) | 14.3 | 28.5 | 1.99 |
| Yung Shue Wan – Central | 11.7 | 17.1 | 1.46 |
| Sok Kwu Wan – Central | 14.1 | 21 | 1.49 |
| Inter-island ferry | 14.5 | 12.8 | 0.88 |

island ferry routes

¹ Adult single journey fare on weekdays

A comparison of the percentage changes in fare adjustments¹ of the seven ferry routes and changes in oil prices over the past 10 years

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Discovery Bay – Central | | | - | 14.8% | - | 9.7% | - | 8.8% | 8.1% | - |
| Cheung Chau - Central (ordinary ferry) | 7.6% | - | 1.8% | - | - | 9.6% | - | 4.8% | - | - |
| Cheung Chau - Central (fast ferry) | 5.7% | - | 1.4% | - | - | 9.3% | - | 4.9% | - | - |
| Mui Wo - Central (ordinary ferry) | 7.6% | - | 15.0% | - | - | 11.5% | - | 4.8% | - | - |
| Mui Wo - Central (fast ferry) | 5.7% | - | 14.9% | - | - | 11.4% | - | 5.3% | - | - |
| Peng Chau - Central (ordinary ferry) | 7.6% | - | 13.3% | - | - | 12.5% | - | 6.3% | - | - |
| Peng Chau - Central (fast ferry) | 5.7% | - | 10.4% | - | - | 9.4% | - | 6.3% | - | - |
| Yung Shue Wan - Central ² | - | 7.3% | 22.9% | - | - | 11.0% | - | 6.2% | - | - |
| Sok Kwu Wan - Central ³ | - | 7.3% | 50.0% | - | - | 11.9% | - | 6.1% | - | - |
| Inter-island ferry | 9.5% | - | 20.7% | - | - | 9.9% | - | 4.9% | - | - |
| Average price of West Texas Intermediate crude oil (US\$/barrel) ⁴ | 66.22 | 72.29 | 99.59 | 61.69 | 79.43 | 95.05 | 94.16 | 97.94 | 93.11 | 48.71 |

¹ Adult single journey fares on weekdays

² A single vessel type was adopted in 2008 for all the sailings of the Discovery Bay-Central route. The percentage changes in fares are calculated based on the fares of the original ordinary ferries for comparison purpose. If the fares of the original fast ferries are used for comparison, there would be a fare decrease of 13.7%.

³ A single vessel type was adopted in 2008 for all the sailings of the Suk Kwu Wan-Central route. The percentage changes in fares are calculated based on the fares of the original ordinary ferries for comparison purpose. If the fares of the original fast ferries are used for comparison, there would be a fare increase of 19.6%.

⁴ The annual average price