

Annex A

Details of the Special Helping Measures (“SHM”)

At present, there are a total of 14 outlying island ferry routes. They are regular passenger services licensed under the Ferry Services Ordinance (Cap. 104). Of them, six are major routes. Their average daily patronage was around 50 000 in 2015, accounting for about 73% of the total average daily patronage of all outlying island ferry routes. A summary of all these routes including the six major ones and their patronage are at **Appendix I**.

2. We sought approval from Finance Committee of the Legislative Council in July 2013 of a commitment of around \$190 million for implementation of the following package of SHM to the six major ferry routes –

	SHM	Total Commitment for the Current 3-year Licence Period (\$ Million)	Actual Amount Reimbursed in the First Operating Year (\$ Million)
(a)	reimbursing the vessel survey fee and private mooring charge;	34	15.7
(b)	reimbursing the pier electricity, water and cleansing charges;		
(c)	reimbursing the balance of revenue foregone due to provision of elderly fare concessions after netting off the amount of pier rental reimbursement and vessel licence fee exemption under the established arrangement;		
(d)	reimbursing the vessel maintenance cost;	96	35.3

	SHM	Total Commitment for the Current 3-year Licence Period (\$ Million)	Actual Amount Reimbursed in the First Operating Year (\$ Million)
(e)	reimbursing the revenue foregone due to provision of child fare concessions;	23	6.3
(f)	reimbursing the vessel insurance cost; and	3	2.2
(g)	Implementing “Visiting Scheme to Outlying Islands” ¹ .	2	0.8
(h)	20% Buffer	32	N/A
	Total	190	60.3

There are financial caps on the above items, except (a), to control the total expenditure.

Other helping measures

3. A list of other helping measures now provided to ferry services, other than the SHM is at **Appendix II**.

¹ The “Visiting Scheme to Outlying Islands” provides free ferry rides to eligible persons who come from institutions such as schools, non-governmental organisations, community and local groups, to facilitate them to organise activities on the outlying islands served by the six ferry routes. The ferry operators are reimbursed with the revenue foregone from the Government. The applications for the scheme will be closed in mid-2016. It is anticipated that the sum reserved for the scheme will be largely used up.

Appendix I

Patronage of the 14 Outlying Island Ferry Routes in 2015

Outlying Island Ferry Routes	Average Daily Patronage in 2015
Covered by SHM	
1. Central – Cheung Chau ¹	26 315
2. Inter-islands (Peng Chau – Mui Wo – Chi Ma Wan – Cheung Chau) ¹	1 059
3. Central – Mui Wo ¹	5 865
4. Central – Peng Chau ²	6 860
5. Central – Yung Shue Wan ²	9 111
6. Central – Sok Kwu Wan ²	1 257
Not covered by SHM	
7. Aberdeen – Cheung Chau ³	539
8. Aberdeen – Yung Shue Wan via Pak Kok Tsuen	845
9. Aberdeen – Sok Kwu Wan via Mo Tat	642
10. Tuen Mun – Tung Chung – Sha Lo Wan – Tai O	1 102
11. Discovery Bay – Mui Wo	264
12. Discovery Bay – Central	11 707
13. Ma Wan – Central	3 039
14. Ma Wan – Tsuen Wan	302

Note:

1. Operated by New World First Ferry Services Limited
2. Operated by the subsidiaries of Hong Kong & Kowloon Ferry Holdings Ltd.
3. Routes 7 was inaugurated on 8 August 2015

Appendix II

Ordinary Helping Measures for Licensed Ferries (other than SHM)

The Government has been providing various ordinary helping measures (other than SHM) to enhance the viability of ferry services. These measures include–

- (i) taking over pier maintenance responsibility;
- (ii) waiving fuel duty;
- (iii) reimbursing pier rentals and exempting vessel licence fees for ferry services under the Elderly Concessionary Fares Scheme; and
- (iv) streamlining the pier subletting approval procedures to help generate non-fare box revenue for cross-subsidising the ferry operation so as to alleviate pressure for fare increase.

Annex B

Operating Performance of the Six Ferry Routes

In the first operating year of the current three-year licence period of the six major outlying island ferry routes (i.e. from mid-2014 to mid-2015), a total of 193 complaints were received by the Transport Department (TD) on the service of the routes, a reduction of 30% compared with the previous operating year. According to the monitoring survey conducted by TD from November to December 2015, all six ferry routes were operated according to the official Schedules of Service issued by TD, with appropriate additional sailings to cater for upsurge of demand subject to the availability of spare vessels.

2. Furthermore, according to a passenger opinion survey conducted recently by TD in December 2015, more than 75% of interviewed passengers considered the service adequacy, service reliability as well as the overall performance of the six ferry routes “very satisfied”, “satisfied” or “fair”.¹

3. The TD conducted the passenger opinion survey in the form of face-to-face questionnaire interviews on board. The respondents were selected by a pre-determined two-stage stratified sampling process with reference to the passenger profile of each route. A total of 2 098 questionnaires were successfully completed, resulting in an overall response rate of 63%.

¹ The percentages of respondents considering service adequacy, service reliability and overall performance “very satisfied”, “satisfied” or “fair” by routes are given as follows –

	Central – Cheung Chau	Inter -islands	Central – Mui Wo	Central – Peng Chau	Central – Yung Shue Wan	Central – Sok Kwu Wan
Service Adequacy	89%	84%	84%	90%	90%	76%
Service Reliability	87%	96%	94%	96%	98%	97%
Overall Performance	75%	87%	81%	81%	84%	75%