

## Tender Results of the Six Major Outlying Island Ferry Services

### **Purpose**

This paper reports to the Islands District Council (IsDC) the results of the tender exercise conducted by the Transport Department (TD) for the operation of six major outlying island ferry routes (six major routes).

### **Background**

2. On 24 February 2020, TD consulted IsDC on the proposed tender arrangements for the operation of the six major routes. Upon considering the views of IsDC, TD invited tenders for the operation of the six major routes into two packages. Package 1 includes “Central – Cheung Chau”, “Inter-islands” between Peng Chau, Mui Wo, Chi Ma Wan and Cheung Chau and “Central – Mui Wo” routes; and Package 2 includes “Central – Peng Chau”, “Central – Yung Shue Wan” and “Central – Sok Kwu Wan” routes.

3. To select suitable operators to operate the six major routes upon expiry of the current licences (2020-2021) (i.e. reaching the maximum of ten years in aggregation under the law), TD invited tenders for the operation of the six major routes as the above two packages in the tender exercise which ran from 24 April to 30 June 2020.

4. By the close of tender invitation, one tender submission was received for the service of each Package 1 and Package 2.

### **Tender Assessment**

5. Assessment of tender submissions was conducted by a Tender Assessment Panel (TAP) comprised of representatives from TD, Marine Department, Civil Engineering and Development Department and Islands District Office. The assessment criteria for tender evaluation mainly included fare levels, service levels, vessel quality, customer services, pier facilities, and management capability and financial performance of a tenderer, etc.

## Tender Results

6. Upon receipt of recommendations from the TAP which had thoroughly considered the tenders received, TD decided to select the following bidders for operation of the six major routes in accordance with the Ferry Services Ordinance (Cap. 104) -

Ferry route	Bidder granted with licence	Five-year licence period
“Central – Cheung Chau”	New World First Ferry Services Limited	1 April 2021 to 31 March 2026
“Inter-islands”		
“Central – Mui Wo”		
“Central – Peng Chau”	Hong Kong & Kowloon Ferry Limited	
“Central – Yung Shue Wan”		
“Central – Sok Kwu Wan”		

## Service level

7. In response to the passenger demand and the views collected earlier during the consultations with IsDC and local representatives, TD had made requirements for service enhancement of individual routes in the tender. According to the tender results, the service level of individual routes will be enhanced as follows to cater for the passenger demand:

**(a) Central-Cheung Chau” route –**

From Mondays to Saturdays (except public holidays):

- an additional Central-bound fast ferry sailing departing at 4:30 p.m. will be provided so as to increase the frequency of 3:45 p.m. to 4:45 p.m. sailings from every 30 minutes to every 15-30 minutes;
- an additional Cheung Chau-bound fast ferry sailing departing at 6:15 p.m. will be provided so as to increase the frequency of 6 p.m. to 7 p.m. sailings from every 15-25 minutes to every 15 minutes; and
- the 8:10 a.m. fast ferry sailing will be served by fast ferries with a capacity of more than 400 seats.

**(b) “Inter-islands” route –**

Daily:

- an additional direct sailing departing at 5:30 p.m. from Mui Wo to Cheung Chau will be provided; and

- the sailing departing at 10:50 p.m. from Cheung Chau to Peng Chau will travel via Chi Ma Wan before arriving Mui Wo and Peng Chau.

**(c) “Central-Mui Wo” route –**

From Mondays to Saturdays (except public holidays):

- an additional Central-bound fast ferry sailing departing at 7:30 a.m. will be provided so as to increase the frequency of 7 a.m. to 8 a.m. sailings from every 10-40 minutes to every 10-20 minutes; and
- the 8:30 a.m. fast ferry sailing will be served by fast ferries with a capacity of more than 400 seats.

**(d) “Central-Peng Chau” route –**

From Mondays to Saturdays (except public holidays):

- an additional Peng Chau-bound fast ferry sailing departing at 7:30 p.m. will be provided so as to increase the frequency of 7 p.m. to 8 p.m. sailings from every 40 minutes to every 30 minutes; and

On Sundays and public holidays:

- an additional Central-bound fast ferry sailing departing at 5:30 a.m. will be provided to enhance service frequency in early mornings.

**(e) “Central-Yung Shue Wan” route –**

From Mondays to Saturdays (except public holidays):

- an additional Central-bound fast ferry sailing departing at 6:40 a.m. will be provided so as to increase the frequency of 6:20 a.m. to 7:20 a.m. sailings from every 20-40 minutes to every 20 minutes; and
- an additional Yung Shue Wan-bound fast ferry sailing departing at 9 p.m. will be provided so as to increase the frequency of 8 p.m. to 9:30 p.m. sailings from every 30-60 minutes to every 30 minutes.

**(f) “Central-Sok Kwu Wan” route –**

On Sundays and public holidays:

- Additional ferry sailings will continue to be provided according to passenger demand.

## **Passenger facilities and services**

8. The operators will also improve passenger facilities, for example, provision of Wi-fi, replacement of benches and fans, provision of self-service ticket machines at ferry piers, etc. In addition, the operators will disseminate passenger information, including ferry schedules, fares, vessel carrying capacity, real-time estimated arrival/departure times of sailings, number of remaining seats and special

news etc., via mobile phone applications and operators’ websites, and open up related data in a machine-readable format for use under the Public Sector Information Portal (data.gov.hk).

## **Fare arrangement**

9. TD had required that the fare for each of the fare types proposed by the tenderers must not exceed the existing fare level of the respective route by more than 5% in the tender and that that new fare concession proposals should be provided in the tender submission. The fare increase rates proposed by the two operators ranged from 3.8% to 5%. Taken into account that the last fare increase of the six major routes took place in 2017 and the estimated cumulative inflation rate up to the commencement of the new five-year licence period would be around 9.3%, the financial situations of the six major routes in the next five years, the need to ensure efficient and quality ferry services, and to alleviate the impact of transport costs borne by locals of outlying islands, TD approves the average increase rate of single adult fare of the six major routes at about 4.7% and that of the monthly ticket at about 5.0% when granting the licences. The new fare will be effective from the commencement of the new five-year licence period (i.e. from 1 April 2021). The fare increase rates of the ferry routes are summarised as follows:

<b>Ferry route</b>	<b>Increase rate of adult single journey fare</b>	<b>Increase rate of monthly ticket</b>
“Central-Cheung Chau”	4.4% to 4.9%	5.0%
“Inter-islands”	4.5%	Not applicable
“Central-Mui Wo”	4.4% to 5.0%	5.0%
“Central-Peng Chau”	4.4% to 4.8%	4.9%
“Central-Yung Shue Wan”	4.5% to 4.9%	5.0%
“Central-Sok Kwu Wan”	4.8% to 5.0%	4.9%

10. To reduce the travelling expenses of daily commuters using the outlying ferry services, apart from continuous provision of the existing fare concessions, including monthly ticket and holiday return ticket, the two operators will also provide new fare concessions including student monthly ticket and multi-ride ticket during the new five-year licence period.

11. Details of the new fares of the above six major routes are set out in **Appendix**.

## **Implementation of the long-term operation model**

12. TD will implement the long-term operation model for the six major outlying island ferry routes during the new five-year licence period, continue to

provide the Special Helping Measures and launch the Vessel Subsidy Scheme to maintain their financial viability, improve service quality and promote environmental protection while keeping the fares at a reasonable level.

13. Members are invited to note the above results of the tender exercise for the six major routes.

Transport Department  
September 2020

**New fares of Six Major Outlying Islands Ferry Services**  
**(with effect from 1 April 2021)**

**“Central – Cheung Chau” route**

	Mondays to Saturdays except public holidays			Sundays and public holidays		
	Ordinary Ferry Service		Fast Ferry Service	Ordinary Ferry Service		Fast Ferry Service
	Ordinary Class	Deluxe Class		Ordinary Class	Deluxe Class	
<b><u>Single Journey</u></b>						
Adult	\$14.2	\$22.3	\$28.1	\$21.2	\$32.5	\$40.7
Child (aged 3 years old or above and under 12 years old)	\$7.1	\$11.2	\$14	\$10.6	\$16.2	\$20.3
Passenger aged 65 or above	\$7.1	\$11.2	\$14	\$10.6	\$16.2	\$20.3
Passenger with disabilities	\$7.1	\$11.2	\$14	\$10.6	\$16.2	\$20.3
Child under 3 years old (accompanied by adult)	Free	Free	Free	Free	Free	Free
<b><u>Holiday Return Ticket (The first trip must start from Cheung Chau)</u></b>						
Adult	--	--	--	\$28.4	\$44.6	\$56.2
Child (aged 3 years old or above and under 12 years old)	--	--	--	\$14.2	\$22.4	\$28
Passenger aged 65 or above	--	--	--	\$14.2	\$22.4	\$28
Passenger with disabilities	--	--	--	\$14.2	\$22.4	\$28
Child under 3 years old (accompanied by adult)	--	--	--	Free	Free	Free
Monthly Ticket	\$558.6	--	--	\$558.6	--	--
Student Monthly Ticket	\$391	--	--	\$391	--	--
Multi-ride Ticket (20 trips)	\$272	--	--	--	--	--
Multi-ride Ticket (15 trips)	\$204	--	--	--	--	--
Bicycle (per bicycle)	\$23.6	--	--	\$23.6	--	--
Freight (per cubic metre)	\$215.9	--	--	\$215.9	--	--

**“Peng Chau – Mui Wo – Chi Ma Wan – Cheung Chau” route**

	<u>Single Journey</u>
Adult	\$14
Child (aged 3 years old or above and under 12 years old)	\$7
Passenger aged 65 or above	\$7
Passenger with disabilities	\$7
Child under 3 years old (accompanied by adult)	Free

Bicycle

Per bicycle	\$15.3
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Freight (per cubic metre)

Peng Chau

\$72	Mui Wo		
\$81.1	\$72	Chi Ma Wan	
\$89.9	\$81.1	\$72	Cheung Chau

**“Central – Mui Wo” route**

	Mondays to Saturdays except public holidays			Sundays and public holidays		
	Ordinary Ferry Service		Fast Ferry Service	Ordinary Ferry Service		Fast Ferry Service
	Ordinary Class	Deluxe Class		Ordinary Class	Deluxe Class	
<b><u>Single Journey</u></b>						
Adult	\$16.6	\$27.5	\$32.8	\$24.6	\$40.3	\$47.1
Child (aged 3 years old or above and under 12 years old)	\$8.3	\$13.7	\$16.4	\$12.3	\$20.1	\$23.6
Passenger aged 65 or above	\$8.3	\$13.7	\$16.4	\$12.3	\$20.1	\$23.6
Passenger with disabilities	\$8.3	\$13.7	\$16.4	\$12.3	\$20.1	\$23.6
Child under 3 years old (accompanied by adult)	Free	Free	Free	Free	Free	Free
<b><u>Holiday Return Ticket (The first trip must start from Mui Wo)</u></b>						
Adult	--	--	--	\$33.2	\$55	\$65.6
Child (aged 3 years old or above and under 12 years old)	--	--	--	\$16.6	\$27.4	\$32.8
Passenger aged 65 or above	--	--	--	\$16.6	\$27.4	\$32.8
Passenger with disabilities	--	--	--	\$16.6	\$27.4	\$32.8
Child under 3 years old (accompanied by adult)	--	--	--	Free	Free	Free
<b><u>Monthly Ticket</u></b>						
Monthly Ticket	\$581.7	--	--	\$581.7	--	--
Student Monthly Ticket	\$407.1	--	--	\$407.1	--	--
Multi-ride Ticket (20 trips)	\$318	--	--	--	--	--
Multi-ride Ticket (15 trips)	\$238.5	--	--	--	--	--
Bicycle (per bicycle)	\$22.5	--	--	\$22.5	--	--
Freight (per cubic metre)	\$206.4	--	--	\$206.4	--	--



**“Central – Peng Chau” route**

	Mondays to Saturdays except public holidays		Sundays and public holidays	
	Ordinary Ferry Service	Fast Ferry Service	Ordinary Ferry Service	Fast Ferry Service
<b><u>Single Journey</u></b>				
Adult	\$16.6	\$31.0	\$23.9	\$45.6
Child (aged 3 years old or above and under 12 years old)	\$8.3	\$15.5	\$11.9	\$22.8
Passenger aged 65 or above	\$8.3	\$15.5	\$11.9	\$22.8
Passenger with disabilities	\$8.3	\$15.5	\$11.9	\$22.8
Child under 3 years old (accompanied by adult)	Free	Free	Free	Free
<b><u>Holiday Return Ticket (The first trip must start from Peng Chau)</u></b>				
Adult	--	--	\$33.2	\$62
Child (aged 3 years old or above and under 12 years old)	--	--	\$16.6	\$31
Passenger aged 65 or above	--	--	\$16.6	\$31
Passenger with disabilities	--	--	\$16.6	\$31
Child under 3 years old (accompanied by adult)	--	--	Free	Free
Monthly Ticket	\$626	--	\$626	--
Student Monthly Ticket	\$438	--	\$438	--
Multi-ride Ticket (20 trips)	\$322	--	--	--
Bicycle (per bicycle)	\$13	--	\$13	--
Freight (per cubic metre)	\$120.5	--	\$120.5	--

**Peng Chau – Hei Ling Chai special departures**

	<u>Single Journey</u>
Adult	\$15.7
Child (aged 3 years old or above and under 12 years old)	\$7.8
Passenger aged 65 or above	\$7.8
Passenger with disabilities	\$7.8
Child under 3 years old (accompanied by adult)	Free

**“Central – Yung Shue Wan” route**

	Mondays to Saturdays except public holidays	Sundays and public holidays
<u>Single Journey</u>		
Adult	\$18.6	\$25.9
Child (aged 3 years old or above and under 12 years old)	\$9.3	\$12.9
Passenger aged 65 or above	\$9.3	\$12.9
Passenger with disabilities	\$9.3	\$12.9
Child under 3 years old (accompanied by adult)	Free	Free
<u>Holiday Return Ticket</u> (The first trip must start from Yung Shue Wan)		
Adult	--	\$37.2
Child (aged 3 years old or above and under 12 years old)	--	\$18.6
Passenger aged 65 or above	--	\$18.6
Passenger with disabilities	--	\$18.6
Child under 3 years old (accompanied by adult)	--	Free
<u>Monthly Ticket</u>		
Monthly Ticket	\$719	
Student Monthly Ticket	\$503	
Multi-ride Ticket (20 trips)	\$361	
Bicycle (per bicycle)	\$13.0	
Freight (per cubic metre)	\$120.5	

**“Central – Sok Kwu Wan” route**

	Mondays to Saturdays except public holidays	Sundays and public holidays
<u>Single Journey</u>		
Adult	\$23.1	\$32.5
Child (aged 3 years old or above and under 12 years old)	\$11.5	\$16.2
Passenger aged 65 or above	\$11.5	\$16.2
Passenger with disabilities	\$11.5	\$16.2
Child under 3 years old (accompanied by adult)	Free	Free
<u>Holiday Return Ticket</u> (The first trip must start from Sok Kwu Wan)		
Adult	--	\$46.2
Child (aged 3 years old or above and under 12 years old)	--	\$23.0
Passenger aged 65 or above	--	\$23.0
Passenger with disabilities	--	\$23.0
Child under 3 years old (accompanied by adult)	--	Free
Monthly Ticket	\$766	
Student Monthly Ticket	\$536	
Multi-ride Ticket (20 trips)	\$448	
Bicycle (per bicycle)	\$13	
Freight (per cubic metre)	\$120.5	