(Translation)

Islands District Council
Minutes of Special Meeting of Traffic and Transport Committee

Date	:	10 March 2026 (Tuesday)
Time	:	4:30 p.m.
Venue	:	Islands District Council Conference Room, 14/F, Harbour Building, 38 Pier Road, Central, Hong Kong

Present

Chairman
Ms WONG Chau-ping, MH

Vice-Chairman
Mr YIP Pui-kei

Members
Mr HO Siu-kei
Mr HO Chun-fai
Mr YU Hon-kwan, MH, JP
Mr NG Man-kit
Mr CHOW Yuen-kuk, Jonathan
Mr HUI Chun-lung, MH
Ms KWOK Wai-man, Mealoha
Mr WAN Yeung-kin
Mr WONG Man-hon, MH
Mr LAU Chin-pang
Ms LAU Suk-han
Ms LAU Shun-ting
Mr LUO Chenghuan, MH

Co-opted Member
Mr TSANG Chiu-yuk, Ray

Attendance by Invitation

Mr CHIU Ho-ming, Curtis	Principal Transport Officer/Ferry and Paratransit, Transport Department
Ms TSE Hau-ming, Pauline	Chief Transport Officer/Planning/Ferry Review, Transport Department
Mr AU Kak-loi, Peter	Senior Transport Officer/Planning/Ferry 2, Transport Department
Mr YUNG Shui-shing, Johannes	Transport Officer/Planning/Ferry 1, Transport Department
Mr CHENG Siu-kwan, Ken	Transport Officer/Planning/Ferry 4, Transport Department

Ms April LAM	General Manager, Hong Kong and Kowloon Ferry Limited
Ms Hedy LI	Assistant to General Manager, Hong Kong and Kowloon Ferry Limited
Mr Arvin CHEN	General Manager, Sun Ferry Services Company Limited
Ms Lily HUANG	Manager, Operations and Marketing Department, Sun Ferry Services Company Limited

In Attendance

Mr NG Choi-wah	District Council member, Island District Council
Mr WONG Hon-kuen, Ken	District Council member, Island District Council
Mr MOK Mong-chan	Assistant District Officer (Islands)1, Islands District Office

Secretary

Ms SZE Hei-man, Annie	Executive Officer (District Council)3, Islands District Office

～～～～～～～～～～～～～～～～～～～～～～～～～～～～～～

Welcoming Remarks

The Chairman welcomed Members and representatives of government departments to the meeting.

I. Overall service and fare arrangements for the six major outlying island ferry routes in the next five-year licence period (2026–2031)
(T&TC Paper No. 6/2026)

2. The Chairman asked the attendees to refer to T&TC Paper No. 6/2026, and welcomed Mr NG Choi-wah and Mr WONG Hon-kuen, Ken to the meeting. She also invited the representatives of the Transport Department (TD) to briefly present the paper.

3. Mr CHIU Ho-ming, Curtis briefly presented the paper and thanked Members and local communities for providing the TD with a wealth of valuable feedback for the Department's consideration when reviewing applications for fare adjustment. He stated that, after taking the views of all parties into consideration, the TD had adjusted the fare increases proposed by the ferry operators to the lowest possible level, with a view to minimising the impact on residents of the outlying islands.

4. Members expressed their views as follows:

(a) Members recognised that the TD had scaled back the proposed ferry fare increases, but they still opposed the proposal. While some residents indicated that an 8% increase in multi-ride concessionary fares was acceptable, they felt that the overall increase was still too high.

Furthermore, given the economic downturn in recent years and persistently high prices, coupled with the fact that fares had already increased by double digits two years ago, imposing yet another double-digit increase would place an even heavier burden on residents.

(b) As the base ferry fare was relatively high (single-journey fares ranged from over $20 to over $40), the actual increase in the fares was quite significant. Residents therefore expressed strong opposition. Ferries were also the only means of transportation available to residents of the outlying islands in the district. Whenever ferry operators raised fares, residents had no choice but to accept the increases.

(c) The patronage of the Central - Cheung Chau route was higher than that of other routes, in particular during public holidays when passengers often had to wait for the next sailings before they could board. This suggested that the route was unlikely to be operating at a loss and that there might be no justification for the fare increase.

(d) At present, ferry operators offered fare concessions to persons aged 65 or above. However, as eligible beneficiaries were already entitled to fare concessions under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the $2 Scheme), Members considered that the ferry operators' fare concessions for elderly persons served only a limited purpose.

(e) With effect from 3 April this year, the $2 Scheme would change from a flat $2 fare per trip to "$2 Flat Rate or 80 Per cent Off". Members were concerned that this measure would significantly increase the transport expenses of the elderly persons. Taking the fast ferry service for the Central - Cheung Chau route as an example, the elderly fare would rise from the current $2 to $9.5 (Sundays and public holidays) and $6.6 (Monday to Saturday) respectively, representing a multi-fold increase. In this regard, Members pointed out that some elderly residents of the outlying islands might need to travel frequently to the urban areas to visit their relatives and friends, and that they had no transport options other than the ferry. Therefore, the fare adjustment was unfair to them and failed to align with the policy of facilitating the travel of elderly persons long advocated by the Government. Members were concerned that elderly residents of the outlying islands would visit their families in the urban areas less often due to the fare adjustment. They therefore urged the TD to consider the impact of the fare increase on the well-being of the elderly persons.

(f) Members suggested that the TD should, drawing on ferry operators' existing monthly ticket and student monthly ticket arrangements, explore the provision of monthly ticket concessions to elderly persons during the initial period following the fare adjustment, in order to help them adjust to the new fares. Furthermore, some citizens considered that the elderly fares under the "$2 Flat Rate or 80 Per cent Off" arrangement should be calculated based on the fares for persons aged 65 or above (i.e. half the adult fares) rather than the adult fares, so as to halve the actual increase in the elderly fares.

(g) On Sundays and public holidays, the ferry fares from Central to certain outlying islands were comparable to the MTR fare to Lo Wu (approximately $52.2). In addition, an increasing number of citizens had been travelling north for spending in recent years, which had affected the tourism industry in the Islands District. The attractiveness of the islands to the tourists would further diminish with the fare increases on the six outlying island ferry routes.

(h) Some residents of the outlying islands indicated they were considering moving to the urban areas to facilitate their children in attending schools there. Members were concerned that the fare increases might deter some members of the public from moving to the outlying islands and prompt existing residents of the outlying islands to move away.

(i) The fuel prices continued to rise due to geopolitical factors. Members were concerned that ferry operators would soon apply for further fare increases on this ground. They therefore suggested that the Government should explore a hedging mechanism, such as proactively providing subsidies to ferry operators when the fuel prices rose to a certain level. This was to offset the rise in the fuel prices, stabilise ferry operators' operating costs and prevent frequent fare increases caused by fuel price fluctuations.

(j) As rising fuel prices would increase ferry operators' operating costs, Members suggested that the TD should explore the feasibility of using hybrid ferries or electric ferries for outlying island routes, in order to mitigate the impact of fuel price fluctuations on the operating costs. Members noted that the CLP Power Hong Kong Limited had already been involved in promoting energy-saving initiatives several years ago, including research into the electrification of vessels. They also noted that electric ferries had been trialled on the North Point - Hung Hom route in 2025. In this regard, Members requested the ferry operator and the TD to provide relevant information on these trial runs. With technologies relating to hybrid ferries and electric ferries, etc. becoming more mature, Members considered that the Department should actively promote the use of these new types of vessels for outlying island routes.

(k) Members expressed concern as to whether the existing piers had adequate facilities for charging vessels. They also urged the TD to actively explore the optimisation of charging facilities at all piers to support the operation of hybrid ferries or electric ferries, thereby alleviating the operational pressure on ferry operators. They considered that the Government should improve the pier infrastructure in order to assist operators in controlling costs effectively.

(l) At present, ferry operators were able to expand their non-farebox revenue at some piers (e.g. by subletting parts of pier premises for commercial activities), yet this was constrained by various factors, such as inadequate power supply and substandard fire protection facilities. This indirectly added to the pressure for fare increases and thus imposed a greater financial burden on residents of the outlying islands. Members cited the organisation of carnivals and large-scale events at the Central Piers 6 and 4 in recent years as examples to illustrate the practical role of non-farebox revenue. It was understood that the carnival originally scheduled to take place at the Central Pier 5 was ultimately held at the Central Pier 6 due to the limitations of the facilities at the former pier. This showed that the adequacy of pier facilities had a decisive impact on the growth of operators' non-farebox revenue. The Department should actively allocate more resources to improve the ancillary facilities at the piers, such as by providing one-off grants for operators and carrying out pier improvement works, so as to support ferry operators in increasing their non-farebox revenue.

(m) Members supported the TD's policy of actively encouraging the generation of non-farebox revenue. However, the existing pier facilities were not yet sufficient to support ferry operators in expanding their business opportunities. In this regard, the TD should, in conjunction with relevant departments, review and facilitate improvement works for all ferry piers in Central, as well as co-ordinate all works comprehensively to reduce project costs. At the same time, the Department should maintain close contact with ferry operators to assist them in subletting part of pier space, with a view to increasing their non-farebox revenue and alleviating their operational pressure.

(n) Ferry operators had reported that, when they made applications for the use of pier space for advancing non-farebox projects, the application and approval process involved multiple departments and was complex and time-consuming. This made it difficult for them to enter into contracts with their commercial partners and affected their willingness and ability to generate non-farebox revenue. In this regard, Members urged the relevant departments to actively assist ferry operators in increasing their non-farebox revenue to offset farebox losses, thereby curbing fare increases in the long term.

(o) Some Members pointed out that the issue of non-farebox revenue had been under discussion for over a decade, yet limited progress had been made. The TD should discuss the establishment of an advisory committee comprising industry experts (e.g. specialists in leasing, marketing and legal affairs) with the relevant bureau to examine and resolve more complex issues, including lease agreements that extended beyond the ferry service licence periods and mechanisms for transferring leases to successor operators. Such measures would help accelerate efforts to assist ferry operators in increasing their non-farebox revenue on a continuous basis and strengthening their capacity for sustainable business operations.

(p) Taking the restaurant at the Central Pier 8 as an example, Members considered that its operational difficulties stemmed primarily from a lack of "accessibility" and "cluster effect". In this regard, they suggested that the existing footbridge connecting the International Finance Centre (IFC) with the Central Piers 3 and 4 should be extended to the Central Pier 7, so as to provide access to the second-floor areas of each pier and enhance the potential for letting the retail premises there. Furthermore, Members pointed out that the insufficient sewage disposal facilities at the piers were also hindering the establishment of commercial ventures such as restaurants. In this regard, they urged relevant government departments to assist ferry operators in resolving the problem at its root to facilitate the long-term growth of their non-farebox revenue.

(q) Members' analysis indicated that non-farebox revenue could be divided into two categories: long-term and short-term. Opportunities for short-term revenue (e.g. carnivals and exhibitions) were relatively rare and required inter-departmental co-operation to materialise, for which they could not serve as a stable and reliable source of revenue. In contrast, long-term revenue (e.g. shop rents) should constitute a sustainable development model. However, the current slow progress in enhancing pier facilities was hindering the growth of operators' long-term revenue. In this regard, Members suggested that the TD should earmark sufficient provision in the annual Estimates to enhance pier facilities, for example by moving the pier gates backwards to free up outdoor space for additional shops, thereby increasing the piers' rental income in the long term.

(r) Ferry operators should adopt a proactive, flexible and innovative approach for improving their business models. Members suggested that ferry operators should actively explore ways to increase revenue and reduce expenditure, such as making proper use of pier space to increase their advertising revenue, thereby effectively and sustainably increasing their non-farebox revenue. This would help curb fare increases and alleviate the burden of transport costs borne by residents of the outlying islands.

(s) Members speculated that the route on which the ferry operator was currently incurring the heaviest losses was the licensed ferry service on the Peng Chau - Mui Wo - Chi Ma Wan - Cheung Chau (inter-islands ferries) route. They pointed out that many sailings carried only 10 to 20 passengers apart from peak hours. They considered that the ferry operator's use of larger vessels to operate the aforementioned route was not only a waste of resources, but also posed a safety risk. In this regard, it was considered that the TD had the responsibility to discuss with the ferry operator how to balance demand and costs, as well as how to reduce fuel costs by deploying more suitable vessels.

(t) Members shared the results of an online survey covering over 400 residents listed as follows: over 90% of the respondents considered the fare increases to have a "significant impact"; over 70% considered the increases "highly unreasonable"; over 60% of those who used ferry services were young people aged between 18 and 40; over 70% of the respondents regarded the fares as their primary consideration; and 55% of the respondents considered the TD's proposal on extending the validity period of multi-ride tickets to be of little help. Members urged the relevant departments to take public opinion seriously and adopt a resident-centred approach to address the root causes of ferry fare increases.

5. Attendees expressed their views as follows:

(a) The Government's original intention of adjusting the transport fare concessions for elderly persons was to tackle the problem of abuse, i.e. "taking long-haul routes for short journeys", yet such adjustments affected residents of the outlying islands who relied on ferries for their daily travel. Consequently, attendees considered that the adjustment of the transport fare concession scheme for the elderly from a flat $2 fare per trip to "$2 Flat Rate or 80 Per cent Off" was extremely unfair to residents of the outlying islands. They emphasised that calculation of the fares under the "$2 Flat Rate or 80 Per cent Off" concession was based on the full fares. As a result, the cost for elderly passengers travelling by ferry on holidays increased to five times what they had paid prior to the concession adjustments.

(b) Attendees considered the TD's progress in helping ferry operators increase their non-farebox revenue to be unsatisfactory. It was speculated that this was due to the fact that the approval process involved multiple departments, which made the plans difficult to implement. They also pointed out that they had raised the issue of insufficient power supply at the Peng Chau Ferry Pier with the Department many years ago, but the situation had not improved until recently, upon completion of the major maintenance works there. The long-standing inadequacy of facilities at the pier concerned not only prevented shops from operating there, but also made it impossible for restaurants to install air conditioning facilities, severely hindering the expansion of operators' non-farebox revenue sources.

(c) Attendees were concerned that the recent sharp rise in the fuel prices would force ferry operators to apply for further fare increases in the short term, placing an unacceptable additional burden on residents. They called on the Government to consider working out long-term solutions, such as establishing a timely intervention mechanism to mitigate the impact of rising fuel prices.

(d) Attendees pointed out that the long-standing problem of insufficient non-farebox revenue stemmed from a lack of active co-ordination between different policy bureaux and their departments. They gave examples, noting that matters relating to land leases and tenancies fell within the jurisdiction of the Lands Department under the Development Bureau, while matters relating to the catering industry fell within the jurisdiction of the Food and Environmental Hygiene Department under the Environment and Ecology Bureau. Therefore, as a department under the Transport and Logistics Bureau (TLB), the TD was unable to direct or co-ordinate departments under other policy bureaux directly. In this regard, attendees requested the TD to convey the views gathered at this meeting to the TLB and called on the TLB to take the initiative in co-ordinating the relevant policy bureaux involved in the expansion of piers' non-farebox revenue sources.

6. The Chairman urged the Department to take public concerns into account and give full consideration to the views of the local communities and Islands District Council (IsDC) members, so as to minimise the burden placed on residents by the fare adjustments.

7. Mr Curtis CHIU gave a consolidated response as follows:

(a) He thanked Members and IsDC members for their views on non-farebox revenue, and stated that the TD would continue to actively follow up on the relevant arrangements. When attending events at the Central Piers 4 and 6 earlier, he observed that the events received enthusiastic responses, which clearly demonstrated the development potential of Hong Kong's piers. He also believed that Hong Kong might continue to make references to the successful experiences of different places, such as Sydney. As the TD was responsible for both assisting ferry operators with their operations and co-ordinating pier management, the Department would actively follow up on the difficulties and procedural issues encountered by potential tenants interested in subletting the pier areas during the application process. The TD had earlier successfully co-ordinated with the relevant departments through direct communication with their management and resolved some of the issues, and it would continue to work in this direction.

(b) Regarding suggestions on improving the piers' hardware facilities, he said that structural works such as cable laying and drainage improvement were time-consuming and complex. The TD would actively work with the relevant works departments to advance the work. Furthermore, as the use of the sites involved multiple departments, including the Fire Services Department and the Drainage Services Department, as well as site management companies, the approval process was relatively complex. The TD would therefore assume a co-ordinating role in this regard. Currently, the Government convened high-level inter-departmental meetings dedicated to addressing issues relating to hardware facilities of ferry piers. He said that the views gathered at this meeting would be mentioned at the meeting concerned for further follow-up.

(c) Apart from non-farebox revenue, the TD was also closely monitoring ferry operators' operating costs which continued to rise in the short term, as well as the sustainability of their operations under financial pressure. In view of this, the Department had been implementing a number of specific measures to assist ferry operators in their operations, including subsidising the purchase of new vessels through the Vessel Subsidy Scheme to alleviate the cost burden on them and providing appropriate support for their regular essential expenses through special assistance measures.

(d) He agreed that the introduction of electric vessels or hybrid vessels was a long-term development objective for ferry services. At present, the TD's Vessel Subsidy Scheme already included a trial programme for hybrid vessels, while the Environmental Protection Department was conducting a pilot scheme for electric vessels. The TD would review the progress and results of various pilot schemes in a timely manner, and maintain communication with ferry operators to jointly assess whether hybrid vessels or electric vessels were suitable for long-term development in terms of cost-effectiveness and practical operation.

(e) With regard to tourism development in the Islands District, the TD launched the Visiting Scheme to Outlying Islands in recent years, which offered free ferry rides to encourage groups (e.g. schools) to organise activities on the outlying islands. In addition, he said that the Department would give further consideration to the suggestion on seeking professional advice on commercial promotion, and would explore collaboration with tourism-related organisations to assist ferry operators in organising promotional activities on the outlying islands to open up new visitor sources. In recent years, the Government had adopted a policy direction to promote the development of tourism on the outlying islands. The TD would continue to explore relevant measures in this direction to assist ferry operators in expanding their sources of revenue through various means.

(f) The TD recognised the burden fare adjustments placed on residents and emphasised that it had made every effort to keep the overall fare increase to the lowest possible level through extensive discussions with various parties earlier. In handling fare adjustments, it prioritised providing as much assistance as possible to residents, particularly those who used ferry services regularly. As such, the increase for multi-ride tickets and monthly tickets was capped at 8% to alleviate the burden on residents of the outlying islands. The Department would continue to monitor the long-term financial position of ferry operators and assist them in maintaining a sound financial position to ensure the stability of ferry services.

(g) The TD understood the concerns of Members and IsDC members on the impact of fare adjustments on the elderly persons. However, the adjustment of the public transport fare concession scheme for the elderly from a flat $2 fare per trip to "$2 Flat Rate or 80 Per cent Off" was a matter of overall policy. Although the fares after the 80% discount would be higher than $2, it was considered that it would still act as a significant incentive for the elderly to travel.

(h) Regarding Members' concerns about elderly residents on the islands travelling to meet family members in the urban areas, the TD had extended the validity period of multi-ride tickets. Passengers who travelled frequently to and from the outlying islands to visit their relatives should consider using these multi-ride tickets to reduce their transport costs. The TD would continue to closely monitor the actual situation following the extension of the multi-ride ticket validity period and review the effectiveness of the arrangement concerned.

(i) Regarding questions on vessel utilisation rates and other specific operational matters, he said that the Department would further examine the views concerned and continue to follow up with ferry operators.

8. Ms April LAM said that the Hong Kong and Kowloon Ferry Limited had been actively expanding its non-farebox revenue sources over the past year. Following the previous short-term events, the ferry company was currently discussing long-term lease arrangements with a private company and had formally submitted an application to the relevant government department in this regard. This marked a significant breakthrough as it differed from the previous model which was limited to short-term leases of just two or three months. The pier rooftop had never been let out under a long-term lease model. This involved numerous regulations and approval procedures which required co-ordination across multiple departments, including the handling of ancillary facilities such as power supply and toilet drainage, as well as the approval of building-related and technical issues. If the project proceeded smoothly, the middle level of the pier would be transformed into a multi-purpose space which could be used to host local

events in the future and help revitalise the pier. In this regard, she asked IsDC members and the relevant government departments to co-ordinate and assist in resolving issues arising during the approval process in an appropriate manner for the smooth implementation of the project.

9. Ms Lily HUANG gave a consolidated response as follows:

(a) She thanked Members and IsDC members for their concern on the constraints imposed by the piers' hardware facilities on operators' non-farebox revenue. The Sun Ferry Services Company Limited (Sun Ferry) was currently facing operational cost pressures due to a decline in the overall patronage and difficulties in recruiting local crew, which forced the ferry company to raise the starting salaries to attract more newcomers to maintain essential services, resulting in a significant rise in the labour costs. Furthermore, the recent rise in the fuel prices also placed a heavy burden on the company's operating costs.

(b) The Sun Ferry had consistently strived to control operating costs. To avoid further increasing its expenses, it had not adjusted staff salaries over the past two years. Owing to the significant constraints imposed by the piers' hardware facilities, the ferry company pursued innovation through provision of vessel facilities instead. For example, Korean-style self-service ramen machines and massage chairs were added to the triple-deck ferries, providing passengers with new dining and leisure options to boost the company's non-farebox revenue and enhance the passenger experience. Furthermore, in response to Mainland tourists' habit of paying by electronic means, the Sun Ferry launched an in-app ticketing service in early 2025, alongside e-payment discounts, in order to attract Mainland tourists.

(c) The Sun Ferry would introduce a number of new services and measures after its new licence came into effect, including the installation of self-service ticketing machines and the upgrade of turnstile gates. Efforts would also be made to introduce more e-payment platforms. Regarding the suggestion on expanding the non-paid areas when installing new turnstile gates to increase the number of shops at the piers and its non-farebox revenue, the Sun Ferry would further co-ordinate with the TD.

10. Members expressed their views as follows:

(a) The application procedure for non-farebox revenue initiatives that ferry operators had to undergo was lengthy at present, and that this issue had been the subject of repeated discussions among various parties over the years. In this regard, Members urged the TLB and the TD to relax the restrictions on ferry operators' expansion of non-farebox businesses and provide ferry operators with appropriate assistance to make proper use of the piers' rooftop space. Citing the ferry piers at Cheung Chau, Mui

Wo and Peng Chau as examples, Members pointed out that the rooftop area at these piers, which had been left idle for a long time, was very spacious. In addition, as it was difficult for ferry operators to clarify demarcation of responsibilities of different government departments on their own, the TLB or the TD should take the initiative to make co-ordinated efforts.

(b) Improving pier facilities was a top priority for increasing operators' non-farebox revenue. Therefore, the Department should examine short- and medium-term improvement options as soon as possible. Furthermore, Members considered that the Government could consider constructing a footbridge linking the Central Piers 4, 5 and 6 and extending such footbridge to the IFC, thereby creating an all-weather, covered pedestrian walkway. Members supported the suggestion, noting that the footbridge was an essential route from the IFC to the various ferry piers in Central. It could therefore boost the flow of visitors and stimulate spending at the vicinity of the piers, which would not only help ferry operators increase their non-farebox revenue but also indirectly alleviate the burden of transport costs on residents of the outlying islands.

(c) Members expressed concern on the impact of fare adjustments on the elderly persons. They emphasised that the majority of the elderly persons were retirees, and that the proposed increases would add to their financial burden. Furthermore, residents of the outlying islands working in the urban areas had to rely on elderly family members at home to help look after the family. The elderly community on the outlying islands therefore served as a vital pillar for families in the area. Members were concerned that expensive ferry fares would not only directly increase the burden on the elderly persons but also indirectly place pressure on their families. Taking Cheung Chau as an example, many elderly residents accompanied schoolchildren in their families on ferry trips to and from the urban areas for school. It was very common for them to ride on ferries multiple times every day. In the event of the fare adjustments and the cancellation of the $2 Scheme, the transport costs for the elderly persons would multiply. Some elderly residents might choose to remain in the urban areas until school dismissal time and accompanied the schoolchildren back to Cheung Chau in order to save on expenses. Members considered the above situation to be unsatisfactory and therefore asked the Department to look beyond the constraints of the policy framework and appreciate the difficulties confronting the elderly residents on the outlying islands. In this regard, they stated that they had previously suggested that the TD and ferry operators should consider measures such as launching elderly monthly tickets and a flat fare structure, as well as providing rebates to alleviate residents' transport cost burden. They also urged the TD to actively study and implement the suggestions concerned.

(d) It was understood that ferry fare adjustments were unavoidable, but corresponding measures must be introduced to reduce the impact on members of the public, particularly the elderly persons. The relevant departments should consider providing additional transport subsidies to residents of the outlying islands through other channels (e.g. existing social welfare measures, including the Working Family Allowance Scheme and the Old Age Living Allowance), in order to mitigate the impact of fare adjustments on them.

(e) Geopolitical factors had a significant impact on the fuel prices, and situations such as war or embargoes were difficult to predict. Fuel price fluctuations posed a major challenge to the operations of ferry operators. In this regard, the Government should formulate a fuel subsidy scheme or establish a fuel price stabilisation mechanism to assist ferry operators in controlling costs. Taking the fare adjustments for the six outlying island ferry routes in September 2023 as an example, the increases were substantial (ranging from 3.9% to 19%) back then. If the relevant bureau did not establish an intervention mechanism, double-digit fare increases were likely to occur again in the next fare adjustment exercise.

(f) Currently, both ordinary and fast ferry services were available for the Central - Peng Chau route. Taking the services from Monday to Saturday as an example, the adult fare for an ordinary ferry was $19.8, while that for a fast ferry was $36.9, although the latter was only eight to ten minutes faster than the former. After the fare adjustments, the fares of both ordinary and fast ferry services for the abovementioned route would substantially increase to $31 (i.e. a uniform fare), indirectly forcing residents who were used to travelling on ordinary ferries to bear a significant fare increase. In this regard, the TD should consider introducing other supporting concessions, such as bus or MTR interchange discounts, so as to reduce residents' overall transport expenses.

(g) During the previous fare adjustment exercise, the TD had suggested that ferry operators should use revenue from visitors' single-ride tickets to offset part of the increase in fares for ferry services paid by residents of the outlying islands daily. However, Members were concerned that the number of visitors travelling to the outlying islands might be lower than expected, making it difficult for the ticket revenue concerned to subsidise residents' transport expenses.

(h) Members commended the TD for its many positive responses to date, and considered that the discussions fully demonstrated effective communication among the Government, ferry operators and members of the public. Members hoped that different parties would resolve the issues thoroughly as soon as possible and take concrete actions to safeguard the well-being and interests of residents of the outlying islands.

11. Attendees expressed their views as follows:

(a) Residents of the outlying islands relied heavily on ferry services for their daily travel, and the $2 Scheme was particularly important to them. In the past, the Government had adopted special assistance measures for outlying island ferry routes in response to strong public opposition to fare increases on those routes. In this regard, attendees urged the TD to convey the importance of ferry services to residents of the outlying islands to the relevant policy bureau, and to explore the possibility of formulating special arrangements for elderly residents of the outlying islands after the $2 Scheme was changed to "$2 Flat Rate or 80 Per cent Off" concession, in order to alleviate their financial burden.

(b) There was only one toilet on the ground floor of the Central Piers 7 and 8 which was frequently blocked. This situation highlighted the urgent need to improve pier facilities. In this regard, attendees urged the relevant departments to work together to prioritise enhancement of basic pier facilities and develop long-term plans for facilitating ferry operators in expanding their non-farebox business.

12. Mr Curtis CHIU gave a consolidated response as follows:

(a) Regarding the concerns raised by Members and IsDC members about ferry operators' non-farebox revenue, the TD would continue to convene high-level meetings to follow up on matters relating to the improvement of pier facilities. Furthermore, the TD would maintain close liaison with ferry operators to understand their operational needs and proceed with pier improvement works as appropriate. If ferry operators successfully identified potential tenants and requested improvements to pier facilities, the Department would do its utmost to assist in addressing the matters.

(b) The TD understood the impact of adjusting the elderly concessionary fares under the $2 Scheme to "$2 Flat Rate or 80 Per cent Off" on residents of the outlying islands. As this matter involved policy considerations, the Department would reflect the views to the relevant policy bureau.

(c) Given that the entire transport sector was currently facing the problem of rising fuel prices, the TD would carefully consider the suggestions raised by Members and IsDC members regarding fuel subsidies.

(d) Regarding the suggestion on providing interchange concessions, the TD would need to conduct further studies with ferry operators and explore the feasibility of having other public transport operators provide the concessions concerned.

13. Members added that the aforementioned inter-departmental or cross-bureau collaboration was not intended to be temporary in nature, but rather a measure requiring ongoing implementation. The TD should adopt a more proactive approach by taking the initiative in planning and improving pier facilities, rather than waiting passively and considering tenants' needs only after the premises were leased to them. The Department must actively assist ferry operators in increasing their non-farebox revenue, so as to help mitigate future fare increases. To this end, the Department should consider making reference to the operating model of the South Development and Sustainable Lantau Office and establish a "Sustainable Ferry Operations Office" to bring together professionals from relevant fields (e.g. engineers, architects and planners) to continuously explore options for improving ferry operations.

14. Mr Curtis CHIU said that the TD noted Members' views and suggestions.

15. The Chairman asked the TD to convey the views expressed by Members and IsDC members to the relevant bureaux and departments at a meeting for their further consideration. In addition, she urged the TD to make every effort to promote measures relating to non-farebox revenue and to provide Members, through the Secretariat, with up-to-date information and responses regarding the matters discussed at the meeting in a timely manner.

(Post-meeting note: The Secretariat forwarded the TD's written reply to Members and IsDC members for perusal on 20 March this year.)

II. Date of Next Meeting

16. There being no other business, the meeting was adjourned at 6:00 p.m. The next meeting would be held at 2:30 p.m. on 14 April 2026 (Tuesday).

-END-