

LCQ6: MTR West Rail Line fares

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Following is a question by the Hon Cheung Hok-ming and a reply by the Secretary for Transport and Housing, Ms Eva Cheng, at the Legislative Council meeting today (March 16):

Question:

Some residents in Tin Shui Wai have relayed to me that at present, there is a big disparity in fares between MTR's domestic East Rail Line (ERL) and West Rail Line (WRL). For example, the travelling time from ERL's Sheung Shui Station to Hung Hom Station is about 38 minutes and the Octopus fare is \$8.2 (\$8.5 for a single journey ticket), whereas the travelling time from WRL's Tin Shui Wai Station to Hung Hom Station is about 31 minutes only, but the fare is \$17.2 (\$18.5 for a single journey ticket), which is more than twice of the ERL's. These residents consider that MTR Corporation Limited (MTRCL) has been unfair in determining the fares of the two rail lines and thus has directly increased the burden on the livelihood of residents in West New Territories. Besides, the elderly in Hong Kong may enjoy free rides on the Shenzhen Metro, which MTRCL has participated in its construction and operation, but they are not offered similar concession in Hong Kong. Regarding MTR's fare structure and the fare concessions it offers, will the Government inform this Council:

(a) whether it knows if MTRCL has, in determining the WRL's fares, given detailed consideration to the great disparity in fares between the domestic ERL and WRL as well as the affordability of residents in the districts; if it has, of the details; if not, the criteria adopted by MTRCL for setting the fares;

(b) given that fares of the domestic ERL are lower because they are subsidised by revenues from the fares of the cross-boundary line to and from Lo Wu Station which are on the high side, whether the authorities will urge MTRCL to review if the present revenues from that cross-boundary line or the Lok Ma Chau cross-boundary line can be used to subsidise the WRL; and

(c) whether it will consider discussing with MTRCL again the conducting of a comprehensive review on its fare concession arrangements, actively encourage MTRCL to offer permanent free rides to the elderly and provide more fare concessions; if it will, of the details; if not, the reasons for that?

Reply:

President,

(a) The West Rail Line (WRL) commenced operation in December 2003. Prior to commencement of operation, the pre-merger Kowloon-Canton Railway Corporation (KCRC) briefed the Legislative Council, Transport Advisory Committee and District Councils along the West Rail alignment respectively on the principles for setting West Rail fares. These principles included:

- (i) the West Rail fares had to be competitive enough for WRL to gain a foothold in the market;
- (ii) to provide an alternative to Light Rail for travelling within the Northwest New Territories;
- (iii) to fully take into account the public's acceptability and expectations; and
- (iv) to achieve KCRC's long-term financial objectives.

The Light Rail and MTR bus interchange services are also provided for free for West Rail passengers.

Since the WRL commenced service, its patronage has gradually grown from the initial average daily passenger trips of 100,000 to over 300,000 currently (based on passengers' entry at stations). This demonstrates that the WRL has a certain level of competitiveness in the Northwest New Territories.

The Kowloon Southern Link (KSL) commenced operation in August 2009. KSL enhances Hong Kong's rail network by connecting the East Rail Line (ERL) and WRL, with Hung Hom Station being the termini of both lines. Commuting among Hong Kong, Kowloon and the New Territories has become much more convenient. After the opening of KSL, passengers from Northwest New Territories will be able to reach Hung Hom directly and more expeditiously by railway without having to interchange with other modes of transport. Passengers of the ERL can also enjoy a more convenient service to the West Kowloon area.

Prior to the Rail Merger in December 2007, the ERL and WRL had their

respective different fares. The pre-merger fares of the two railway lines formed the basis for the current fares of the two lines. On the day of the merger, MTR Corporation Limited (MTRCL) introduced fare reductions according to the following principles:

- (i) abolition of second boarding charge ranging from \$1 to \$7;
- (ii) global fare reduction of \$0.2 for all Octopus card users paying full fares;
- (iii) an extra \$1 reduction for journeys charging \$12 or above;
- (iv) for all journeys charging \$12 or above, if the three measures above when combined still result in less than a 10% reduction, there would be a further reduction to achieve a minimum of 10% reduction for all those journeys; and
- (v) for all journeys charging between \$8.5 and \$11.9, if (i) and (ii) above when combined still result in less than a 5% reduction, there would be a further reduction to achieve a minimum of 5% reduction for all those journeys.

As such, the Octopus fares of the WRL from the Northwest New Territories to the urban area were reduced by \$1.2. Together with the abolition of second boarding charge, a minimum of 10% fare reduction was achieved.

Based on the usage of public transport by residents of the Northwest New Territories, KCRC introduced the promotional schemes of "Monthly Pass" and "Day Pass" in 2004. MTRCL continued to maintain the arrangement after the merger, and introduced the "Tuen Mun-Hung Hom Monthly Pass" when the KSL was commissioned. For passengers who use WRL service frequently, they may purchase the "Tuen Mun-Nam Cheong Monthly Pass" at a price of \$410 or the "Tuen Mun-Hung Hom Monthly Pass" at a price of \$480. Passengers with the "Tuen Mun-Nam Cheong Monthly Pass" or "Tuen Mun-Hung Hom Monthly Pass" can make unlimited journeys on the WRL between Tuen Mun and Nam Cheong Stations or between Tuen Mun and Hung Hom Stations within a month. In addition, the Light Rail and MTR bus interchange services are provided for free for these passengers.

If a passenger does not use the WRL service frequently, he/she may also purchase the "Tuen Mun-Nam Cheong Day Pass" at a price of \$21. Passengers with the "Tuen Mun-Nam Cheong Day Pass" can make unlimited journeys on the WRL

between Tuen Mun and Nam Cheong Stations on the day of purchase, and enjoy free interchanges with the Light Rail and MTR bus. The "Tuen Mun- Nam Cheong Day Pass" will not be collected by the ticket gate after use. To encourage passengers to return the used "Tuen Mun-Nam Cheong Day Pass", ten used or expired "Tuen Mun-Nam Cheong Day Passes" can be exchanged for one free "Tuen Mun-Nam Cheong Day Pass", which is valid on the day of redemption.

(b) At the Rail Merger, MTRCL reduced its fares according to the fare reduction package but the Corporation did not change the fare structures of its railway lines. After the Rail Merger, the fare adjustment of MTRCL (including that for the ERL and WRL) is decided on the basis of an objective and transparent fare adjustment mechanism.

According to MTRCL, all railway lines are operated as an integrated network after the Rail Merger and there is no arrangement to use the fare revenue of one railway line to subsidise another. MTRCL has been maintaining the fare promotions to WRL passengers including monthly passes and free interchange service with Light Rail, etc.

(c) At present, MTRCL provides various types of fare concessions and promotional schemes every year, including fare discounts of up to 50% off the normal fares for the elderly, children and students, as well as other promotions offered from time to time including free interchanges, free connections and fare savers. The aim is to encourage the public to use rail service and to actively participate in community activities.

MTRCL would review its various promotional schemes from time to time taking into account the market circumstances. The Government would continue to encourage MTRCL to provide various promotional schemes to the public having regard to its operational situation, the market circumstances and passenger demand.

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