

## LCQ6: MTR fares

Following is a question by the Hon Elizabeth Quat and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (July 21):

Question:

The Tuen Ma Line (TML) of the MTR Corporation Limited (MTRCL) was fully commissioned on the 27th of last month. Some members of the public have pointed out that the fare structure of TML is unreasonable. For example, the fares for shorter journeys are conversely higher than those for longer journeys (a situation commonly known as "higher fares for shorter journeys"), and there is quite a great variance in the fares for different journeys of comparable lengths. Regarding MTR fares, will the Government inform this Council:

(1) whether it knows the current number of stations involved in those TML journeys having the situation of higher fares for shorter journeys; whether it has estimated the average daily number of passengers affected; if it has not, whether it will expeditiously make such estimation;

(2) as it has been reported that it took the MTRCL six years to implement distance-based charging for the entire West Rail Line, whether the Government will request the MTRCL to provide a timetable for progressively rectifying, in accordance with the Fare Adjustment Mechanism each year, the situation of higher fares for shorter TML journeys; if so, of the details; if not, the alternative measures to rectify such situation; and

(3) given that no uniform criteria for determining the fares of the various railway lines were drawn up at the time of the rail merger in 2007, whether the Government will request the MTRCL to draw up the relevant criteria and determine afresh, in accordance with such criteria, the fares for the journeys along the various railway lines?

Reply:

President,

The Tuen Ma Line (TML) was fully commissioned on June 27 this year, connecting the original Ma On Shan Line (MOS Line) and West Rail Line (WRL). The two new stations of Sung Wong Toi and To Kwa Wan, together with the new platforms at the Ho Man Tin Station and expanded Hung Hom Station came into service at the same time. Running 56 kilometres through 27 stations from Wu Kai Sha Station in the east to Tuen Mun Station in the west, the TML is the longest railway line in Hong Kong, connecting New Territories East, Kowloon and Northwest New Territories. The six interchange stations along TML connect passengers with the East Rail Line (ERL), Kwun Tong Line (KTL), Tung Chung Line and Tsuen Wan Line, providing more choices for interchanging within the

railway network and enhancing connectivity.

My reply to the various parts of the question raised by the Hon Elizabeth Quat is as follows:

Generally speaking, fares of the MTR heavy rail system are determined basically based on distance, while taking into account other factors including market competitiveness, trip nature (for example whether cross-harbour journeys are involved) and the existing overall fare structure. Fares of new railway lines commissioned in recent years, such as the KTL Extension, South Island Line and full TML, are determined in accordance with the above principle.

The full commissioning of TML connects a number of existing railway lines, including the original WRL and MOS Line, as well as the ERL. Fares of these railway lines were already determined according to their own fare structures before the rail merger. In particular, the ERL commenced service as early as in 1910. Its fare determination was influenced by historical factors and involved the co-existence of domestic and cross-boundary services; hence it is difficult to directly compare its fare structure with other railway lines. Therefore, in the MTR heavy rail system, the fares of stations on existing lines or new lines to be commissioned which run through the ERL and original WRL and MOS Line will be influenced by fares of these lines.

Besides, whenever there is a new railway line connecting or running through existing railway lines, passengers' commuting routes may change. For example, a trip from Diamond Hill Station to Ho Man Tin Station will pass through eight stations along the KTL while only four stations along the TML. Some passengers may therefore switch to using the TML. However, regardless of the line the passengers use, they will have to pay the same fare. When determining fares for new lines, the MTR Corporation Limited (MTRCL) adopts the basic principle of not changing the fares of existing lines. To this end, the fares of new railway lines will be bounded by the fare structure of the existing railway network, resulting in fare anomalies for some trips (which is the so-called "higher fares for shorter trips while lower fares for longer trips"). Such circumstances only account for less than two percent of the over 4 000 trip combinations in the entire MTR network.

The MTRCL has been carefully handling the situation by adjusting the fare in phases according to the annual Fare Adjustment Mechanism (FAM). Given the improved connectivity and increasing complexity of the railway network, we must be prudent in adjusting the fares of specific routes or stations of the TML as it may impact on other railway lines and cause other anomalies, which in turn affect other passengers. Therefore, subject to the annual adjustment rate of the MTR fare based on the FAM, it is expected that it would take several years to have the above fare anomalies resolved.

Currently, the MTRCL offers various concessionary tickets in a bid to reduce the impact of fare anomalies. For instance, users of the "Sheung Shui/Wu Kai Sha – East Tsim Sha Tsui Monthly Pass Extra" can enjoy unlimited

rides between specified stations (including a number of TML stations) within a month. Passengers using the "MTR City Saver" can take trips at a uniform fare between 66 designated urban stations, including the newly-commissioned Sung Wong Toi and To Kwa Wan Stations.

Meanwhile, to mark the full commissioning of the TML, the MTRCL has introduced the "Sung Wong Toi/To Kwa Wan Stations Fare Discount" and extended the "Hin Keng/Kai Tak Stations Fare Discount" launched during TML Phase 1. The MTRCL has also introduced the "Special Interchange Discount" in collaboration with green minibuses and franchised buses and introduced new interchange routes.

The Government will continue to closely monitor the situation and urge the MTRCL to deal with the fare anomalies expediently, in addition to providing more fare concessions.

We understand that Members' concern on MTR fare anomalies ultimately stem from concerns on the public's burden of travel expenses. In fact, to relieve the fare burden of the public is one of our major policy goals. Through the Public Transport Fare Subsidy Scheme (the Scheme), which is non-means-tested and covers major local public transport modes, the Government offers direct subsidy to the public for their public transport expenses. To further alleviate their fare burden, the Government has announced earlier to extend the temporary special measures implemented under the Scheme, including relaxing the monthly threshold for subsidy and increasing the monthly subsidy cap. According to the latest statistics as at June 2021, the number of beneficiaries per month was around 3.05 million.

Thank you, President.