

Fare Adjustment of “Central – Discovery Bay” Licensed Ferry Service

Purpose

The Transport Department (“TD”) has sought local views earlier on the application for fare adjustment of the “Central – Discovery Bay” licensed ferry service (“the Ferry Service”) as submitted by the Discovery Bay Transportation Services Limited (“DBTSL”). This paper informs the locals of the latest progress of the application and the decision of TD.

Proposed Fare Adjustment

2. DBTSL has proposed earlier to increase the fares of different fare types by about 60% to enhance the financial viability of the “Central – Discovery Bay” ferry service. Under the proposal, the single journey adult fare will be increased from \$33.5 to \$53.6 (paid by registered Octopus cards), or from \$46.0 to \$73.6 (paid by non-registered Octopus cards or cash). The adult fare paid by Transport Cards (“T-Cards”) (stored with 20 trips) will be increased from \$730 to \$1,168, i.e. the average single journey fare will be increased from \$36.5 to \$58.4.

TD’s Assessment and Decision

3. TD has examined the operational and financial information of the Ferry Service submitted by DBTSL. It has been more than six years since the last fare adjustment for the Ferry Service in June 2018. During this period, the number of annual passenger was approximately 11.7% to 21.3% lower than that in 2018/19, while the operating costs (such as wages and fuel, etc) have continued to rise. Consequently, the revenue generated by the Ferry Service has been insufficient to cover the rising operating costs. In addition, the cumulative inflation rate has reached double digits since the last fare adjustment. Therefore, it is considered that an appropriate fare adjustment can help sustain the operation of the Ferry Service to continue providing water transportation services for Discovery Bay residents and visitors.

4. In assessing the fare adjustment application, TD has thoroughly considered the local views collected, and taken into account all relevant factors, including financial circumstances, operating costs, revenues and anticipated changes of rate of return, the past

performance of the Ferry Service, and the public acceptability of the rate of increase, etc. TD considers it justified for an application of fare adjustment, while an appropriate adjustment will help improve the financial situation of DBTSL and thus sustain the operation of the Ferry Service. Having duly considered the above factors, TD has decided to approve the fare adjustment application, while significantly lowering the proposed fare levels put forward by DBTSL.

Implementation of the new fares

5. The new fares will take effect from **11 August 2024 (Sunday)**, with details as follows:

Fare Type	Existing Fare	New Fare
(i) Paid by Registered Octopus Card ^{Note}		
Adult	\$33.5	\$38.2
Passenger aged 65 or above	\$21.0	\$24.0
Full-time student under 26 years old residing in Discovery Bay	\$16.8	\$19.1
Child (aged 1 or above but under 12)	\$16.8	\$19.1
Child under 1 year old (accompanied by adult)	Free	Free
(ii) Paid by Non-registered Octopus Card		
Adult	\$46.0	\$55.8
Passenger aged 65 or above	\$23.0	\$27.9
Child (aged 1 or above but under 12)	\$23.0	\$27.9
Child under 1 year old (accompanied by adult)	Free	Free
(iii) Paid in cash		
Adult	\$46.0	\$55.8
Passenger aged 65 or above	\$23.0	\$27.9
Child (aged 1 or above but under 12)	\$23.0	\$27.9
Child under 1 year old (accompanied by adult)	Free	Free
(iv) T-Card (Stored with 20 trips)		
Adult	\$730.0	\$884.0

Fare Type	Existing Fare	New Fare
	(average \$36.5 per trip)	(average \$44.2 per trip)
Elderly aged 65 or above; and Child (aged 1 or above but under 12)	\$365.0 (average \$18.25 per trip)	\$442.0 (average \$22.1 per trip)
Child under 1 year old (accompanied by adult)	Free	Free

Note: Registered Octopus Cards refer to those Octopus Cards that have been registered with Discovery Bay Services Management Limited for Discovery Bay Residents.

6. TD will continue to encourage DBTSL to maintain close communications with the locals on public transport matters in Discovery Bay, and explore feasible measures to improve their financial situation, including introduction of additional sources of non-farebox revenues, with a view to better addressing passengers' public transport demand meanwhile relieving the financial pressure of the company.

Transport Department

July 2024