

Local and Japanese young musicians to perform in Music Office's Youth Music Marathon

The Music Office of the Leisure and Cultural Services Department will present the Youth Music Marathon from 2pm to 5.30pm on Saturday (January 12) at the Hong Kong Cultural Centre Piazza C. About 500 youth musicians from six ensembles of the Music Office and the Kagoshima University Wind Orchestra from Japan will perform a diverse repertoire of Chinese, wind and string music, offering a music-filled afternoon for the audience.

The performing groups from the Music Office include the Music Office Youth Brass Band, the Kowloon Youth Symphonic Band, the Island Youth Strings, the Kowloon Youth Strings, the Island Youth Chinese Orchestra and the New Territories Youth Chinese Orchestra.

The programme consists of the Chinese orchestral pieces "Festive Dance" and "Jasmine"; animation music from "My Neighbour Totoro" and "Frozen"; and well-known classical music of Brahms, Dvořák and Schubert and more.

Admission to the Youth Music Marathon is free. For enquiries, please call 2598 8335 or 2582 5334 or visit the website www.lcsd.gov.hk/en/mo/activities/communityprogrammes/2019_ym_marathon.html.

Release of Report of Independent Review Committee on Hong Kong's Franchised Bus Service

The Government released today (January 8) the Report of the Independent Review Committee on Hong Kong's Franchised Bus Service which was submitted by the Committee to the Chief Executive, Mrs Carrie Lam, on December 31, 2018.

In commenting on the release of the Report, Mrs Lam again expressed her deep appreciation to the Committee's Chairman, the Honourable Mr Justice Michael Victor Lunn, and members Mr Rex Auyeung Pak-kuen and Professor Lo Hong-kam for their dedicated work.

"I have personally studied the Committee's report which has comprehensively covered the various aspects relating to bus safety. I have asked the Transport and Housing Bureau to oversee actions by the Transport

Department and other relevant parties to ensure that the Committee's recommendations are thoroughly examined and expeditiously implemented where appropriate. The Government will take proactive steps in ensuring a safe and reliable franchised bus service in Hong Kong," Mrs Lam said.

The Report is released in full, except that, after seeking legal advice, a part of a sentence in the acknowledgement chapter of the Report is redacted to ensure a fair trial of the ongoing criminal proceedings. It can be accessed online at www.irc-bus.gov.hk/eng/report.html. The Government will release the full Report after all relevant criminal legal proceedings have been concluded.

Executive Council approves review of Fare Adjustment Arrangements for franchised buses and bus fare increase of CTB(F1) and NWFB

The Chief Executive in Council today (January 8) endorsed the review outcome of the Fare Adjustment Arrangements for franchised buses (FAA), and approved that the factors which make up the FAA should remain intact, while the Productivity Factor value used in the supportable fare adjustment rate formula and the weighted average cost of capital (WACC) should be adjusted. The Chief Executive in Council also approved, with the mitigating effect from the Franchised Bus Toll Exemption Funds under the two franchisees, overall weighted average fare increases of 7.0 per cent and 5.6 per cent for passengers of Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) (CTB(F1)) and New World First Bus Services Limited (NWFB) respectively. The new fares will take effect on January 20 this year.

As regards the review of the FAA, under the current mechanism, the Government will take into account a basket of factors in assessing a bus fare adjustment, which include:

- (a) changes in operating costs and revenue since the last fare adjustment;
- (b) forecast of future costs, revenue and return;
- (c) the need to provide the operator with a reasonable rate of return;
- (d) public acceptability and affordability;
- (e) the quality and quantity of service provided; and
- (f) the outcome of the formula for a supportable fare adjustment rate. The formula is only for reference and the fare level will not be adjusted automatically according to the formula outcome.

"The Government has looked into the existing FAA and considered that it can basically strike a balance between the sound operation of franchised bus services as well as public affordability and acceptability. The Executive Council approves that the factors which make up the FAA be kept intact and that these factors continue to be considered holistically. At the same time, based on the updated financial market data, the Government updated the Productivity Factor value used in the formula for a supportable fare adjustment rate from zero to +0.3 per cent per annum, as well as updated the WACC from 9.7 per cent to 8.7 per cent so that any profit achieved by a franchised bus operator exceeding the rate of return on average net fixed assets of 8.7 per cent shall be shared on a 50:50 basis between the franchised bus operator and passengers through fare concessions. The new arrangement will apply to all franchised bus operators with effect from today," a Government spokesman said.

In order to update the data more frequently to reflect the latest market situation and operating environment of the franchised bus operators, the Government will review the FAA at a regular interval of, say, once every three years, focusing in particular on the updating of Productivity Gain and the WACC.

As for the fare increase for CTB(F1) and NWFB, in vetting and approving the applications, the Executive Council has, based on the above-mentioned arrangement, considered the case holistically and fully considered the views of the Panel on Transport of the Legislative Council and the Transport Advisory Committee.

"CTB(F1) and NWFB last increased their fares in June 2008. Since the commissioning of various railway lines, the patronage of the two bus operators has dropped. Their operating costs on the other hand have been rising due to the annual pay rise and increase in fuel costs. CTB(F1) and NWFB are both running a deficit. In 2017-18, CTB(F1) incurred a loss of \$2.6 million while NWFB incurred a loss of \$5.1 million. If the fare levels remain unchanged, the two bus operators will continue to run a deficit of a much larger magnitude in the coming years," a Government spokesman said.

"According to the financial forecast of the Government, both CTB(F1) and NWFB will still incur losses even if the increase rate is at 12.0 per cent as proposed by the two franchisees. The Government acknowledges the importance of financial viability of a bus franchisee for providing proper and efficient public bus service. That said, we also need to balance the passengers' affordability and acceptability. Gradual fare increases would be more acceptable to the general public at large," the Government spokesman added.

Having taken into account and balanced all factors under the FAA, the Executive Council approved that an overall weighted average fare increase rate for CTB(F1) and NWFB be 9.9 per cent. With the mitigating effect from the Franchised Bus Toll Exemption Funds announced by the Chief Executive in her 2018 Policy Address, the fare increase required to be borne by passengers after the mitigating effect brought by the Franchised Bus Toll Exemption Funds will reduce from 9.9 per cent to about 7.0 per cent for CTB(F1) and 5.6

per cent for NWFB respectively. The approved rates of increase are lower than the changes in the Composite Consumer Price Index (+34.20 per cent) and Median Monthly Household Income (+60.56 per cent) since the last fare increase, as well as the formula outcome of a supportable fare adjustment rate (+33.05 per cent) under the FAA. Should the financial situation remain weak after the fare increase, the two companies may consider, as necessary, to submit applications for another fare increase.

At the same time, the Executive Council approved the fare of cross-harbour routes jointly operated by CTB(F1) and the Kowloon Motor Bus Company (1933) Limited (KMB) be increased by about 7.0 per cent, and those jointly operated by NWFB and KMB be increased by about 5.6 per cent. The additional revenue generated from such fare increase by KMB would be saved under its Franchised Bus Toll Exemption Fund for reducing the magnitude of its fare increase application being processed.

Under the new fares, about 90 per cent of CTB(F1)'s passengers and 97 per cent of NWFB's passenger will either not be affected at all or will need to pay not more than \$1 extra per trip. About 10 per cent and 3.3 per cent of CTB(F1)'s and NWFB's passengers respectively will have to pay more than \$1 extra per trip. For KMB, about 94 per cent of KMB's passengers will not be affected at all while about 6.1 per cent of KMB's passengers will have to pay 20 cents extra or more per trip. Eligible persons enjoying a concessionary fare of \$2 per trip under the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities will not be affected by the fare increase.

The Government will continue to encourage all the franchised bus operators to take measures in the coming years to improve the financial situation through ongoing service improvement measures to increase patronage and continuous rationalisation of low-utilised bus routes. The Government will also continue to process fare increase applications in accordance with the established mechanism.

[No. 3 alarm fire at Lamma Southwest marine area](#)

A No. 3 alarm fire broke out at a vessel at Lamma Southwest Anchorage today (January 8) at 11.29am, and was upgraded to No. 3 alarm at 1.33pm.

Firemen are now fighting the blaze by using four jets.

A person was found dead at scene. Two persons were injured and were sent to hospital for treatment.

EMSD announces latest sampling results for legionella at fresh water cooling towers

The Electrical and Mechanical Services Department (EMSD) today (January 8) announced that the department tested 74 water samples collected from cooling towers in 69 buildings in its routine inspections in December 2018. None of them was detected to have a total legionella count at or above the upper threshold, which is 1 000 colony-forming units per millilitre. The latest statistics are set out in Annex 1.

The EMSD also announced the locations of buildings which were served with nuisance notices during the preceding three-month period as the total legionella count was found in the fresh water cooling towers to be equal to or above the upper threshold. Details can be found in Annex 2. The EMSD publishes the latest statistics of the above information on a half-monthly basis on its website

(www.emsd.gov.hk/en/other_regulatory_services/cooling_towers/water_sampling/index.html).

The EMSD reminds the owners of fresh water cooling towers that they have the responsibility to design, operate and maintain cooling towers properly. They should arrange regular inspections, timely maintenance and periodic testing of the water quality in their cooling towers in accordance with the Code of Practice for Fresh Water Cooling Towers issued by the department to prevent the proliferation of legionella.