

# TAC discusses application for tram fare increases and briefed on progress of discussions on new bus franchises

The following is issued on behalf of the Transport Advisory Committee:

The Transport Advisory Committee (TAC) today (May 24) discussed a fare increase application from Hong Kong Tramways Limited (HKT), and was briefed on the latest progress of the Government's discussions with bus companies on new franchises.

The TAC Chairman, Professor Stephen Cheung, said, "Members were pleased to note that HKT has implemented various improvement projects as well as introduced innovative measures to enhance tram service while preserving its historical value, with a view to providing safer and more comfortable journeys for passengers.

"Members noted that, under the intense competition from other public transport modes, coupled with the impact of the COVID-19 pandemic and the relevant social distancing measures, HKT has experienced a substantial reduction in patronage and revenue amidst a challenging operating environment. In deliberating on the fare increase application, members have considered and balanced all relevant factors, including HKT's latest operation and financial situation, improvement projects being implemented and public acceptability.

"Similar to other fare increase applications, the TAC will submit its advice to the Government on the HKT fare increase application for consideration by the Chief Executive in Council," Professor Cheung added.

In addition, members were briefed by the Government on the way forward upon the expiry of the current franchises of Long Win Bus Company Limited, Citybus Limited (franchise for the Airport and North Lantau bus network) and New World First Bus Services Limited in 2023, and the latest progress of the Government's discussions with the relevant bus companies.

Professor Cheung said, "The TAC noted that the Government's discussions with relevant bus companies have been progressing well to pursue the objectives of providing quality public bus services to citizens and developing sustainable bus networks under the new 10-year franchises. Members welcomed that relevant bus companies have taken on board new franchise conditions and commitments to further enhance service quality and bus safety despite the challenging operating environment. The TAC will make its recommendation to the Chief Executive in Council on the granting of the new franchises at an appropriate juncture."