

Legislative Council Panel on Transport

Review of the Basis for Considering Bus Fare Adjustments

PURPOSE

This paper informs Members of the Administration's proposed modifications to the existing Modified Basket of Factors ("MBOF") approach for considering bus fare adjustments. Members' views are welcome.

BUS FARE ADJUSTMENT

Background

2. At present, franchised bus operators do not have fare autonomy. Under Section 13(1) of the Public Bus Services Ordinance ("PBSO"), the scale of bus fares is determined by the Chief Executive-in-Council ("CE-in-Council"). Previous fare adjustments were all initiated by bus operators. In assessing bus fare adjustment applications for the purpose of making recommendations to the CE-in-Council, the Administration takes into account a basket of factors known as the MBOF approach as endorsed by CE-in-Council in 2000, which include -

- (a) changes in operating costs and revenue since the last fare adjustment;
- (b) forecasts of future costs, revenue and return;
- (c) the need to provide the operator with a reasonable rate of return;
- (d) public acceptability and affordability; and
- (e) quantity and quality of service provided.

3. On top of the above arrangement, any return achieved by a franchised bus operator exceeding the rate of return on average net fixed asset ("ANFA")¹ of 13% would be shared equally on a 50/50 basis between

¹ Both the net profits to shareholders (i.e. profit after taxation) and the borrowing costs incurred by the operator are included in calculating an operator's return. ANFA is the average value of assets at historical cost net of depreciation, except for land where no depreciation is charged. Under Section 12A of the PBSO, a franchisee is required to provide a Forward Planning Programme (FPP) each year, covering amongst others, its plan to acquire additional assets. The FPP has to be agreed by the Commissioner for Transport. This could safeguard against any unwarranted inflation of operators' asset.

the operator and passengers. This in fact is a pledge by bus operators to moderate fare increase or grant fare concessions in future up to a value of 50% of the return exceeding 13%. This triggering point of 13% was established in 2000 based on the historical average rate of return on ANFA of the franchised bus industry between 1990 and 1999.

4. The Administration undertook to review the approach in five years' time to take into account changes in the operating and economic environment.

Review of the MBOF Approach

5. While the existing MBOF approach has the merit of taking into account the relevant factors and different circumstances of different bus operators in the fare adjustment process, there have been suggestions that certain aspects could be modified to enhance the responsiveness and objectivity of the process. Specifically, -

- (a) There is no explicit provision for the Government to initiate fare reduction. At present, bus operators will not on their own initiative apply for a downward fare adjustment despite changing economic conditions;
- (b) Supporting information provided solely by bus operators may not be easily comprehensible to the public;
- (c) the basis of assessing and deciding the approved adjustment rate is not clear. Bus operators' fare increase proposals are always seen to be the starting point for consideration;
- (d) there is no specific element to motivate bus operators to improve efficiency and productivity, and
- (e) the existing triggering point of 13% return on ANFA for sharing of return with passengers, which was established in 2000, seems to be out of line with the present economic circumstances.

Proposed Modifications to the MBOF Approach

6. The main objectives of the proposed modifications to the MBOF approach are to facilitate bus fares to go upward and downward to provide greater responsiveness to the prevailing economic conditions, and to improve

objectivity of fare adjustment process while maintaining the flexibility to consider the factors embodied in the MBOF approach.

7. To achieve the above goals, we propose to build on the existing MBOF approach by retaining all factors outlined in paragraph 2 and introduce a new fare adjustment formula and several new objective benchmarks for fare adjustment assessment. The CE-in-Council will continue to retain the ultimate power in determining bus fares as provided in the PBSO to consider and balance all relevant factors including public affordability and the bus operators' financial viability. Detailed measures proposed are explained in the ensuing paragraphs.

Improve Objectivity and Allow Fares to Go Upward and Downward

8. To enhance responsiveness and objectivity of bus fare adjustment, we propose to introduce in the existing MBOF approach the following formula for initiating changes in bus fares by either the Government or the operator –

$$\begin{aligned} &\text{Supportable Fare Adjustment Rate (SFAR)} \\ &= 0.5 \times \Delta\text{Wage Index} + 0.5 \times \Delta\text{CCPI} - 0.5 \times \text{Productivity Gain} \end{aligned}$$

This formula will apply from the date when the new arrangement is adopted and thereafter from the date of the last fare adjustment.

(a) Wage Index

9. This formula can reflect the rate of change in operating costs for the franchised bus industry. Staff cost constitutes about 50% of the operating costs of franchised bus operators. In the formula, staff cost is reflected by the nominal wage index for the transport sector published by Census and Statistical Department (“C&SD”). The index is a reasonable indicator of the change in staff cost of the bus industry since employees of motor buses constitute the largest group (about 20%) of the workforce of the transport sector covered by this index.

10. Using the proposed wage index to measure the change in staff cost has the merit of improving objectivity because bus operators would not be able to manipulate the SFAR through adjusting the wage of their staff. For instance, under the proposed formula, the effect of a pay rise by the bus operator will not directly result in a supportable fare increase. Similarly, should the bus operator decide to maintain the wage level unchanged during

a deflationary period when other trades in the transport sector have effected pay cuts, his decision would not be taken as a justification for keeping the bus fare level unchanged.

(b) Composite Consumer Price Index

11. The remaining cost components of bus operators are to be reflected by Composite Consumer Price Index (“CCPI”) which can serve a dual purpose. On the one hand, CCPI is an easily understood and publicly available indicator to reflect the overall price level change of goods and services. It thus provides a more transparent and objective basis to facilitate public understanding of the case for bus fare adjustments. On the other hand, given that CCPI also reflects deflation and inflation situation of the economy, inclusion of CCPI in the proposed formula will provide a basis for upward or downward fare adjustment in response to prevailing economic conditions.

12. The introduction of a fare adjustment formula as an additional factor is an improvement to the existing MBOF approach because with the wage index and CCPI incorporated into the formula, fare reduction can then be triggered by downward change of the two indices in the future. Furthermore, the wage index and CCPI are open data published by C&SD on a quarterly and monthly basis respectively. Adopting these two indices would minimise reliance on information provided by the bus operators.

(c) Productivity Gain

13. To incentivise franchised bus operators to improve efficiency and productivity, the formula will include a productivity gain element. In theory, productivity gain should be measured in terms of percentage change in output compared with the percentage change in input. In practice, there is no perfect method to measure the units of output and input in economic sense as reckoned by economists. The considered view shared by most experts is that the crucial principle is to ensure reasonably accurate representation of the productivity gain when choosing the input and output parameters. The data period should also be sufficiently long and should cater for any substantial annual fluctuation in productivity gain.

14. Having regard to the above, our proposed approach is to measure the output of the bus industry by total fare and non-fare revenue² and the

² Under the existing practice, in measuring the rate of return of a franchised bus operator, both fare revenue and non-fare revenue will be taken into account. Non-fare revenue is included because it is related to the

input by total operating cost. The industry-wide productivity gain is derived by using the ratio of total fare and non-fare revenue to total operating costs. In order to assess any change in productivity of the bus industry during a sufficiently long period of time, we propose to use the data from a 10-year period, i.e. from 1995 to 2004. We will compare the ratio of total fare and non-fare revenue to total operating costs based on the data from 2000 to 2004 with the corresponding value from 1995 to 1999. The use of five-year data period can even out the yearly fluctuation of productivity change. The use of industry-wide productivity gain instead of that of individual bus operator will motivate the bus companies to enhance their efficiency to at least a level same as the average level of the productivity improvement attained by the bus industry.

15. The productivity gain calculated based on the above approach is 0.51% per annum. In the fare adjustment formula, half of the annual productivity gain will be shared with passengers. The 50/50 sharing of productivity gain is considered fair. The travelling public are guaranteed to benefit from half of all productivity savings while at the same time, bus operators will be able to enjoy the benefits of their efforts in improving productivity. In this way, a negative value of 0.3% (i.e. $0.5 \times 0.51\%$) will be pre-determined and built into the formula. This value will be fixed for the coming three years until the review of the formula. This element will have the effect of moderating fare increase by 0.3% when the changes in CCPI and Wage Index point to an upward fare adjustment. Similarly, this will further reduce the fares by 0.3% if the changes in CCPI and Wage Index give a downward fare adjustment. Taking into account the fixed value of 0.3% for the productivity gain element, the resultant SFAR formula for the next three years will be -

$$0.5 \times \Delta \text{Wage Index} + 0.5 \times \Delta \text{CCPI} - 0.3\%$$

Determining Bus Fare Adjustment

(a) Outcome of the Formula

16. The inclusion of the formula will provide a more objective and responsive starting point for considering bus fare adjustment. We will use the outcome of the formula as the reference indicator in considering whether fare adjustment rate is supportable and justifiable at a given juncture. However, the formula should not operate as an automatic determinant of fare

bus operation. The major item of non-fare revenue is advertising income (bus body advertising and bus shelter advertising).

adjustment outcome. The CE-in-Council should continue to retain the ultimate control in determining bus fares as currently provided in the PBSO to ensure all relevant factors under the MBOF approach (including those as set out in paragraph 2) will continue to be considered.

(b) Factors under the MBOF Approach

(i) Public Acceptability and Affordability

17. Under the existing MBOF approach, we make reference to the changes in CCPI when considering public acceptability of the rate of bus fare adjustment. While the CCPI aggregates expenditure pattern of 90% of the households, public affordability is also affected by the income of the general public. We therefore propose to examine the magnitude of change in median household income, as an additional reference indicator to CCPI, to gauge more comprehensively public affordability.

(ii) Financial Viability and Performance of Bus Operators

18. We will continue the existing practice for bus industry of not setting a guaranteed minimum level nor a ceiling of rate of return. We also consider it inappropriate to prescribe a specific rate of reasonable return for all bus operators given circumstances and operating conditions vary among them.

19. In assessing the reasonable return of bus operators, we have, in the past, considered the historical average rate of return on ANFA of the bus industry. In future, we consider it more appropriate to make reference to the Weighted Average Cost of Capital (“WACC”).

20. The WACC is the average cost of debt and equity weighted by their respective proportion in a company, or in our case the bus industry, as a whole. The WACC can be regarded as the expected rate of return of the investors in general for the bus industry under the prevailing economic conditions. It is derived based on an established and widely used formula which takes into account financial data of the market reflecting the cost of debt and equity. The WACC calculated for the bus industry is 9.7%. As compared with the historical average rate of return on ANFA, the WACC can better reflect the prevailing economic situation and operating environment of the bus industry. For instance, a pitfall of using the historical average rate of return is that a high historical rate of return achieved by bus operators during the high economic growth period may not be applicable during a period of

low economic growth.

21. In assessing the financial performance of the bus operator, our consideration is to ensure bus companies will have sound financial capability in providing efficient and quality public bus services. Following the established practice under the MBOF approach, we will consider the changes in operating costs and revenue since the last fare adjustment as well as the forecast of operating costs and revenue to have a clear and fair assessment of the operator's financial performance.

22. Taking into account the changes in operating costs and revenue since last fare adjustment not only serves to track the historical change in rate of return but will also enable the Administration to consider any prevailing cost factors that might have serious impact on the overall operating costs and possibly affect the rate of return of individual bus operators, e.g. sustained and significant fuel cost hike. This is important as it can obviate the need to incorporate each and every cost component of bus operation into the fare adjustment formula, thus without giving bus operators a convenient avenue to pass directly all its operating costs to bus passengers through the formula. For instance, given the volatility of oil price, inclusion of the fuel cost element into the fare adjustment formula may cause the formula to be dominated by this single parameter and subject to distortion. As the existing MBOF approach already provides the avenue for us to take into account impact of fuel price changes, we do not see the need for incorporating the fuel cost element in the formula.

(iii) Quality and Quantity of Services

23. We will continue, as now being practised under the MBOF approach, to monitor the quality and quantity of service and examine this impact on the return of the bus operator. In this regard, we will take into account objective indicators including the findings of passenger satisfaction surveys and site surveys, complaint figures and accident rates, to see whether the quality and quantity of service have affected the patronage and in turn the rate of return on ANFA of the bus operator. As pointed out in paragraph 20, we will make reference to WACC in assessing the reasonable rate of return of the operators.

(c) Balancing All the Relevant Factors

24. In a nutshell, the outcome of the formula will serve as a starting point for the fare adjustment process. Having balanced all relevant factors

mentioned in paragraphs 17 to 23, the Administration will consider whether there is a need to make adjustment to the SFAR. If so, the extent of the adjustment will be considered on the basis of the merit of the case.

25. The Administration will also continue the existing practice of consulting the Transport Advisory Committee and the LegCo Panel on Transport before submitting its recommendation on the rate of fare adjustment to the CE-in-Council. The Administration will explain to the public and LegCo Members on how the approved rate of bus fare adjustment is arrived at by comparing the set of objective indicators during the process, and how the approved rate of fare adjustment will affect the financial performance of the bus operators concerned.

Passenger Reward Arrangement

26. When the MBOF approach was endorsed by the CE-in-Council in 2000, we briefed Members on the arrangement as outlined in paragraph 3. We propose to retain the concept of this arrangement as already provided under the existing MBOF approach to serve the following two purposes –

- (a) to relieve the pressure for future fare increase, i.e. the passenger reward balance can be deemed as future revenue of the bus operator and taken into account by the Administration in assessing a bus fare adjustment application, thus helping to relieve the pressure for future fare increase; and
- (b) to facilitate bus fare reduction, i.e. the loss of revenue to individual franchised bus operators arising from future bus fare reduction measures to be agreed between the Administration and the operator concerned can be counted towards the passenger reward balance.

27. To better reflect the changes in capital market environment, we propose to lower the existing triggering point for sharing of return with passengers from 13% return on ANFA to 9.7%. The revised triggering point is based on the WACC calculated for the bus industry in the light of the prevailing economic conditions.

28. To enhance transparency, we propose to introduce measures to enable the public to monitor the use of passenger reward balance. The franchised bus operators will publish the passenger reward balance accumulated and their plan to utilise the amount in their booklet of “Fuller Disclosure” on an annual basis. This booklet will be published within five

months after the end of an accounting year of the respective bus operators. For the amount up to the equivalent of 1% of its annual revenue for the last accounting period in the passenger reward balance, operators will be given the flexibility to decide, in consultation with the Administration, when to use it for reducing the magnitude of fare increase required in future, or for providing fare concessions. Operators will need to use any amount in the passenger reward balance exceeding the equivalent of 1% of the annual revenue for provision of fare concessions within 12 months since the disclosure of the passenger reward balance accumulated.

29. This proposal has the merit of specifying clearly the circumstances under which the balance should be used to benefit passengers. The proposed triggering point of 1% of annual revenue will on the one hand give bus operators certain flexibility in deciding whether to use the passenger reward balance in the near future taking into account the prevailing economic conditions, and on the other hand, prevent operators from accumulating a sizeable balance without a definite timing on its utilisation.

Procedure of Bus Fare Increase and Reduction

30. C&SD publishes, on a monthly basis, the CCPI, and on a quarterly basis, the wage index and median household income. A negative value of 0.3% representing the productivity gain element will be pre-determined for three years and built into the formula. With the above publicly known data, any changes in the outcome of the formula is open to the public and can be easily monitored.

31. The Administration will monitor the supportable fare change by applying the fare adjustment formula on a quarterly basis and will consider initiating a downward fare adjustment after having considered the outcome of the formula and all relevant factors under the MBOF approach. As regards fare increase, it will be up to the bus operators to apply as at present if they see a need for upward adjustment of bus fares. The power to determine the fare adjustment applications remains with the CE-in-Council. In considering both upward and downward fare adjustment, we will consider the changes of the various indices included in the formula since the effective date of implementation of the new arrangement and consider other factors under the MBOF approach. Processing of any fare adjustment is envisaged to take about six months.

32. To avoid frequent fluctuation in bus fares which will cause inconvenience to passengers, fare change, be it upward or downward

adjustment, will only be implemented if it amounts to 10 cents or more per bus trip. Any adjustment lower than this level will be difficult to implement.

Public Opinion on Bus Fare Adjustment

33. We have commissioned the Hong Kong Polytechnic University to conduct a public opinion poll on the fare adjustment mechanism for franchised buses in August 2005, covering a total of 2,026 respondents. Survey result shows that the majority (72%) of the respondents consider there is a need to establish a fare adjustment mechanism which can adjust the bus fares upward or downward. Out of these 72% of the respondents, about 85% support Government to retain the control on bus fare changes to ensure that the prevailing economic conditions, public affordability and employment situation can be taken into account when bus fares are determined. As regards the factors to be included in the mechanism, over 80% of the respondents who see a need for a fare adjustment mechanism agree that indicators reflecting inflation or deflation as well as median household income reflecting public affordability should be incorporated in the mechanism. Summary of findings of the survey are attached at Annex.³

Annex

Benefits of the Proposed Improvement Measures

34. Adopting the proposed improvements will bring the following benefits –

- (a) fare levels would be able to fall or rise in future to better reflect changes in economic circumstances and the Government can initiate fare reduction having regard to the prevailing economic conditions;
- (b) the introduction of productivity gain element allows passengers to share the benefit arising from productivity improvement of bus operators through increasing the magnitude of fare reduction or moderating fare increase when one is required. It also provides incentive for an individual operator to outperform the industry-wide productivity improvement;
- (c) the design of the formula, which does not include fluctuating and volatile cost elements, can avoid as far as practicable passengers having to bear directly the impact of drastic changes in operating

³ The full report including findings, methodology and detailed information of the survey has been uploaded to the website of the Environment, Transport and Works Bureau (www.etwb.gov.hk).

costs without reference to the impact of such changes on the operators and the effect of mitigation measures taken by the bus companies;

- (d) the modified approach embodies objective indicators which could enhance objectivity of the basis for initiating the fare adjustment process;
- (e) the reference to changes in median household income and the WACC of the bus industry will strike a balance between public affordability and bus operation; and
- (f) the lowering of triggering point for activating the passenger reward arrangement from 13% return on ANFA to 9.7% is more in line with the prevailing economic conditions.

Effective Date of the Proposed Modifications

35. Our aim is to seek the approval of CE-in-Council for the proposals to take effect in January 2006. The new arrangement will be applied to all six franchisees on the same day. That said, all factors under the existing MBOF approach will be applied on a continual basis with reference to the date of last fare adjustment. For the new elements of the proposals, i.e. introduction of the fare adjustment formula as an additional factor, the making reference to median household income and WACC, and lowering of the triggering point for sharing of return from 13% return on ANFA to 9.7%, will be applied from the effective date of the new arrangement. This is in line with the established arrangement for introducing new policies.

36. A new franchise clause will be included in the next franchise to be granted to the franchised bus operators to set out explicitly the power of CE-in-Council to adjust bus fares upward or downward and to reflect the inclusion of an additional factor of change in price of the cost elements and productivity improvement of the franchised bus industry in the new fare adjustment arrangement.

37. Upon implementation of the proposed changes to MBOF approach, the six franchisees will also provide fare reduction initiatives agreed in the context of franchise negotiation as outlined below. These fare reduction initiatives would reduce the average fare level for the bus operators concerned. Yet, for the avoidance of doubt, the effective date of these fare

reduction initiatives would not be regarded as the date of last fare adjustment for the purpose of applying the factor of “changes in operating costs and revenue since the last fare adjustment” under the MBOF approach.

Fare Reduction Initiatives

38. In the context of the franchise negotiation, Citybus (Franchise 1) and Kowloon Motor Bus (“KMB”) have agreed to provide the following fare reduction initiatives upon implementation of the proposed changes to the MBOF approach –

- (a) 15% advance payment day return fare reduction on routes where the single fare is \$15 or above⁴;
- (b) 5% advance payment day return fare reduction on routes where the single fare is between \$10 and \$14.9⁴;
- (c) \$2 flat fare or half fare, whichever is lower, for elderly on Sunday and public holiday; and
- (d) an addition of 47 bus-bus interchange (“BBI”) schemes.

39. Citybus (Franchise 1) and KMB have also agreed to extend the above fare discounts to the equivalent routes operated by their sister companies, viz. New World First Bus, Citybus (Franchise 2) and Long Win⁵. New Lantao Bus, in spite of its smaller operation, has offered to continue with the special elderly fare concessions on 10 routes on weekdays to provide discount of \$0.3 to \$1.0 on top of the existing elderly half fare.

40. The 15% and 5% reduction covering 42 and 56 routes respectively will benefit passengers of long and medium distance routes, particularly those living in New Territories districts such as Tin Shui Wai, Tung Chung and Tuen Mun who have to bear higher transport costs than those living in the urban districts. The reinstatement of the special elderly discount on Sunday and public holiday on 443 routes will also encourage the elderly to have a socially active life. With the implementation of the fare reduction

⁴ Bus companies will announce the implementation date of the fare reduction initiatives on jointly operated cross harbour routes separately as the technical issues relating to upgrading of software/hardware of Octopus system need to be resolved. At present, fare concession on routes where the single fare is \$15 or above being provided by bus companies only applies to solely operated routes but not jointly operated routes.

⁵ Individual bus companies will announce the implementation date of their fare reduction initiatives separately.

initiatives set out in paragraphs 38 and 39 as well as the 167 BBI schemes currently in place, the total number of potential beneficiaries eligible for the reduction schemes will be up to about 900,000 a day, constituting about one-fourth of the total daily bus patronage.

Future Review

41. We propose to review the new arrangements in three years' time, as it is a new approach which warrants a closer monitoring of its effectiveness. A review period of three years would provide sufficient certainty for franchised bus operators to conduct their business. The weightings for each parameter in the formula and the triggering point for sharing of return would then be reviewed. The fare reduction initiatives set out in paragraphs 38 and 39, except the additional BBI schemes, will also be reviewed in three years' time at the next review of the new fare adjustment arrangement.

ADVICE SOUGHT

42. Members are invited to give their views on the proposed modifications to the existing MBOF approach.

Environment, Transport and Works Bureau
November 2005

Environment, Transport and Works Bureau,
The Hong Kong Special Administrative Region Government

Public Opinion Survey
on the Fare Adjustment Mechanism for Franchised Buses

Survey Report

Prepared and Conducted by



The Hong Kong Polytechnic University

Department of Applied Social Sciences

Centre for Social Policy Studies

October 2005

Survey Results

(Extracted from Survey Report on Public Opinion Survey on the Fare Adjustment Mechanism for Franchised Buses)

- 1 The Government of Hong Kong Special Administrative Region commissioned the PolyU Technology & Consultancy Company Limited to conduct a “Public Opinion Survey on the Fare Adjustment Mechanism for Franchised Buses” between 15 and 18 August 2005. A total of 2,026 persons aged 12 or above were successfully interviewed over the telephone. The key findings are summarized below.
- 2 Survey result showed that the majority (72.4%) of the respondents considered there was a need to establish a fare adjustment mechanism which could facilitate upward or downward adjustment of bus fares. Out of these respondents who considered there was a need to establish a fare adjustment mechanism: (1) the majority (85.2%) supported the Government to retain the final decision making power on bus fare changes to ensure that the prevailing economic conditions, public affordability and employment situation would be taken into account when bus fares were determined; (2) the majority agreed that indicators reflecting inflation or deflation (86.5%) as well as median household income reflecting public affordability (82.3%) should be incorporated in the mechanism.

General Findings

- 3 31.3% of the respondents indicated that in general they travelled by franchised bus once to five times per week. The percentage was higher than 21.3% who indicated that they travelled by franchised bus 11 times or more per week and 19.0% who took the bus six to ten times per week. 27.1% responded that they did not travel by franchised bus.
- 4 Among the respondents who generally travelled by franchised bus every week, 71.8% indicated that they took Kowloon Motor Bus most often (51.4% of the total respondent base). 13.5% of them took Citybus (9.6% of the base) and 10.4% took New World First Bus (7.5% of the base) most often. Only 1.1% said that they usually took Cityflyer (Long Win Bus / Citybus) or Citybus residential bus and 0.3% took New Lantao

Bus.

- 5 72.4% of the respondents considered it necessary for the Government to formulate a computation method for the Fare Adjustment Mechanism for adjusting bus fares. The percentage was significantly higher than the 9.5% who thought otherwise.
- 6 Among those who saw the need for a computation method for the Fare Adjustment Mechanism, 86.5% considered that the Government should take into account the economic statistics which reflect inflation or deflation when establishing the Fare Adjustment Mechanism. The percentage was significantly higher than the 4.4% who thought otherwise.
- 7 Among those who saw the need for a computation method for the Fare Adjustment Mechanism, 85.2% considered that besides putting the Fare Adjustment Mechanism in place, the Government should retain the “authority to make the final decision” on determining bus fare so that the local economic conditions, public affordability and employment situation could be taken into account. This was much higher than the 9.7% who thought otherwise.
- 8 Among those who saw the need for a computation method for the Fare Adjustment Mechanism, 82.3% considered the Government should make reference to the statistics on Median Household Income which reflects income level of households and employment situation while assessing the public affordability on bus fares. This was much higher than the 9.4% who thought otherwise.
- 9 Apart from the views on the Fare Adjustment Mechanism, the respondents were also asked to give their opinions on the number of buses running in the urban areas. 53.3% of the respondents considered the number of buses running in the urban areas was just right, 22.3% considered it too many and 7.7% considered it too few.

End