

立法會
Legislative Council

LC Paper No. LS58/10-11

**Paper for the House Committee Meeting
on 13 May 2011**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 6 May 2011**

Date of tabling in LegCo : 11 May 2011

Amendment to be made by : 8 June 2011 (or 29 June 2011 if extended by resolution)

Tramway Ordinance (Cap. 107)

Tramway Ordinance (Alteration of Fares) (Amendment) Notice 2011 (L.N. 63)

This Notice is made by Hong Kong Tramways Limited (HKT) under section 51 of the Tramway Ordinance (Cap. 107) (the Ordinance) with the consent of the Chief Executive in Council to alter the fares payable for travelling on the tramway.

2. The existing rates of fares for the tramway are set out in the Schedule to the Tramway Ordinance (Alteration of Fares) Notice (Cap. 107 sub. leg. D). This Notice amends the Schedule to increase the following fares, last increased in March 1998, by 15% to 20% -

	Existing fares	New fares	Change (%)
Person aged 12 or above	\$2.0	\$2.3	\$0.3 (+15%)
Child (aged 3 to 12)	\$1.0	\$1.2	\$0.2 (+20%)
Monthly ticket	\$170	\$200	\$30 (+17.6%)

3. The alteration of fares as set out in this Notice shall come into force one month after its publication in the Gazette, i.e. 7 June 2011, under section 51(2) of the Ordinance.

4. According to the LegCo Brief, HKT applied for the fare increase due to an increase of its operating costs from 1999 to 2009, a decrease in revenue caused by a declining patronage and the need to implement seven

improvement projects to enhance the performance and long-term sustainability of the tramway system. In August 2010, HKT proposed to increase the adult fare from \$2.0 to \$2.5 (by 25%), the child fare from \$1.0 to \$1.3 (by 30%), and the fare for monthly ticket from \$170 to HK\$210 (by 23.5%). Having assessed HKT's service performance, changes in its operating costs and revenue since 1998, forecasts of future operating costs and revenue, implication of the improvement projects proposed by HKT and the public acceptability of the proposed increase, the Administration recommended an increase at lower rates as set out in paragraph 2 above. The Administration's recommendation received support from the Transport Advisory Committee. HKT agreed with the recommendation and submitted a revised application.

5. Members may wish to refer to the LegCo Brief (File Ref.: THB(T) L 2/5/6) issued by the Transport and Housing Bureau in May 2011 for further information on the justifications for the fare increase, the improvement projects proposed by HKT, the advice of the Transport Advisory Committee and other background information.

6. The Panel on Transport was consulted on HKT's original proposal for fare increase at its meeting of 17 December 2010. Members generally recognized the need for maintaining the financial viability of tram service and supported the improvement projects proposed by HKT. However, they considered the proposed increase of about 25% too drastic having considered the possible impact on the passengers with lower income. Some members also suggested that HKT should offer fare concessions to persons with disabilities and withhold the increase on the elderly fare.

7. The Legal Service Division has noticed that a note is inserted in section 1 of the Notice to inform the readers of section 51(2) of the Ordinance that governs the commencement of the fare increase. Upon enquiry, the Administration replied that the note is included for the convenience of the readers who may not be familiar with that provision.

Prepared by

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