

立法會
Legislative Council

LC Paper No. CB(1)1512/12-13(04)

Ref. : CB1/PL/TP

Panel on Transport
Meeting on 19 July 2013

Background brief on the peak tramway

Purpose

This paper provides background information on the peak tramway. It also summarizes the major concerns expressed by members of the Panel on Transport ("the Panel") on the subject.

Background

2. The Peak is a "must-see" attraction to visitors of Hong Kong. Tourists can use the peak tramway or other public transport modes to go to the Peak. The peak tramway is essentially a tourist and recreational facility. It is run and operated by the Peak Tramways Company Limited ("the Company"). When the operating right of the Company was examined by the Executive Council in 1980's, the Company was granted an operating right from 1 January 1984 for 10 years plus an extension of 10 years subject to payment of a premium of \$2.79 million and commitment from the Company to modernize the peak tramway system. At the same time, the fares of the peak tramway were de-regulated.

3. Section 2A(5) of the Peak Tramway Ordinance, Cap. 265 ("the Ordinance") stipulates that the Company may request an extension of its operating right not less than one year before the expiry of any further period for which the right is granted. Section 2A(6) of the Ordinance stipulates that the Chief Executive in Council may, pursuant to a request submitted under section 2A(5), grant an extension for a further period not exceeding 10 years on such terms as may be agreed between the Company and the Government.

The last extension of right to run and operate the peak tramway in 2003

4. Pursuant to the last request made by the Company on extension of its operating right upon the expiry on 31 December 2003, the Administration had carried out an assessment of the safety and service aspects of the Company. Based on the assessment result, the Administration considered that the Company had provided stable and satisfactory service in terms of safety and service aspects. In this regard, the Administration consulted the Panel on 24 October 2003 on its intention to recommend the Chief Executive in Council to approve the Company's request for a 10-year extension of its right to run and operate the peak tramway in accordance with Section 2A(6) of the Ordinance subject to the payment of a lump sum full market premium by the Company to the Government for the land occupied for the operation of the peak tramway. According to the Administration, given the tough competition from franchised buses and green minibuses, the market forces would steer the Company towards a better quality of service.

5. At the meeting, Panel members pointed out that the Administration should take the opportunity to examine whether additional safeguards should be put in place to ensure the future service performance of the Company. Highlighting the importance of the peak tramway as one of the major tourist attractions in Hong Kong, the Panel also called on the Administration to further enhance the appeal of peak tramway to tourists and ensure the provision of adequate and clear signage to guide tourists to the peak tramway station.

6. In November 2003, the Chief Executive in Council approved the granting of a 10-year extension to the Company to run and operate the peak tramway from 1 January 2004 to 31 December 2013. According to the Administration, the Company has to pay a non-refundable lump sum full market premium of \$36.8 million to the Government before commencement of the extension for the rental of the land occupied for the operation of the peak tramway.

Latest developments

7. The Administration plans to brief the Panel on the arrangement for the operating right of the peak tramway on expiry of the current one by the end of 2013 at the Panel meeting to be held on 19 July 2013.

8. A list of relevant papers is in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
17 July 2013

Appendix

Peak tramway

List of relevant papers

Date	Meeting	Minutes/Paper	LC Paper No.
24.10.03	Panel on Transport	Administration's paper on application from the Peak Tramways Company Ltd for extension of its right to run and operate the peak tramway Minutes of meeting	CB(1)100/03-04(03) http://www.legco.gov.hk/yr03-04/english/panels/tp/papers/tp1024cb1-100-3e.pdf CB(1)404/03-04 http://www.legco.gov.hk/yr03-04/english/panels/tp/minutes/tp031024.pdf
5.11.03	--	Press release on Peak Tramways Co gets 10-year extension to run peak tram	http://www.info.gov.hk/gia/general/200311/05/1105211.htm

Council Business Division 1
Legislative Council Secretariat
17 July 2013