



**PEAK TRAMWAYS COMPANY, LIMITED**

山頂纜車有限公司

**Position of Peak Tramways Company Limited ('the Company')  
on the Peak Tramways (Amendment) Bill 2015**

The Peak Tram was conceived and developed by a few visionary entrepreneurs in the 1880's principally to provide easy access for their guests to reach The Peak Hotel. This incredible feat of engineering was completed with no financial subsidy from government and has throughout its 127 years of operation, continued to be a wholly private enterprise. Since those early days Peak Tramways Company has invested significantly in the tram and its infrastructure and grown it from a simple mode of transportation to a world renowned tourism and recreational facility. It has become the most visited tourist attraction in Hong Kong, a Hong Kong icon which is part of our collective memory and the backdrop for many special moments.

We are very proud of our excellent safety record and our reputation for providing a quality service to our passengers due to stringent repair and maintenance programmes and investment in staff training and development. Peak Tramways has been awarded a Certificate of Excellence in 2015 by TripAdvisor, and has been recognised as a Caring Company since 2008.

The Peak Tram serves over 6 million tourists a year and its patronage continues to grow annually. To facilitate this demand we continually invest in system and equipment improvements. Furthermore, we commissioned the Hong Kong Productivity Council to conduct a comprehensive productivity study and implemented many improvement schemes as a result. The study concluded that the room for productivity improvement of the current operation is very limited unless we increase the tramcar capacity due to the significant space constraints we face.

To enhance our services in the interim, we have implemented a number of initiatives to improve the queueing time and offer more efficient ticket sales at busy times. On peak days, we have relocated the queue from Garden Road to the area outside the Hong Kong Sports Centre, which provides shelter for waiting passengers.

In November 2012 we applied for a renewal of our operating right and proposed to the Government an improvement plan which will significantly enhance the passenger experience by reducing waiting time in a protected environment and providing greater capacity for the long term growth of the Peak Tram. The improvement plan, which has been developed by a team of professional consultants including architectural, civil engineering, building services, lands and tramway system design consultants, entails a very significant investment in the region of HK\$600 million and will require a 20 year operating right to justify the investment.

This extensive improvement plan comprises:

- Longer tramcars increasing the current capacity by 66% from 120 to 200 passengers
- the provision of extensive weather protected queueing areas
- the installation of a complete new haulage and signalling system
- A renovation of the Upper Terminus, the control room and engine room
- The replacement of all the track rails for the heavier tram cars and major track foundation and bridge reinforcement

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Having studied the preliminary design proposal submitted by us, Government have advised that they do not envisage any insurmountable difficulties in implementation subject to our further, detailed feasibility study on the engineering details.

Peak Tramways continues in our wish to be granted the right to run and operate the tramway for a period of at least another 20 years. If the Bill is passed in its present form, we intend to apply to the Government for the grant of the operating right for an initial period of ten years commencing on 1st January 2016, and once the right is granted will immediately apply for the renewal of such operating right for a further period of 10 years from 1st January 2026, together with a submission of our expansion plan for formal approval by the Government.

We intend to implement the major upgrade plan of the tram and its infrastructure without further delay and expect, with government support, this to be completed in 4-5 years.

We have expressed to Government our objection to any Exit Arrangements that require the compulsory acquisition of our Land or premises which would be an unjust encroachment on private rights. However, to ensure there is no disruption to the Tramway service, should there be a change of operator, the Company considers a mandatory lease regime as opposed to compulsory acquisition, to be a more palatable arrangement. We view the acceptance of the mandatory lease of our essential premises and mandatory sale of our essential equipment as part of a package including all other terms to be negotiated with government.

The current Peak Tram operating right expires on 31 December 2015. In view of the time constraint, the Company believes that in order to ensure that there will be no disruption to the tramway service after the end of 2015, and in the interest of the public, the Legislative Council should pursue the Amendment Legislation as a priority.

We are confident that we can create a new and improved funicular railway service to the Peak, based on 127 years of history and the latest technology, that will continue to be one of Hong Kong's most enduring icons.

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