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A verbal duel over large fare increases

THE GOVERNMENT responded yesterday to the questions from pressure groups which were concerned by the China Motor Bus and Hongkong & Yaumati Ferry fare increases.

Regarding CMB's development fund, a government spokesman said the \$10.1 million at present in the cofier would be used to offset the company's expected shortfall and, therefore, reduce the level of fare increases now required.

On Thursday, CMB and HYF announced that their fares would be increased by an average of 22 and 32 per cent respectively from next month.

A statement issued by the Coalition for the Monitoring of Public Utilities on Thursday said CMB need not apply for a fare increase until the development fund had been exhausted.

It said \$19 million had been transferred to the fund due to excessive profit for the year 1981/82.

And as the level of permitted returns for 1982/83 was not reached, a sum of \$9.6 million was transferred from the fund to make up the difference in accordance with the Scheme of Control.

A spokesman for the coalition, Mr Lau Chin-shek, also criticised the government for not releasing adequate information on the fare rises.

"In 1980, Kowloon Motor Bus released part of its in-

formation and consulted the public on a fare rise. Seen in that light, what is happening now is a regression, a move against liberalising the control of public utilities," he said.

The government spokesman said both CMB and Hongkong & Yaumati Ferry had, in their announcements, provided information on various factors which had affected their expenditure and cost of operation.

He stressed that the applications by both companies had been examined very carefully before they were approved by the Transport Department, the Transport Branch, the Transport Advisory Committee and the Executive Council.

The spokesman also reiterated the secretary for Transport's statement that fares for trams, ferries and buses are expected to remain stable until 1985.