

12 Dec 1989

TAC
KMB

About turn claimed by bus firm

THE Kowloon Motor Bus (KMB) yesterday claimed that the Transport Advisory Committee (TAC) had made an about-turn in its attitude towards the company's five-year expansion plans.

Last Thursday, after discussing the company's plans, the TAC proposed that the KMB lease land for its proposed depots, instead of buying them.

TAC chairman, Miss Maria Tam Wai-chu, said that if the KMB bought the land for its depots, it would form part of the company's asset base on which profit returns were calculated.

Under a government control scheme, the franchised bus company is allowed to make annual profits equaling 16 per cent of its average nett fixed assets.

A KMB statement said its present five-year plan for 1990-1994 was basically a roll-over of its previous five-year plan, endorsed by the TAC last year.

"As there are no significant differences between the fleet size and depot requirements contained in these two plans, it appears the TAC has made a sudden reversal of attitude towards the KMB's expansion plans," it said.