

LCQ14: Franchised bus routes running through Tai Lam Tunnel

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (June 11):

Question:

There are views that, before the Government's takeover of Tai Lam Tunnel (TLT), the tolls for public single-decked buses and public double-decked buses using TLT were as high as \$180 and \$213 respectively, resulting in the fares of franchised bus routes running through TLT being significantly higher than those of other bus routes which do not run through TLT but have similar route lengths, ultimately adding to the financial burden of commuting on residents of Yuen Long District. With the takeover of TLT by the Government on 31st of last month, the toll for franchised buses has been substantially reduced to \$43, and there should be room for downward adjustment of the fares of bus routes running through TLT. In this connection, will the Government inform this Council:

(1) whether it knows the following information about the various franchised bus routes running through TLT: (i) the current adult full fares, (ii) the full mileage of the routes, (iii) the number of trips running through TLT last year, (iv) last year's patronage, (v) last year's operating costs, (vi) the total amount of tolls paid last year, (vii) the proportion of tolls to the fares and (viii) last year's operating surplus or deficit (set out in a table);

(2) whether it knows the total amount of tolls paid by various franchised bus operators to the operator of TLT from January to 30th of last month this year, as well as the respective estimated amounts of tolls to be kept in the Franchised Bus Toll Exemption Fund each month since 31st of last month; and

(3) whether it has estimated the respective annual savings in tunnel tolls to be achieved by various franchised bus operators since the Government took over TLT on 31st of last month; whether the authorities will require franchised bus operators to directly distribute the full amount of toll savings to passengers; if so, of the anticipated rate of reduction in the fares of each trip of the franchised bus routes running through TLT; if not, the reasons for that, and how the authorities will motivate such operators to introduce other fare concessions and stabilise the fares of such routes, so as to alleviate the burden on passengers?

Reply:

President,

The fares of franchised bus services are to be charged according to a

scale of fares determined by the Chief Executive in Council. The fare level of individual bus routes depends on the route groups to which they belong, and the route groups are mainly distinguished by the nature of service and the length of journey, regardless of whether the routes in the group pass through tolled tunnels or roads. In other words, the fares of franchised bus routes passing through tolled tunnels or roads (such as the Tai Lam Tunnel referred to by the Hon Luk Chung-hung) are not linked to the toll levels of these tunnels or roads.

Having consulted the Transport Department (TD), our reply to the Hon Luk Chung-hung's questions is as follows:

(i) At present, the Kowloon Motor Bus Company (1933) Limited (KMB), Long Win Bus Company Limited and Citybus Limited (Franchise for the Urban and New Territories bus network) operate a total of over 50 franchised bus routes that pass through the Tai Lam Tunnel. The full adult fares of these routes range from \$11.5 to \$47.2, with the full journey distances ranging from approximately 16.4 kilometres to 61.4 kilometres. In 2024, the actual number of trips of these routes through the Tai Lam Tunnel was about 1.12 million, with a patronage of about 74.4 million.

The operating accounts of the franchised bus operators (the operators) are calculated on the basis of overall expenditure and revenue. The TD does not maintain a breakdown of the operating costs, profits or losses of individual bus routes. The amount of tolls of the Tai Lam Tunnel paid by the above three operators totalled about \$240 million in 2024.

(ii) Based on the figures in 2024, it is estimated that the operators paid about \$100 million for the tolls of the Tai Lam Tunnel from January 1 to May 30, 2025.

The Government has exempted the operators from paying tolls when using government tunnels and control areas since February 2019. The operators have kept the tolls saved in the dedicated fund accounts they set up, i.e. the Toll Exemption Funds (TEF). When an operator applies for a fare increase and the Chief Executive in Council considers that there is a justifiable need to increase the fare, the operator is required to offset the increase by first using the balance in TEF. The magnitude of the fare increase shouldered by passengers will be lowered, and the passengers will be benefitted directly.

After the Tai Lam Tunnel became a Government tunnel on May 31 this year, the tolls of single-decker buses and double-decker buses were reduced to \$43. Tolls payable by the operators will be deposited into the TEF. Based on the figures in 2024, it is projected that the operators will need to deposit about \$4 million per month and about \$48 million per year into the TEF.

(iii) Based on the above projection, the operators will pay approximately \$190 million less in the Tai Lam Tunnel tolls annually. That said, as mentioned above, the fares of franchised bus routes are dependent on the overall operating situation of the franchised buses rather than the toll levels of the tunnels or roads that they pass through. In fact, the toll expenses account for less than seven per cent of the overall operating costs

of franchised buses. The reduction in tolls of individual tunnels (including the Tai Lam Tunnel) has a minimal impact on the overall operating costs.

The Government has all along been closely monitoring the fare levels of franchised buses. When processing the fare increase applications last year, the Government has specifically considered the slight reduction in overall costs for operators after the decrease in the Tai Lam Tunnel tolls. At the same time, the Government sought to mitigate the fare increase through the TEF as far as possible. In the case of KMB, the overall rate of fare increase was reduced from 5.2 per cent to 4.3 per cent after a 0.9 percentage points mitigation effect by the TEF.