

**For discussion on
22 November 2024**

Legislative Council Panel on Transport

Fare Increase Applications from Franchised Bus Operators

Purpose

Franchised bus operators have submitted fare increase applications in respect of three bus franchises¹, i.e. The Kowloon Motor Bus Company (1933) Limited (“KMB”), Citybus Limited (Franchise for the Urban and New Territories bus network) (“CTB(U&NT)”)², and New Lantao Bus Company (1973) Limited (“NLB”). The applications are being considered by the Government. Representatives from these franchised bus operators will brief Members on their fare increase applications at the Panel meeting on 22 November 2024. This paper provides information on the mechanism that the Government would follow in assessing franchised bus fare adjustment applications, overview of operating environment of the industry, and the applications received.

Mechanism for Processing Applications for Fare Adjustment

2. Pursuant to section 13(1) of the Public Bus Services Ordinance (Cap. 230), fares of franchised bus services are to be charged according to a scale of fares determined by the CE-in-C. The factors that are relevant in assessing a bus fare increase application as set out in the current Fare Adjustment Arrangement for Franchised Buses (“FAA”) agreed by the CE-in-C are as follows:

- (a) changes in operating costs and revenue since the last fare adjustment;
- (b) forecast of future costs, revenue, and return;

¹ Among the existing five bus franchises in Hong Kong, there has been no fare increase application this year in respect of the remaining two bus franchises, i.e. Long Win Bus Company Limited (“LW”) and Citybus Limited (Franchise for the Airport and North Lantau bus network) (“CTB(A&NL”).

² Pursuant to the decision of the Chief Executive in Council (“CE-in-C”) in July 2022, the franchises of New World First Bus Services Limited (“NWFB”) and Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour bus network) (“CTB(HKI&XH)”) have been merged into a new ten-year franchise, i.e. CTB(U&NT), with effect from 1 July 2023.

- (c) the need to provide the franchisee with a reasonable rate of return³;
- (d) public acceptability and affordability⁴;
- (e) quality and quantity of service provided; and
- (f) outcome of the Supportable Fare Adjustment Rate (“SFAR”) formula⁵, under which:

$$\begin{array}{r}
 \text{SFAR} = \\
 \quad + 0.5 \times \text{Change in Nominal Wage Index for the} \\
 \quad \quad \quad \text{Transportation Section (“WI”)} \\
 \quad + 0.5 \times \text{Change in CCPI} \\
 \quad - 0.5 \times \text{Productivity Gain}^6
 \end{array}$$

3. It is the Government’s established policy that public transport services should be run by the private sector in accordance with commercial principles for better efficiency and cost-effectiveness. When assessing the financial performance of the franchisees, our consideration is to balance the financial sustainability and capability of the franchisees to provide safe and quality franchised bus services on one hand, and taking into account public acceptability and affordability as well as impact on passengers on the other.

4. The Government will make reference to the aforementioned relevant factors and take into account views of Members of the Legislative Council Panel on Transport and the Transport Advisory Committee (“TAC”) before submitting

³ There is no guaranteed minimum level of rate of return for the bus industry. The Government would make reference to the Weighted Average Cost of Capital (“WACC”) of the bus industry in considering the reasonable rate of return of the bus operator as measured by rate of return on average net fixed assets (“ANFA”). Under the FAA, the WACC also serves as the triggering point for the “passenger reward arrangement”. When the rate of return on ANFA of a franchise exceeds the WACC, the profit above the triggering point shall be shared with passengers on a 50:50 basis. The passengers’ share is maintained as “passenger reward balance” to be used for providing fare concessions or relieving the pressure for future bus fare increase. The current WACC is 8.7% p.a.

⁴ The Government would make reference to the changes in the Median Monthly Household Income (“MMHI”) and Composite Consumer Price Index (“CCPI”).

⁵ It should be noted that the outcome of the SFAR formula does not operate as an automatic determinant of rate of fare adjustment. Due consideration should and would be given to all factors in a comprehensive manner.

⁶ 0.5 × Productivity Gain is collectively termed as “Productivity Component” and is currently set at +0.3% p.a.

recommendations to the CE-in-C for decision. The Government will play its gatekeeping role as it has always have, and exercise due diligence in scrutinising the applications for fare increase. If the rate of increase applied by a franchisee is considered to be excessive after holistic consideration of the factors under the abovementioned FAA, the Government would recommend an increase lower than what is applied for or even reject the application.

5. The Government has made legislative amendments to exempt the toll for franchised buses using government tolled tunnels and roads with effect from 17 February 2019. A dedicated account has been set up for each franchise, viz. the Franchised Bus Toll Exemption Fund (“TEF”), to keep the toll saved. When a franchisee applies for a fare increase and the CE-in-C considers that there is a justifiable need to increase the fare, the magnitude of the increase may be reduced by using the TEF.

Operating Environment of Franchised Bus Industry

6. In 2023 and first half of 2024, franchised buses recorded average daily passenger journeys of about 3.6 million and 3.7 million respectively, higher than average daily passenger journeys of about 3.1 million recorded in 2022. Overall, with the resumption of social and economic activities, the patronage and revenue of the franchised bus industry have improved as compared to the COVID-19 epidemic period, but has only recovered to about 90% to 95% of the level prior to the epidemic (the number of average daily passenger journeys was in the range of 3.8 million to 4.0 million in 2010 – 2019). The Government has been encouraging and assisting franchised bus operators in raising revenue and cutting expenditure, including exploring more sources of non-farebox revenue⁷ and rationalising bus routes to better match passenger demand and more efficiently utilise resources. However, with rising salary expenses and volatile fuel costs, as well as continued competition for passengers with other transport modes, the financial situation of franchised bus operators has not been satisfactory. The financial situation of KMB, CTB(U&NT), and NLB in the past three years are tabulated below.

⁷ Examples include exploring the display of advertisements at more facilities (e.g. on external walls of bus depots), and better utilising bus depot sites for providing services to other commercial vehicles (e.g. repair, maintenance and refueling).

Franchise	Financial Year	Profit or Loss After Tax^{Note 1}
KMB	2021	\$106.0 million
	2022	-\$41.2 million
	2023	\$20.2 million
CTB(U&NT)^{Note 2}	2020-21 ^{Note 3}	-\$161.3 million
	2022	-\$39.0 million
	2023	-\$57.4 million
NLB	2021-22	-\$18.3 million
	2022-23	-\$8.8 million
	2023-24	2.9 million

Note 1: The profit or loss figures in the table have included subsidies disbursed under the Anti-epidemic Fund. The actual financial performance of the relevant franchises would be worse without the Anti-epidemic Fund subsidies. Details may be found in the financial data of the relevant franchises at the three Annexes.

Note 2: The profit or loss after tax of NWFB and CTB(HKI&XH) before the merger are reflected in the figures of CTB(U&NT) in the above table.

Note 3: The end date of the financial year changed from 30 June to 31 December during the year and therefore the 2020-21 financial year covered a period of 18 months.

7. To meet public aspirations for continuous improvement to franchised bus services, the franchisees are also implementing various initiatives in accordance with the Government's policy objectives including, amongst others, (i) improving facilities and equipment (including barrier-free facilities) with a view to enhancing travel experience and safety; (ii) providing fare concessions to various passenger groups, including interchange discount, child or student discount, and elderly fare concession⁸; (iii) transitioning to a zero-emission bus fleet and investing in related ancillary facilities (such as charging facilities); (iv) setting up new depot facilities to support franchised bus services in new development areas; and (v) as one of the major groups of employers in the transport sector, continuing to attract and retain workforce by improving remuneration and work environment of their employees (especially the some 14 000 bus captains).

⁸ Franchised bus operators have been providing voluntary half-price fare concession to elderly persons aged 65 or above under the Elder Concessionary Fare Scheme. According to the said Scheme, the Government would waive payment of annual vehicle licence fees and reimburse the rentals paid in respect of use of government land by the operators. Currently, the relevant revenue forgone of the operators could only be partly offset by the fee exemption/rental reimbursement under the said Scheme, and the remainder would not be reimbursed under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (i.e. the \$2 Scheme).

Fare Increase Applications

KMB

8. KMB submitted on 8 January 2024 an application for fare increase at the rate of 6.5%. KMB last increased its fares on 18 June 2023 by an overall actual weighted average rate of 3.9% after taking into account of mitigating effect using TEF⁹. Summary of key operation data and service performance of KMB may be found at **Annex A**.

CTB(U&NT)

9. CTB(U&NT) submitted on 31 January 2024 an application for fare increase at the rate of 9.5%. CTB(U&NT) last increased its fares on 18 June 2023 by an overall actual weighted average rate of 4.9% after taking into account of mitigating effect using TEF¹⁰. Summary of key operation data and service performance of CTB(U&NT) may be found at **Annex B**.

NLB

10. NLB submitted on 29 February 2024 an application for fare increase at the rate of 6.5%. NLB last increased its fares on 18 June 2023 by an overall weighted average rate of 7.0%. Summary of key operation data and service performance of NLB may be found at **Annex C**.

Advice sought

11. Members are invited to note and comment on the fare increase applications made by KMB, CTB(U&NT), and NLB.

**Transport and Logistics Bureau
Transport Department
November 2024**

⁹ The weighted average rate of increase was calculated to be 5.5% before mitigating effect from TEF.

¹⁰ The weighted average rate of increase was calculated to be 6.2% before mitigating effect from TEF.

Summary of Key Operation Data and Service Performance of KMB*Key Operation Data*

As at end-June 2024, the key information on the operations of KMB is as follows:

Operating data			
	KMB (a)	All franchised buses (b)	(a) over (b) in %
No. of routes	448	699	64.1%
Bus fleet	3 946	5 884	67.1%
No. of staff	11 400	17 442	65.4%
Average daily patronage in 2023 (in million)	2.530	3.666	69.0%
Financial data			
Financial year	Profit/loss after tax (excluding subsidies received under the Anti- epidemic Fund)	Profit/loss after tax (including subsidies received under the Anti- epidemic Fund)	
	KMB		
2021	\$104.9 million	\$106.0 million	
2022	-\$493.9 million	-\$41.2 million	
2023	\$20.2 million	\$20.2 million	

2. KMB procured 127 new buses (i.e. accounting for about 3.2% of its fleet) from 2023 to end-June 2024. As at end-June 2024, the average age of KMB's fleet is about 7.9 years old, which is comparable to the average age of the franchised bus fleet in Hong Kong (7.9 years old). The TEF balance of KMB as at end-June 2024 is \$387 million.

Service Performance

3. The following is a summary of the performance of KMB's services:

(a) In terms of safety, KMB's accident rates were 2.11, 2.77, and

3.25 accidents per million vehicle-km in 2022, 2023, and January to June 2024 respectively, which were slightly lower than or close to the industry average rates of 2.48, 2.77, and 3.41 accidents per million vehicle-km in the corresponding years.

- (b) All new buses procured by KMB after July 2018 have been equipped with seat belts on all seats, as well as electronic stability control (“ESC”) and speed limiting retarder (“SLR”). As at end-June 2024, with the provision of government subsidy, KMB has retrofitted upper-deck seats with seat belts on 92% of its existing double-deck buses registered in or after 2016 and installing ESC and SLR on 97% of its existing double-deck buses that are technically feasible to do so, and is expected to complete the remaining retrofitting and installation works by end-2024.
- (c) In addition, KMB has installed additional in-vehicle devices including Green Safety driver feedback system that provides real-time alert and feedback to bus captains on its whole fleet, as well as advanced driver assistance system that provides anti-collision and lane deviation warnings to bus captains and driver monitoring system that monitors and alerts drowsiness of bus captains for 1 571 buses (about 40% of its fleet).
- (d) On the environmental front, as at end-June 2024, 3 782 buses of KMB (96% of its fleet) have met Euro V or above emission standard, among which 900 buses (23%) have met Euro VI or zero emission standard. KMB has also committed that all newly-procured buses will meet Euro VI emission standard. KMB has 26 electric single-deck buses and 44 electric double-deck buses at present.
- (e) According to the passenger satisfaction surveys conducted in 2023 on KMB’s services, passengers are generally more satisfied with barrier-free facilities on board, bus captains’ compliance with traffic regulations, bus captains’ driving skills, and estimated time of arrival system. They are less satisfied with service frequency, temperature on board, reliability of bus frequency, and comfort in bus termini.
- (f) The Transport Complaints Unit of the TAC received 6 089, 7 957, and 4 287 complaints and suggestions relating to KMB in 2022, 2023, and January to June 2024 respectively (making up about 49.7%, 54.6%, and 56.0% of all complaints and suggestions related to individual bus franchises received in the corresponding periods, while KMB’s passenger volume accounting for around 69% of the industry total in

the same periods).

- (g) KMB's lost trip rates were 2.5%, 3.6%, and 2.4% in 2022, 2023, and January to June 2024 respectively, vis-à-vis the industry average rates of 2.4%, 3.8%, and 2.4% in the corresponding years. Apart from being affected by COVID-19 during the pandemic, lost trips were mainly caused by bus captain shortage. The Government has been very concerned about the reliability of franchised bus services and has demanded KMB to step up its efforts in recruiting and retaining bus captains. KMB implemented wage increases of 3.5%, 4.2%, and 3.52% for bus captains in 2022, 2023, and June 2024 respectively.
- (h) KMB has been providing a number of fare concessions, such as the KMB-Tram interchange discount and the long-haul route fare concession scheme for full-time students which offers half price for their return trips. Moreover, KMB launched a monthly pass scheme with which frequent commuters could enjoy savings on their travelling expenses. As at end-June 2024, KMB has introduced Fare Saver Kiosks at 35 locations, including tertiary education institutions.
- (i) The entire fleet of KMB has been equipped with the estimated time of arrival system. Under a subsidy scheme of the Government, KMB has completed the installation of real-time bus arrival information display panels at 900 sheltered bus stops with electricity supply and passenger seats at 2 054 sheltered bus stops and covered bus termini. Moreover, as at end-June 2024, KMB has added additional seat at 116 suitable bus stops already with seats. KMB has implemented on all buses a new electronic payment system supporting QR code and near-field communication ("NFC") payments since March 2022. KMB has installed free Wi-fi service in 2 419 buses as at end-June 2024 (representing 61% of its fleet). KMB is conducting a trial scheme to provide passengers in the lower deck of double-deck bus with information on seat vacancy of the upper deck. Also, there are 330 buses with double wheelchair seats in KMB's fleet.

Reference Indices

4. For reference, in the case of KMB the change in MMHI since last fare increase is +2.06%, the change in CCPI since last fare increase is +2.57%, and the outcome of SFAR formula is +3.63%. When making recommendations to the CE-in-C, we would update to the latest figures available by then.

Summary of Key Operation Data and Service Performance of CTB(U&NT)*Key Operation Data*

As at end-June 2024, the key information on the operations of CTB(U&NT) is as follows:

Operating data			
	CTB (U&NT) (a)	All franchised buses (b)	(a) over (b) in %
No. of routes	203	699	29.0%
Bus fleet	1 311	5 884	22.3%
No. of staff	4 059	17 442	23.3%
Average daily patronage in 2023 (in million)	0.844	3.666	23.0%
Financial data			
Financial year	Profit/loss after tax (excluding subsidies received under the Anti- epidemic Fund)	Profit/loss after tax (including subsidies received under the Anti- epidemic Fund)	
CTB(U&NT) ^{Note 1}			
2020-21 ^{Note 2}	-\$416.6 million	-\$161.3 million	
2022	-\$310.6 million	-\$39.0 million	
2023	-\$59.3 million	-\$57.4 million	

Note 1: The profit or loss after tax of NWFB and CTB(HKI&XH) before the merger are reflected in the figures of CTB(U&NT) in the above table.

Note 2: The end date of the financial year changed from 30 June to 31 December during the year and therefore the 2020-21 financial year covered a period of 18 months.

2. CTB(U&NT) procured 16 new buses (i.e. accounting for about 1.2% of its fleet) from 2023 to end-June 2024. As at end-June 2024, the average age of CTB(U&NT)'s fleet is about 8.5 years old, which is slightly older than the average age of the franchised bus fleet in Hong Kong (7.9 years old). CTB(U&NT) has no TEF balance as at end-June 2024.

Service Performance

3. The following is a summary of the performance of CTB(U&NT)'s services:

- (a) In terms of safety, CTB(U&NT)'s accident rates were 3.99, 3.99, and 5.65 accidents per million vehicle-km in 2022, 2023, and January to June 2024 respectively, vis-à-vis an industry average rate of 2.48, 2.77, and 3.41 accidents per million vehicle-km in the corresponding years. The higher than average accident rates were partly attributable to the busier roads and more intensive pedestrian and kerbside activities in the main operating area of Hong Kong Island.
- (b) CTB(U&NT) has updated the blackbox system of its bus fleets to give real-time alerts to bus captains in case of speeding on road sections subject to 50 km/hour or 70 km/hour speed limit. In addition, all new buses procured by CTB(U&NT) after July 2018 have been equipped with seat belts on all seats, as well as ESC and SLR. As at end-June 2024, with the provision of government subsidy, CTB(U&NT) has retrofitted seat belts on upper-deck seats on 89% of its existing double-deck buses registered in or after 2016 and installed ESC and SLR on 99.9% of its existing double-deck buses that are technically feasible to do so, and is expected to complete the remaining retrofitting and installation works by end-2024.
- (c) In addition, CTB(U&NT) has installed Smart CityDrive system on its whole fleet. The system will detect dangerous driving behaviour and audibly sound a driving safety warning to alert bus captains. It will also rate the performance of bus captains to encourage them to continuously improve their driving safety level. CTB(U&NT) has also installed advanced driver assistance system that provides anti-collision and lane deviation warnings to bus captains and driver monitoring system that monitors and alerts drowsiness of bus captains for 56 buses (about 4.3% of its fleet).
- (d) On the environmental front, as at end-June 2024, 1 310 buses of CTB(U&NT) (99.92% of its fleet) have met Euro V or above emission standard, among which 258 buses (20%) have met Euro VI or zero emission standard. CTB(U&NT) has also committed that all newly-procured buses will meet Euro VI emission standard. CTB(U&NT) has five single-deck battery-electric buses at present. It has also commenced the operation of the first double-deck electric bus and the

first double-deck hydrogen fuel cell electric bus in Hong Kong in June 2022 and February 2024 respectively.

- (e) According to the passenger satisfaction surveys conducted in 2023 on CTB(U&NT)'s service, passengers are generally more satisfied with barrier-free facilities on board, bus fare information on board, estimated time of arrival system, and information on smartphone/tablet app. They are less satisfied with service frequency, temperature on board and reliability of bus frequency.
- (f) The Transport Complaints Unit of TAC received 2 981, 2 872, and 1 322 complaints and suggestions relating to CTB(U&NT) in 2022, 2023, and January to June 2024 respectively (making up about 24.3%, 19.7%, and 17.3% of all complaints and suggestions related to individual bus franchises received in the corresponding periods, while CTB(U&NT)'s passenger volume accounted for around 23% of the industry total in the same periods).
- (g) CTB(U&NT)'s lost trip rates were 2.1%, 5.0%, and 2.7% in 2022, 2023, and January to June 2024 respectively, vis-à-vis the respective industry average rate of 2.4%, 3.8%, and 2.4% in the corresponding years. Apart from being affected by COVID-19 during the pandemic and services on Hong Kong Island being more susceptible to extreme weather, lost trips were mainly caused by bus captain shortage. The Government has been very concerned about the reliability of franchised bus services and has demanded CTB(U&NT) to step up its efforts in recruiting and retaining bus captains. On top of continuing to provide special bonus (such as a welcome bonus for new recruits) to attract more bus captains to join, CTB(U&NT) also advanced the implementation of its wage increase (3.6%) for bus captains for 2025 by four months to take effect on 1 September 2024.
- (h) CTB(U&NT) has been providing a number of fare concessions, including the inter-company bus-bus interchange discount between its routes and those of KMB/CTB(A&NL), bus-rail interchange discount between its routes and MTR, as well as fare concessions for children and the elderly.
- (i) The entire fleet of CTB(U&NT) has been equipped with the estimated time of arrival system. Under a subsidy scheme of the Government, CTB(U&NT) has also completed the installation of real-time bus arrival information display panels at 197 sheltered bus stops with electricity supply and passenger seats at 356 sheltered bus stops and

covered bus termini. CTB(U&NT) has implemented on all buses a new electronic payment system supporting QR code payment since May 2021 and NFC payment since January 2022. CTB(U&NT) has also installed free Wi-Fi service on 260 buses as at end-June 2024 (representing 20% of its fleet).

Reference Indices

4. For reference, in the case of CTB(U&NT), the change in MMHI since last fare increase is +2.06%, the change in CCPI since last fare increase is +2.57%, and the outcome of SFAR formula is +3.63%. When making recommendations to the CE-in-C, we would update to the latest figures available by then.

Summary of Key Operation Data and Service Performance of NLB*Key Operation Data*

As at end-June 2024, the key information on the operations of NLB is as follows:

Operating data			
	NLB (a)	All franchised buses (b)	(a) over (b) in %
No. of routes	29	699	4.1%
Bus fleet	141	5 884	2.4%
No. of staff	499	17 442	2.9%
Average daily patronage in 2023 (in million)	0.090	3.666	2.5%
Financial data			
Financial year	Profit/loss after tax (excluding subsidies received under the Anti- epidemic Fund)	Profit/loss after tax (including subsidies received under the Anti- epidemic Fund)	
NLB			
2021-22	-\$19.6 million	-\$18.3 million	
2022-23	-\$25.1 million	-\$8.8 million	
2023-24	-\$0.5 million	\$2.9 million	

2. NLB procured one new bus from 2023 to end-June 2024 (i.e. accounting for about 0.7% of its fleet). As at end-June 2024, the average age of NLB's fleet is about 9.3 years old, which is slightly older than the average age of the franchised bus fleet in Hong Kong (7.9 years old). The TEF balance of NLB as at end-June 2024 is \$0.02 million.

Service Performance

3. The following is a summary of the performance of NLB's services:

(a) In terms of safety, NLB's accident rates were 1.48, 0.68, and

1.97 accidents per million vehicle-km in 2022, 2023, and January to June 2024 respectively, which were generally lower than the industry average rates of 2.48, 2.77, and 3.41 accidents per million vehicle-km in the corresponding years.

- (b) All new buses procured by NLB after July 2018 have been equipped with seat belts on all seats, as well as ESC and SLR. In 2022, with the provision of government subsidy, NLB completed the installation of seat belts on upper-deck seats on all of its existing double-deck buses registered in or after 2016 and installation of ESC and SLR on all of its existing double-deck buses that were technically feasible to do so.
- (c) In addition, NLB has installed additional in-vehicle devices including advanced driver assistance system that provides anti-collision and lane deviation warnings to bus captains and driver monitoring system that monitors and alerts drowsiness of bus captains for 35 buses (about 25% of its fleet).
- (d) On the environmental front, as at end-June 2024, 130 buses of NLB (92% of its fleet) have met Euro V or above emission standard, among which 19 buses (13%) have met Euro VI or zero emission standard. NLB has also committed that all newly-procured buses will meet Euro VI standard. NLB has four single-deck electric buses at present.
- (e) According to the passenger satisfaction surveys conducted in 2023 on NLB's services, passengers are generally more satisfied with bus captains' compliance with traffic regulations, fare information provided on fare display panels and safety of bus services. They are less satisfied with the channels for complaints and suggestions, estimated time of arrival system and service frequency.
- (f) The Transport Complaints Unit of the TAC received 150, 303, and 166 complaints and suggestions relating to NLB in 2022, 2023, and January to June 2024 respectively (making up about 1.2%, 2.1% and 2.2% of all complaints and suggestions related to individual bus franchises received in the corresponding periods, while NLB's passenger volume accounting for around 2% of the industry total in the same periods).
- (g) NLB implemented wage increases of 6.0%, 4.2% and 4.0% for its bus captains in January 2023, July 2023 and July 2024 respectively. NLB's lost trip rates were 0.4%, 1.1%, and 0.3% in 2022, 2023, and January to June 2024 respectively, which were lower than the industry average

rates of 2.4%, 3.8%, and 2.4% in the corresponding years.

- (h) NLB has been providing a number of fare concessions, including bus-rail interchange discount, bus-bus interchange discount between five NLB's routes and LW's 'E' routes, and provision of complimentary single journey tickets for accumulation of enough rides within same calendar month on South Lantau Routes. Moreover, NLB provides a same day return discount concession scheme on Sundays and Public Holidays, under which passengers who pay for the return trip of three designated routes on South Lantau on the same day will enjoy discount by using the same Octopus Card.
- (i) The entire fleet of NLB has been equipped with the estimated time of arrival system. Under a subsidy scheme of the Government, NLB has completed the installation of passenger seats at ten sheltered bus stops. NLB has also implemented on all routes a new electronic payment system supporting QR code payment since February 2022. As at end-June 2024, NLB has installed free Wi-fi service and installed the passenger counting system in 63 and 49 buses respectively.

Reference Indices

4. For reference, in the case of NLB the change in MMHI since last fare increase is +2.06%, the change in CCPI since last fare increase is +2.57%, and the outcome of SFAR formula is +3.63%. When making recommendations to the CE-in-C, we would update to the latest figures available by then.