

## LCQ16: Non-farebox revenue of franchised bus operators

Following is a question by the Hon Lee Chun-keung and a written reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (December 11):

Question:

Three franchised bus operators have recently applied for fare increases. There are views pointing out that the Government should allow the operators to further improve their non-farebox revenue to alleviate the pressure of passing the bus fare increases onto the public. In this connection, will the Government inform this Council:

- (1) whether it knows if, currently, the Kowloon Motor Bus Company (1933) Limited (KMB) and Citybus Limited (CTB) have other sources of income apart from fare receipts;
- (2) whether it knows the proportion of the non-farebox revenue of KMB and CTB in their total receipts over the last decade;
- (3) given that facilities such as kiosks erected by the operators on government land are currently charged with market rents, and it has been reported that the Lands Department will also require operators who offer advertising spaces on the external walls of their bus depots to pay a land premium, whether the Government will waive such requirements so as to reduce the expenses of the operators; and
- (4) whether it will consider allowing KMB and CTB to further improve their non-farebox revenue, such as allowing them to set up small convenience shops and cafes at public transport interchanges or bus termini and even use one or two lower ground floors of their bus depots for other commercial purposes; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government has been encouraging and assisting franchised bus operators (FBOs) to increase revenue and reduce expenditure through a multi-pronged approach, including optimising the bus service network and further enhancing operational efficiency through bus route rationalisation, as well as exploring different ways to increase non-farebox revenue, so as to alleviate part of the pressure for fare increase.

My reply to the various parts of the question raised by the Hon Lee Chun-keung is as follows:

- (1) On the premise of upholding the effective and safe operation of

franchised bus services, currently the operators are already allowed to earn non-farebox revenue through various channels, including displaying advertisements on bus bodies, bus compartments, and bus shelters; offering free rides to the public through commercial co-operation or sponsorship; providing repair and maintenance services to non-franchised buses at bus depots; leasing out part of the parking spaces or vehicle examination spaces at individual bus depots or some of the floors of depots; installing revenue-generating facilities at suitable public transport interchanges/terminals such as vending machines, self-pickup smart lockers, etc.; and setting up customer service kiosks at suitable bus-bus interchanges or public transport interchanges/terminals.

(2) Amongst the bus franchises which submitted applications for fare increase earlier this year, the proportion of non-farebox revenue to total revenue for The Kowloon Motor Bus Company (1933) Limited and Citybus Limited (Franchise for the Urban and New Territories bus network) over the past ten years are set out in Annex. It is worth noting that the fall in patronage during the epidemic caused a significant drop in fare revenue of FBOs, which led to increase in the proportion of non-farebox revenue to total revenue during the relevant years (i.e. 2020 to 2022). With the resumption of social and economic activities, there has been recovery in patronage and fare revenue, which causes the proportion of non-farebox revenue to total revenue to drop accordingly. In fact, FBOs have been actively expanding their non-farebox revenue in recent years, and therefore there have been more sources of non-farebox revenue.

(3) FBOs have been providing voluntary half-price fare concession to elderly persons aged 65 or above under the Elderly Concessionary Fares Scheme. Having regard to the amount of fare concession provided by the operators under 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 and premises by the operators, so as to encourage the operators to maintain the relevant fare concession and alleviate the associated financial burden. 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 be absorbed by the operators.

Because currently the amount of fare concession provided exceeds the amount of waived fees/reimbursed rentals for all franchises, any new or additional rentals paid in respect of new tenancies of government land or modifications to terms of tenancies of government land could generally be reimbursed under the Elderly Concessionary Fares Scheme.

(4) The Government would continue to assist FBOs to apply the successful initiatives of earning non-farebox revenue as mentioned in part (1) above to a wider scope or more locations, and also encourage them to broaden the sources of non-farebox revenue.

The Government will actively follow up all new applications from FBOs in relation to non-farebox initiatives, and examine their feasibility according to established mechanisms. The feasibility of individual proposals depends on a host of factors, including the impact on bus services operation, passenger

flow, traffic management and safety, as well as requirements under relevant laws and regulations. During the process, the Transport Department would assist operators in liaising with other government departments, with a view to expediting the processing of applications.

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## LCQ20: Planning for vacant kindergarten premises

Following is a question by the Hon Tony Tse and a written reply by the Secretary for Education, Dr Choi Yuk-lin, in the Legislative Council today (December 11):

Question:

It has been reported that nearly 80 kindergartens in Hong Kong have ceased operation in the past four years, and some of the premises of these kindergartens are located in public housing estates or government properties. In this connection, will the Government inform this Council:

- (1) of the statistics on kindergartens ceasing operation in the past five years, including geographical distribution, floor areas of the involved premises, and whether the premises concerned are government properties (including those of the Hong Kong Housing Authority); if the premises concerned are government properties, of their current or planned uses;
- (2) given the persistent low birth rate and population ageing in Hong Kong, whether the Government will consider converting some of the vacant kindergarten premises in its possession to elderly homes or other elderly facilities; if not, of the reasons for that; and
- (3) given that the Government had announced in the 2019-20 Budget that it would allocate \$20 billion to purchase properties for accommodating welfare facilities, but as of March 31, 2023, the Social Welfare Department had only used about \$150 million of that funding for such purposes, and there are views that the measure is obviously ineffective, whether the Government will first make good use of the aforesaid vacant kindergarten premises for welfare purposes and consider reallocating all or part of the aforesaid funding for other purposes?

Reply:

President,

Kindergartens (KGs) in Hong Kong are all along privately run with diverse modes of operation. Individual school sponsoring bodies (SSBs) or

operators may, having regard to their different development targets and circumstances, consider setting up KGs at a variety of premises, such as self-owned premises, privately-leased premises or premises in public housing estates. Every year, there may be new registrations of KGs in different districts, or some KGs may decide to cease operation owing to a variety of factors (such as profitability and tenancy matters).

Having consulted the Housing Bureau and the Labour and Welfare Bureau, the consolidated reply to the three parts of the question is as follows:

(1) The number of KGs which ceased operation in the past five school years is tabulated at Annex 1. The number of vacant KG premises located in non-domestic premises under the Hong Kong Housing Authority (HA) upon termination of the tenancy and surrender of the premises is tabulated at Annex 2.

If the tenant of a KG premises located in a public housing estate ceases to operate the KG during the tenancy period or decides not to renew the tenancy upon expiry, the HA will notify and invite the Education Bureau (EDB) to consider whether there is a need to nominate new non-profit-making KG SSBs or operators to rent the relevant units. Factors to be considered include the supply of and demand for KG places in the areas concerned, whether the floor area, location and building condition of the vacant KG premises are suitable for reallocation for KG development. Upon confirmation that the vacant KG premises are not required for EDB Kindergarten Premises Allocation Exercise through which SSBs or operators are nominated to rent the vacant units at a concessionary rate (approximately half of the market rent), the HA will offer such vacant units for lease at market rent through open tender for other organisations to operate KGs. If the units cannot be leased out through open tender for KG operation, the HA will consider converting the units for other uses (including welfare purposes) so as to make good use of resources. Any proposed change of use of the units will be subject to the outcome of feasibility studies, including whether it is in compliance with the Buildings Ordinance (Cap. 123) and relevant regulations, land use restrictions, planning restrictions, environmental factors and views of residents or stakeholders.

(2) To address the increasing demand for elderly services arising from an ageing population, the Social Welfare Department (SWD) increases the supply of subsidised residential care places through a multi-pronged approach, such as liaising with relevant departments to identify suitable sites for the construction of new contract residential care homes for the elderly (RCHEs), or converting vacant government premises/school sites into RCHEs. Nonetheless, KG premises are not suitable for the provision of RCHEs as their settings and facilities are generally speaking not designed for providing residential care services for frail elderly persons.

(3) The Government has all along been adopting a multi-pronged approach to identify suitable sites or premises for the provision of welfare services to meet their acute demand.

The SWD has been maintaining close contact with relevant departments to

identify suitable sites in the development or redevelopment of public housing estates and urban renewal projects for providing welfare facilities. The Government also endeavours to increase the provision of welfare facilities as appropriate through the Land Sale Programmes and the Special Scheme on Privately Owned Sites for Welfare Uses. In addition, the Government will make the best use of available government accommodation including vacant school premises and explore whether they are suitable for conversion into welfare facilities.

In parallel, the SWD identifies suitable premises for purchase in the private market for welfare purpose. As at end-November 2024, the SWD has spent about \$240 million for the purchase of five premises for operating a Parents/Relatives Resource Centre, a Support Centre for Persons with Autism and a neighbourhood elderly centre, and for providing on-site pre-school rehabilitation services. The progress of purchasing premises depends on the availability of suitable properties in the market and various external factors, including whether the properties for sale have fire safety and barrier-free access facilities, whether the size and location meet operational requirements, whether the surrounding land uses are compatible with welfare uses, and whether the selling prices fall within the acceptable price range determined by the Government Property Agency (GPA) with reference to market value. The SWD and the GPA will continue to identify and purchase premises for the provision of welfare facilities in accordance with the ambit of the funds approved by the Finance Committee of the Legislative Council.

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## **LCQ3: Developing a green maritime fuel bunkering centre**

Following is a question by the Hon Yim Kong and a reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (December 11):

Question:

The latest Policy Address has proposed to develop a green maritime fuel bunkering centre. There are views pointing out that green energy bunkering has become a high ground fiercely contested by major hub ports and a key factor in attracting the berthing of vessels on international voyages. The Shenzhen Port has already achieved scalable operation in this area, with this year's liquefied natural gas (LNG) bunkering volume expected to triple that of Singapore and its costs also lower than that of Singapore. However, the relevant development in Hong Kong is at an initial stage, and it faces problems of low capacity and high costs in the production of new energy. In this connection, will the Government inform this Council:

(1) whether it will consider first co-operating with neighbouring ports, e.g. allowing green energy bunkering vessels from the Shenzhen Port to provide new energy bunkering for international cargo vessels at designated waters of Hong Kong and streamlining the relevant maritime approval process for the provision of "cross-boundary vessel" services;

(2) whether it will, on the basis of the existing offshore LNG terminal, make long-term plans for dedicated berthing places and ancillary backup storage facilities for methanol and hydrogen energy bunkering in Kwai Tsing or suitable locations, and provide, with reference drawn from the practices of the Shenzhen Municipal Government, subsidies on the investment and operation of vessels to bunkering service operators, so as to attract them to expand their businesses in Hong Kong; and

(3) whether it will consider making plans for the development of green energy production bases in the Northern Metropolis and embarking on recyclable green energy production by integrating refuse handling facilities, so as to dovetail with the development of the green maritime fuel bunkering centre?

Reply:

President:

Hong Kong, as an international maritime centre with advantages such as an excellent geographical location and good port security record, has long been the top bunkering port in South China and ranked seventh in the world in terms of bunkering volume internationally in 2023.

In view of the International Maritime Organization (IMO)'s target to reach net-zero carbon emissions from international shipping by or around 2050, the industry has started to switch to using low or even zero-carbon green maritime fuels. Therefore, Hong Kong should expedite its development into a high-quality green maritime fuel bunkering centre, so as to give full play to our existing advantages, increase port competitiveness and consolidate Hong Kong's status as an international maritime centre.

For this, the Government promulgated the Action Plan on Green Maritime Fuel Bunkering last month, setting out five strategies and 10 actions to promote the development of green maritime fuel bunkering in Hong Kong and get prepared to cater for future market development.

Regarding the Hon Yim Kong's questions, the reply prepared in consultation with the Environment and Ecology Bureau is as follows:

(1) Hong Kong's maritime fuel bunkering has always been operated freely, with no entry barrier or regulation. To start such business within Hong Kong waters, service operators only need to conduct quantitative risk assessment and marine traffic impact assessment in respect of their bunkering operations and their proposed designated waters or berths for bunkering, and obtain approval from the Marine Department for their mode of operation, as well as ensure that the bunkering vessels are locally licensed vessels compliant with

the prevailing statutory requirements on ship safety, dangerous goods control, etc. We are committed to continuously keeping the market open, maintaining market flexibility and promoting fair competition.

I am pleased to learn that some enterprises have expressed interest in starting green maritime fuel bunkering businesses in Hong Kong. To expedite development, the Marine Department will introduce facilitation measures to approve temporary local licences to suitable service operators for their bunkering vessels, so that they can provide bunkering services using non-local licenced vessels (including those from other cities in the Greater Bay Area and beyond).

The Marine Department is also streamlining the approval process for green maritime fuel bunkering to provide efficient and facilitating services with clear requirements for future bunkering businesses.

(2) The focus of the promulgation of the Action Plan is the adoption of a development direction of multi-fuel strategy and the fostering of establishment and development of an ecosystem for the bunkering industry, including providing support for the industry to develop facilities for the storage of various types of fuels. In terms of biofuels, we will explore relaxing the administrative regulations on the storage and transportation of biodiesel at higher concentrations. On LNG, the Government will explore using the offshore LNG terminal built by the two power companies to provide LNG for bunkering purpose, on the condition that it would not affect electricity generation and prices. On green methanol, the Government has identified a port back-up land parcel in Tsing Yi South, and will commence preparatory work for applying for the relevant planning permission for using the site for storage of dangerous goods. The Government also welcomes companies to retrofit some of the current oil storage tanks for storage of green maritime fuels and will provide suitable assistance in relation to the administrative procedures.

The development of hydrogen is at an early stage, with few hydrogen-powered vessels in operation or on order. The current demand for hydrogen from the industry is temporarily limited. Nevertheless, we are monitoring the market situation and will conduct a feasibility study on the development of bunkering of hydrogen and green ammonia in Hong Kong starting next year to get a head start.

We will introduce four measures to support industry development, including (i) setting up a dedicated team at the Marine Department to provide one-stop services for green shipping-related companies interested in setting up businesses in Hong Kong; (ii) setting up a collaborative platform for stakeholders in the relevant businesses to catalyse the development of the industrial chain and ecosystem; (iii) developing green-friendly port facilities arrangements, including giving priority for green maritime fuel-powered vessels to use anchorages for bunkering if necessary; and (iv) launching a Green Maritime Fuel Bunkering Incentive Scheme next year to grant subsidies to pioneer companies after they have completed preparatory work such as quantitative risk assessment and marine traffic impact assessment and provided bunkering services to vessels within a specified period of time.

(3) Mainland is a major production base for multiple green maritime fuels, including green methanol, and its operations are also relatively competitive. With the advantage of enjoying the support of the Motherland, Hong Kong can better meet its needs through importing green maritime fuels from Mainland to establish a stable supply chain.

Currently, some enterprises in Hong Kong are already producing biodiesel. The Government welcomes suggestions from the industry for producing more types of green maritime fuels in Hong Kong. We will provide necessary assistance in relation to the administrative procedures. At present, Hong Kong is also taking forward the construction of waste-to-energy (WtE) facilities, with a view to moving away from the reliance on landfills for direct disposal of domestic waste by 2035. The Integrated Waste Management Facilities Phase 1 (I<sup>W</sup>PARK1) currently under construction next to Shek Kwu Chau and the planned I<sup>W</sup>PARK2 in Tuen Mun both adopt incineration technology to convert waste into thermal energy for power generation. Apart from facility operation, surplus electricity can also be exported to the power grid. The Government is identifying a suitable site in the Northern Metropolis for building the third advanced WtE facility. The specific planning and development timetable of the facility will depend on the projected amount of waste that will be generated in relation to long-term population and economic growth dynamics, as well as the actual volume of waste reduced and recycled.

â€‹Thank you, President.

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## [ICHO launches "Fun in ICH" Series to introduce traditional funeral rite "Breaking Hell Gate" and Nanyin \(with photos\)](#)

The Intangible Cultural Heritage (ICH) Office under the Leisure and Cultural Services Department (LCSD) will launch the "Fun in ICH" Series programme. Under the theme of "Myth Breaker on Breaking Hell Gate and Nanyin", the series introduces two ICH items of Hong Kong, namely traditional funeral rites and Nanyin, to members of the public. Taoist priest and the Taoist priest consultant of the movie "The Last Dance", Mr Leung Chun, will unveil the mystery of traditional funeral rites including breaking hell gate, while the troupe The Gong Strikes One will perform Nanyin. Admission is free and members of the public are welcome to join on the spot.

The majority of traditional funeral rites were performed for ground burial, and some communities in the New Territories still keep the practice



of the ground burial, while people in urban areas usually adopt cremation and hold funerals at funeral parlours. Traditional funeral rites include chanting scriptures, breaking hell gate, buying water, placing the dead body in a coffin, encircling the coffin, bidding farewell, holding a funerary feast when the mourning period is over, and consolation feast rites. Taoist priests play a vital role in the rituals. Mr Leung is an eighth-generation descendant from a family of Taoist priests of the Zhengyi School. He joined his father in the funeral industry when he was 12 years old and has been practising in the industry for over 30 years. He hopes to reshape public perceptions of Taoist priests through participating in film production.

Mr Leung will hold two talks at the Theatre on the first floor of the Hong Kong Heritage Museum for two consecutive Sundays in December. The talk, "'Nahm Mouh' Master: Myth Breaking the Traditional Funeral Rites", to be held from 2.30pm to 4pm on December 15, will unveil the traditional funeral rites and their underlying meaning; the talk "'Nahm Mouh' Master: The Communicator in Traditional Funeral Rites", to be held from 2.30pm to 4pm on December 22, will unveil the role and significance of a Taoist priest, serving as a guide to lead the deceased. The venue will open for admission 15 minutes before the event starts. Admission is free on a first-come, first-served basis.

Nanyin is a kind of traditional music popular in the Pearl River Delta region. It is performed in Cantonese operas, Guangdong "murmuring prayers", Taoist rituals, celebrations and funeral rites. Musicians usually accompany themselves on the instruments while they sing. Nanyin is featured throughout the movie "The Last Dance". The performance "'A Wanderer's Autumn Grief' – Nanyin", will be performed by the local troupe The Gong Strikes One from 2pm to 3pm on December 21 (Saturday) at the Hall on the first floor of the Hong Kong Museum of Art. The troupe will also introduce the structure, history and culture connotations of Nanyin, particularly its connection with funeral rites. There will also be a live Nanyin performance for the audience to experience and enjoy the music. Members of the public are welcome to join.

For programme details of the "Fun in ICH" Series – "Myth Breaker on Breaking Hell Gate and Nanyin", please visit [https://www.icho.hk/en/web/icho/fun\\_in\\_ich.html](https://www.icho.hk/en/web/icho/fun_in_ich.html) or call 2851 6134 for enquiries.

â€‹The programme is also one of the activities in the Chinese Culture Promotion Series. The LCSD has long been promoting Chinese history and culture through organising an array of programmes and activities to enable the public to learn more about the broad and profound Chinese culture. For more information, please visit [www.lcsd.gov.hk/en/ccpo/index.html](http://www.lcsd.gov.hk/en/ccpo/index.html).



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## [Mammals Section of Hong Kong Zoological and Botanical Gardens to reopen on December 13](#)

The Leisure and Cultural Services Department (LCSD) announced that the Mammals Section of the Hong Kong Zoological and Botanical Gardens (HKZBG) will reopen this Friday (December 13).

The LCSD closed the Mammals Section of the HKZBG from October 14 having regard to the death of monkeys caused by bacterial infection. Multiple preventive and control measures have immediately been implemented, including thoroughly disinfecting and cleansing the animal cages, arranging for staff who take care of the animals to put on protective gear and reminding them to closely monitor their own health conditions. Bacterial tests for staff have shown negative results, while samples collected from surrounding soil and water have also tested negative. The animals and staff taking care of them are in normal health conditions. The LCSD will reopen the Mammals Section of the HKZBG.

To ensure the safety of visitors, staff and animals, rigorous environmental hygiene management measures and work guidelines will continue to be implemented in the HKZBG. Visitors should observe HKZBG staff's guidance as well as the safety instructions in the park. Visitors should not touch, feed or throw anything to the animals. Hand-washing facilities are provided in the park for visitors to keep their hands clean. Persons feeling unwell should not visit the park.

The LCSD will continue to communicate with the Centre for Health Protection of the Department of Health and the Agriculture, Fisheries and Conservation Department, review the work guidelines in a timely manner, and implement the necessary control and protective measures.