

## LCQ13: Supporting public light bus trade

Following is a question by the Hon Chan Han-pan and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (September 15):

Question:

Some operators of public light buses (PLBs) have relayed that under the Government's transport policy of designating railway as the backbone of Hong Kong's public transport system, the areas covered by railway services have been expanding continuously while the business opportunities of PLBs have been shrinking continuously. In this connection, will the Government inform this Council:

(1) whether it will consider allowing PLBs whose services have been suspended due to rationalisation of service routes to be put to other uses (including rehabilitation minibuses, luxury minibuses or provision of minibus rental services for government departments); if so, of the details and timetable; if not, whether measures are in place to help practitioners of the PLB trade whose livelihood has been affected by the rationalisation of service routes;

(2) whether the Transport Department will (i) establish, by making reference to the functions of its Bus Development Division, a Public Light Bus Development Division responsible for coordinating the planning and open bidding of existing and new PLB service routes, and (ii) conduct planning for a balanced development of various types of public transport services; if so, of the details; if not, the reasons for that;

(3) as some PLB operators have relayed that they have experienced business difficulties due to a decrease in PLB patronage in recent years, whether the Government will consider relaxing the restrictions on advertisements on the bodies of PLBs (e.g. allowing display of advertisements on the tops of PLBs) so that the operators concerned can have more income; if so, of the details and timetable; if not, the reasons for that; and

(4) whether it will consider providing loan guarantees for PLB operators to assist them in their financing for purchasing new vehicles or upgrading the facilities of their PLBs to improve service quality, thereby attracting more members of the public to choose to commute by PLBs; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government published the Public Transport Strategy Study report (the Study Report) in June 2017, in which the roles and positioning of various public transport services (including public light buses (PLBs)) were

reviewed, taking into account the further expansion of heavy rail network. The Study Report affirmed that the prevailing roles and positioning of various public transport services remained valid, i.e. heavy rail is the backbone of public transport system and PLBs play an important supplementary role by serving areas with relatively lower passenger demand or where the use of high-capacity transport modes is not suitable. We strive to enhance the complementarity amongst the various public transport services with a view to ensuring that the community can enjoy efficient services with reasonable modal choices and public transport services can achieve long-term sustainability, having regard to the importance of maintaining the diversity of public transport as well as the delicate balance amongst various public transport services.

My reply to the various parts of the Hon Chan Han-pan's question is as follows:

(1) There are two types of PLBs, namely green minibuses (GMBs) and red minibuses (RMBs) (Note). Under the prevailing policy, the Government has been encouraging the conversion of RMBs into GMBs through planning and introducing new GMB routes. Nevertheless, the operating environment for PLB has changed in recent years and the patronage has also dropped. The main problems facing the operators of PLBs include rising operating costs and shortage of drivers. On the other hand, the Government's measures to enhance the financial viability of PLBs, such as fare adjustment, frequency reduction, route truncation and cancellation, etc, were often met with local objections and thus cannot be smoothly implemented. Nevertheless, we will continue to review operation of GMB routes, enhance and strengthen its roles and positioning among public transport services. In case the number of vehicles of certain GMB routes need to be reduced due to service rationalisation so as to reduce operation expenses, the operators may deploy vehicles based on the operational need of different route packages, including allocating more vehicles to other route packages to meet the needs of passengers, as well as maintaining the service standard and competitive edge.

In addition, the Government renders assistance for upgrading the service quality of PLBs. For example, with a view to enhancing PLB management and passengers' convenience, the Government has funded the development of a data collection system, and has installed positioning devices on GMBs in the territory, so that passengers can get access to the real-time arrival information of GMBs through the Transport Department (TD)'s "HKeMobility" mobile application. GMB operators can use the relevant data for fleet management to improve operational efficiency. At present, the system has covered a total of 165 GMB routes. The TD will continue to discuss with the trade the details of implementing the system for the remaining PLB routes with the aim of covering all GMB routes in 2022.

As regards RMBs, we will continue to plan and develop new GMB route packages for bidding by PLB (including RMB) operators. Also, we will actively collaborate with the trade and look into different options for the provision of quality PLB services, including the provision of multiple wheelchair accessible PLB services which accepts reservation.

If existing PLB operators plan to retrofit temporarily idle minibuses for provision of other minibus services, they may make such application to the TD. The TD will examine if the services being applied for are in compliance with the relevant laws before making a decision on whether to approve the relevant uses.

(2) The TD has all along attached great importance to PLB services, and has set up the Public Light Bus Section (the Section) to take forward and implement the policy initiatives in respect of PLBs, including co-ordination of tendering exercises of GMB routes; examination of vehicle specifications and facilities of PLBs, and monitoring the operation of RMBs, etc. The Section will hold regular meetings with the GMB and RMB trades respectively to consult and exchange views with them on issues related to the policies and operation of PLBs. Besides, the Urban and New Territories Regional Offices of the TD are responsible for supervising and promoting GMB services in their respective regions. Their duties are not only limited to monitoring the daily services of GMBs and following up on and handling complaints and enquiries made by the public, but also include handling issues such as fare adjustment, rationalisation of routes and services of GMBs, and planning and implementation of new GMB routes.

(3) The Government has all along encouraged the PLB trade to explore sources of non-fare revenue, such as advertisements on the exterior of vehicles and the interior of passenger compartments, and multimedia advertisements. At present, registered owners of PLBs may apply to the TD to display advertisements on the exterior and interior parts (including the top) of their PLBs, subject to compliance with the relevant requirements of the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A). As for displaying advertisements on the top of PLB, the relevant requirements include regulation 6 and the First Schedule of Cap. 374A which set out the requirements on dimensions of vehicles (which stipulate that the overall height of PLB shall not exceed three metres); regulation 55(2) which sets out the requirements on stability of PLB; and regulation 47 which sets out the requirements on painting and markings on PLB.

(4) In view of the difficult operating environment facing the PLB trade, the Hong Kong Monetary Authority (HKMA) has been encouraging banks to provide assistance as far as possible, so long as prudent risk management principles are observed. The HKMA has earlier suggested banks exercise more flexibility when processing PLB operators' financing applications to upgrade their vehicles from 16 seats to 19 seats, instead of rigidly adhering to the 85 per cent loan-to-value ratio cap, provided that the new loans are only used for purchase of new vehicles. In addition, banks have also extended the loan repayment period for newly approved loans for PLBs from 25 years to 30 years on a temporary basis. Besides, the Government has also made several enhancements to the SME Financing Guarantee Scheme, including raising the maximum amount of loan for eligible enterprises, and increasing the maximum repayment period of guaranteed loans, etc, benefiting the small and medium enterprises in various sectors (including the transport sector).

Note: GMBs operate scheduled services with their routes, fares, vehicle allocation and timetable subject to approval by the TD. RMBs are not required

to operate on fixed routes or timetable and can set their own fares.