

LCQ19: Supporting public light bus trade

Following is a question by the Hon Wu Chi-wai and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 27):

Question:

As various trades have been hit by the Coronavirus Disease 2019 epidemic, the Government has rolled out two rounds of relief measures. The first-round measures include the provision of a fuel subsidy to public light buses (PLBs), and the second-round measures include the provision of a one-off subsidy to owners of red minibuses (RMBs) and operators of green minibuses (GMBs) and the provision of a subsidy to RMB drivers. However, quite a number of members of the trade have relayed that as their income has dwindled substantially amid the drop in patronage but the aforesaid subsidies are inadequate to compensate for the loss, they are still facing much difficulty in their businesses. In this connection, will the Government inform this Council:

(1) whether it knows, in each month since January this year, (i) the respective numbers of RMBs and GMBs which were left idle (with a breakdown by name of operator (if any) and the first and last stops of the route), and (ii) the respective numbers of RMB and GMB routes the patronage of which has decreased as compared with that of the same period of last year, with a tabulated breakdown by groups to which the rates of decrease belong (i.e. 20 per cent or below, 21 per cent to 40 per cent, 41 per cent to 60 per cent, 61 per cent to 80 per cent and 81 per cent or above);

(2) of the details of the applications lodged by GMB operators to the Transport Department (TD) since January this year for reducing the trip frequencies of GMB routes due to a decrease in patronage, including (i) the route numbers, (ii) the first and last stops of such routes, (iii) the original trip frequencies as well as the reduction in trip frequencies proposed and approved respectively, and (iv) the implementation dates of the reduction in trip frequencies;

(3) of the details of the applications lodged by GMB operators since January this year for reducing the operating hours, including (i) the route numbers, (ii) the first and last stops of such routes, (iii) the original operating hours as well as the reduction in operating hours proposed and approved respectively, and (iv) the implementation dates of the reduction in operating hours;

(4) of the implementation progress of the measures introduced under the two rounds of relief measures that are applicable to the PLB trade, including the number of applications received and the amount of subsidies disbursed;

(5) whether TD has gained an understanding from PLB operators of their financial situation (including whether they have sufficient liquidity to cope with the business difficulty), and whether there are operators who have indicated the intention to close down their businesses or give up operating certain routes; if so, of the details; and

(6) whether it will relax the operation restrictions on RMBs and GMBs (e.g. relaxing or rescinding certain prohibited zones and passenger pick-up/drop-off restricted zones for RMBs), so as to allow PLBs to better play their role as a supplementary mode of transport on the one hand and increase the operational flexibility and income of PLBs on the other hand, with a view to assisting the PLB trade in coping with the business difficulty?

Reply:

President,

Due to the continuous public order events in the second half of last year and the Coronavirus Disease 2019 (COVID-19) this year, there has been a drastic fall in patronage and income of the public light bus (PLB) trade, including green minibuses (GMBs) and red minibuses (RMBs). To assist the trade in coping with the operational pressure under the current economic environment, the Government has introduced a series of relief measures through the two rounds of Anti-epidemic Fund.

My reply to the various parts of the Hon Wu Chi-wai's question is as follows:

(1) In respect of the situation of PLBs left idle, the trade estimated that approximately 30 per cent of GMBs and RMBs are left idle, and the Transport Department (TD) has not kept the statistics on the number of idled minibuses of individual routes. As to the patronage, there is a fall of around 40 per cent in the average daily patronage in the first quarter this year as compared with the same period last year for GMBs in Hong Kong. A table showing the number of routes according to the extent of fall in patronage is at Appendix 1. As for RMBs, since the operators are not required to provide their operating data, TD does not have the relevant information regarding their patronage.

(2) and (3) As of May 18 this year, the operators of 94 GMB routes applied to TD for adjustments to service frequency and/or operating hours due to the epidemic. When processing such applications, TD would take into consideration the passenger demand and actual operating situation, while ensuring that the particular route will be able to maintain sufficient service. So far, temporary adjustments to the frequency and/or operating hours of 82 routes have been approved and implemented. Details of the applications in respect of individual routes are at Appendix 2.

(4) Under the two rounds of Anti-epidemic Fund, the measures introduced to support the PLB trade and the implementation progress are as follows:

(i) Offering a \$1.0 discount per litre of liquefied petroleum gas (LPG) for

LPG PLBs and reimbursing one-third of the actual fuel cost for diesel PLBs, for a period of 12 months. TD is in active discussion with oil companies to finalise the implementation details, and aims to roll out the initiative by July this year;

(ii) Providing a one-off non-accountable subsidy of \$30,000 per vehicle to the registered owners of RMBs, as well as per GMB to the passenger service licence (PSL) holders who have been approved to operate relevant packages of the GMB routes. The subsidy scheme for GMB PSL holders started to receive applications since April 28 this year. As of May 18 this year, TD has received 142 applications from GMB operators, involving about 2 900 GMBs and subsidies of around \$87 million. TD shall disburse the subsidy within two to three weeks upon verification of the relevant applications;

(iii) Providing each eligible active RMB driver with a monthly subsidy of \$6,000 for a period of six months (from April 1, 2020, to September 30, 2020), and disbursing a lump sum of \$7,500 to RMB drivers who may not fully meet the eligibility requirements. TD is currently developing an electronic platform for processing the relevant applications and plans to accept applications starting from mid-June this year. The subsidies can be disbursed within one month upon receipt of the applications and completion of the necessary verification procedures;

(iv) The Employment Support Scheme (ESS) is applicable to employees of GMB operators who are under the age of 65, or who are aged 65 or above but with MPF voluntary contributions made by GMB operators. Under the ESS, the Government will provide eligible employers with wage subsidies for a period of six months for the purpose of payment of salaries to employees with a view to maintaining employment during the epidemic. The subsidies will be disbursed in two tranches. Applications for the first tranche have started since May 25 this year, with the aim of making the first payout to employers within June to help them pay the wages for June to August 2020. Application dates for the second tranche will be announced in due course, with payment to be made in September this year for paying the wages of September to November 2020. The amount of subsidy for an employer would be calculated on the basis of 50 per cent of the actual wage paid to each "regular employee" aged between 18 and 64 at a "specified month", with a wage cap at \$18,000 per month (i.e. maximum subsidy is \$9,000 per month per employee) for six months; and

(v) For each eligible employee aged 65 or above employed by GMB operators, if their employers have not made voluntary MPF contributions for them, the Government will provide the GMB operators with a monthly subsidy of \$6,000 for a period of six months under the sector-specific scheme. The implementation timetable of the scheme is similar to that of ESS mentioned in item (iv) above.

(5) Currently, GMB operators are required to submit annual financial accounts to TD in accordance with the Conditions for the Operation of Public Light Bus (Scheduled) Service under the PSL. The submission shall include information on fares and other income, as well as various costs and expenses, but exclude information on liquidity. TD will analyse the annual financial accounts in

order to understand the overall change in costs of the GMB trade and take them as reference when processing fare adjustments for GMBs. At present, except for the GMB operator of the package of Kowloon Routes No. 2 and No. 6 that ceased operation on April 12 this year, TD has not received any proposals from other operators to end the operation or give up operating any route. Regarding RMBs, as TD does not regulate their services, including the operation and fares, TD does not have the relevant information on their financial situation.

(6) In the light of the latest epidemic situation, TD assesses and approves applications from GMB operators for temporary service adjustments as stated in parts (2) and (3) above. In addition, TD has all along been working with GMB operators on the timely adjustment of fleet size according to operational need, the rationalisation of routes, and the relocation of passenger pick-up/drop-off points, etc. so as to tide the trade through the current operating pressure. As for the operation of RMBs, having regard to the request of the trade and taking into account the actual situation of individual locations, TD has relaxed or rescinded some passenger pick-up/drop-off restricted zones and prohibited zones where practicable. An example is the relaxation of the PLB prohibited zone at Sugar Street in Causeway Bay. Indeed, TD has further relaxed the restrictions on RMBs in their use of expressways in recent years. Apart from the West Kowloon Corridor and certain sections of the Island Eastern Corridor, RMBs are also allowed to operate on certain sections of Kwun Tong Bypass, East Kowloon Corridor and Tsing Sha Highway. TD will continue to explore and liaise with the trade with regard to the possibility of relaxing or rescinding other passenger pick-up/drop-off restricted zones and prohibited zones in order to facilitate their business operation.