

## LCQ22: Fare mechanism of franchised buses and green minibuses

Following is a question by the Hon Tony Tse and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (June 7):

Question:

It is learnt that when eligible elderly persons and persons with disabilities travel on franchised buses or green minibuses (GMBs) under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (commonly known as the \$2 Scheme), the beneficiaries would only need to pay \$2 per trip irrespective of the distance of the journey or the fares of the routes at present. Even if these beneficiaries take a higher-fare long-haul route for a very short journey, the Government would still need to provide the operators with subsidies of the amounts equivalent to the fare differentials between the nominal fares and \$2. Some members of the public are of the view that such situation has costed the Government more public money, and suggest that the Government should urge franchised bus and GMB operators to adopt section fares or distance-based fares (i.e. fares based on the distance between boarding and alighting of passengers) on a wider basis, so as to reduce such unnecessary public expenditure. In this connection, will the Government inform this Council:

- (1) of the respective amounts of public expenditure spent on subsidising operators of franchised buses and GMBs under the \$2 Scheme in each of the past five years; whether the Government and the public transport operators concerned have investigated if there is a large number of cases of "taking long-haul routes for short journeys" under the \$2 Scheme;
- (2) whether it knows the situation regarding the adoption of section fares for franchised bus and GMB routes currently; what measures are put in place by the Government to require or encourage the public transport operators concerned to adopt more section fares for their routes;
- (3) whether it will consider requiring or encouraging operators of franchised buses and GMBs to adopt a distance-based fare mechanism; if not, of the reasons for that; and
- (4) whether it will consider requiring or encouraging operators of franchised buses and GMBs to install at bus stops/minibus stops "Octopus card readers at alighting" for the section fare or distance-based fare mechanism, so that passengers under such fare mechanism would not have to move to the front of the bus/minibus compartment to tap their Octopus cards again and slow down the vehicle concerned; if not, of the reasons for that?

Reply:

President,

In consultation with the Labour and Welfare Bureau and Transport Department (TD), my reply to the question raised by the Hon Tony Tse is as follows:

(1) The purpose of the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the \$2 Scheme) is to help build a caring and inclusive society by encouraging beneficiaries to travel more. The expenditure spent on reimbursing franchised buses and green minibuses (GMBs) under the \$2 Scheme in the past five years is tabulated at the Annex.

The Government has rolled out TV and radio announcements of public interest (APIs) and posted posters at major public bus and public light bus termini as well as public light bus compartments on the routes for which two-way section fares are offered to encourage beneficiaries of the \$2 Scheme to make appropriate use of short-haul routes and to assist passengers to understand the operation of two-way section fare, so as to reduce the differential fares under the \$2 Scheme and ensure proper use of public funds. The TD will devise a feasible plan to collect data on beneficiaries taking long-haul routes for short trips as soon as possible.

(2) and (4) At present, section fares are available on about 530 (around 80 per cent) franchised bus routes. With most of the remaining 20 per cent being short-haul routes, the fares are already relatively low due to their short journey distance, and section fares are thus deemed unfeasible. The Government will continue to encourage franchised bus operators to offer fare concessions, including one-way or two-way section fares, as far as possible having regard to their commercial considerations such as operating and financial conditions, overall economic environment and passenger needs, as well as factors relating to bus resources.

There are currently about 380 (around 60 per cent) GMB routes offering section fares. The TD similarly encourages GMB operators to consider, where their operational and financial conditions permit, offering concessionary one-way or two-way section fares to short-haul passengers. During the TD's regular assessments of the overall service performance of a GMB route, the offer of new concessionary section fares to passengers by the operator is one of the considerations for the TD to further extend the period of the operator's Passenger Service Licence.

On two-way section fares for franchised buses, the existing collection arrangements require a passenger to either tap on the card reader again in the presence of the bus captain before alighting, or tap on the card reader at the bus stop after alighting. The specific arrangement adopted depends on many factors, such as the actual characteristics of a bus stop (including pedestrian and vehicular flows), and the availability of power supply nearby.

As for GMBs, boarding passengers may either press the section fare

button to enjoy the section fare concession, or ask the driver to make the switch for them. Given the limited space on board a green minibus, and the limited number of passengers it carries, passengers can easily pay by tapping their cards in the presence of the driver. Such arrangement is swift and convenient that there may not be any need to install separate card-reading systems at the GMB stops.

(3) Distance-based fares are similar to section fares in concept, but involve rather complicated technical and operational arrangements. For instance, we have to address and balance the different travel needs of short-haul and long-haul passengers, in order to avoid ineffective use of public transport resources where short-haul passengers take up capacity of long-haul routes or, when they alight midway, the occupancy rates of such routes become too low. Currently, the fares of franchised bus routes are already determined in accordance with their corresponding route group and journey distance. In principle, fares for routes with longer journeys are higher than those for routes with shorter journeys. Similarly, the TD imposes maximum cap for scales of fares based on the journey distances of individual GMB routes. The GMB operators will take into account the journey distances of their various routes, to propose fares not exceeding the corresponding caps for approval by the TD.

Going forward, we will carefully consider the implications and feasibility of the relevant proposals.