

LCQ3: Support for non-rail public transport operators

Following is a question by the Hon Frankie Yick and a reply by the Acting Secretary for Transport and Logistics, Mr Liu Chun-san, in the Legislative Council today (December 6):

Question:

The Government plans to publish by the end of this year the Hong Kong Major Transport Infrastructure Development Blueprint, which will include proposals to construct a number of railways. Some non-rail public transport operators have relayed that with the continuous expansion of the railway network, their room for survival has been shrinking incessantly, even to the extent that they can hardly survive, and they are worried about the future. In this connection, will the Government inform this Council:

(1) whether it has assessed the impact of various new railway projects on non-rail public transport modes, and made advance planning in this regard; if so, of the details; if not, the reasons for that;

(2) given that with the continuous expansion of the railway network, other public transport modes may have a surplus of vehicles, whether the authorities have devised solutions for such surplus vehicles; if so, of the details; if not, the reasons for that; and

(3) given that while the Government is promoting the green transformation of non-rail public transport modes, it is learnt that as non-rail public transport operators can hardly make ends meet, the relevant work of the Government has been progressing slowly, whether the Government will consider, by drawing reference from the approach adopted under the Vessel Subsidy Scheme, procuring green vehicles with government funding and then entrusting their management to non-rail public transport operators; if so, of the details; if not, the Government's new measures in place to motivate the sector to expedite green transformation?

Reply:

President,

Hong Kong is a small and densely-populated city with high development intensity. To ensure sustainable development and effective utilisation of limited road resources, the Government has adhered to a public transport oriented policy. Each type of public transport services plays a distinctive role. Emission-free and high capacity railway acts as the backbone of the public transport system; franchised buses serve as the major road-based public transport; public light buses (PLBs) provide supplementary feeder services in areas with relatively lower passenger demand or where the use of high-capacity transport modes is not suitable; taxis provide personalised and

point-to-point transport services; and all other public transport modes also serve important supplementary roles.

Hong Kong's diversified public transport system enjoys an international reputation for providing highly efficient and convenient services across the territory, meeting the travelling needs of the majority of citizens. In the 2022 Urban Mobility Readiness Index jointly published by the Oliver Wyman Forum and the University of California, Berkeley, which compared the public transport systems of 60 cities across the globe taking account of such factors as the distance to stations, public transport operating hours and reliability, and passenger affordability, ranked Hong Kong's public transport system as the top of the list. Having regard to the importance of maintaining the diversity of the public transport system as well as the balance among various services, the Government will continue to facilitate the complementarity of strengths among various public transport services, so that members of the public can enjoy efficient services with reasonable choices, while the various public transport services could remain sustainable.

In consultation with the Environment and Ecology Bureau, I provide my reply to the various parts of the question raised by the Hon Frankie Yick as follows:

(1) When taking forward a new railway project, the Government will make comprehensive assessments and planning of the public transport services along the alignment, including assessing the degree of impact, devising contingency plans, and examining the provision of additional ancillary facilities such as public transport interchanges. Prior to the commissioning of the new railway, the Transport Department (TD) will take into account the anticipated changes in demand for other road-based public transport services brought by the railway project, and formulate public transport service adjustment proposals, including arranging feeder services to connect the new railway with adjacent areas, as well as adjusting the existing services that overlap with the new railway service.

Given that actual changes in travel patterns of passengers may only be ascertained after the new railway is put into service, the TD and relevant operators will closely monitor the changes in the demand for public transport services after the new railway is in operation, and consider further rationalisation of routes or frequency adjustments having regard to the actual situation. Resources so saved can be deployed to strengthen the routes in keen demand, or to introduce new routes, for example, express services. This can better cater for the travelling needs and patterns of passengers and, at the same time, enhance the cost-effectiveness of operators and thus the sustainability and competitiveness of their services.

(2) The Government has been adopting the "infrastructure-led" and "capacity-creating" planning principles in taking forward transport infrastructure projects. Extending the railway network is part of Hong Kong's overall development process. As new railway projects are taking forward progressively, they would actually stimulate the development of nearby areas, generating new transport demand which benefit both railway and non-railway public transport operators. It may not necessarily result in surplus of non-

railway public transport vehicles.

In response to development of property and infrastructure projects as well as the changes in economic activities and lifestyles over time, the TD will keep in view the changes in transport demand and make adjustments to public transport services as and when appropriate. With gradual completion of large new development areas in the New Territories and population intake of new residential estates, it is expected that passenger demand for various modes of public transport would increase. The Northern Metropolis and Kau Yi Chau Artificial Islands will even require planning of new public transport networks to meet the new demand. In addition, the increasingly frequent cross-boundary activities also present new growth opportunities for public transport services. Since the full resumption of social activities and cross-boundary travels early this year, franchised buses and green minibuses serving boundary control points have recorded satisfactory patronage. These new transport demand will require new or deployment of existing bus and PLB vehicles.

(3) It is the Government's established policy that public transport services should basically be run by the private sector in accordance with commercial principles, so as to ensure that the services are the most efficient and can respond to market conditions promptly and flexibly, without relying on public monies. The Government will provide public transport operators with the necessary policy support and facilitation, but there is currently no plan to procure green vehicles and entrust their operation and management to operators.

Having said the above, to encourage green transformation of the transport sector, the Government has been promoting electrification of commercial vehicles under a multi-pronged approach, including subsidising trials of different electric commercial vehicles through the New Energy Transport Fund (NET Fund), and setting up various dedicated funding schemes to promote the wider application of green and innovative transport technologies by the trades.

Since the promulgation of the Hong Kong Roadmap on Popularisation of Electric Vehicles in 2021, certain franchised bus operators have announced their target timeframe of attaining a full zero-emission fleet, and have introduced new generation single- and double-deck electric buses (e-buses) for daily services. As at end-September 2023, there were a total of 59 registered electric franchised buses. The Government understands that the transition to e-buses involve substantial costs for the franchised bus operators. To alleviate the operating and fare increase pressure of operators, we will discuss with them the overall financial arrangements on electrification of their vehicle fleets, where the possibility of providing assistance through subsidies or other means will not be ruled out.

As for PLBs, the Government has commenced the Pilot Scheme for Electric PLBs for which \$80 million has been earmarked. The Scheme would provide subsidy for trial of about 30 electric PLBs (e-PLBs) on various routes for about 12 months. Different models of e-PLBs and quick charging facilities will be tested to evaluate their performances. The Environmental Protection

Department will offer successful applicants a subsidy of 80 per cent of the price of each e PLB on trial under the pilot scheme.

To further promote green transformation of the taxi trade, the Government has earlier launched the Dedicated 100% Loan Guarantee Scheme for Battery Electric Taxis to encourage transition to electric taxis (e-taxis). Meanwhile, the Government is extending the e-taxis charging network, including setting up dedicated e taxi quick charging facilities and mobile quick charging systems, as well as identifying suitable locations across the city, such as petrol filling stations, government premises and short-term tenancy sites, for installing dedicated e-taxi quick chargers. The NET Fund has also newly included trial projects on e-taxi charging mode to support the trade to set up dedicated e-taxi quick charging facilities. In addition, \$50 million has been earmarked under the NET Fund to subsidise the trade in purchasing wheelchair accessible e-taxis.

The Government is pleased to see that public buses has embarked on the green transformation journey. Next year, the Government will formulate a citywide green transformation roadmap and timetable for public buses and taxis to set out further policy measures and directions for phasing out diesel buses and liquefied petroleum gas taxis.