

立法會
Legislative Council

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**Subcommittee on Proposed Resolution under Section 23(3)
of the Road Traffic Ordinance (Cap. 374)**

Background brief

Purpose

This paper provides background information on the proposed resolution under section 23(3) of the Road Traffic Ordinance (Cap. 374) ("the Ordinance"). It also summarizes the major views and concerns expressed by Legislative Council ("LegCo") Members on the statutory cap on the number of public light buses ("PLBs").

Background

Role and operations of public light buses

2. Under the current public transport policy, railway is the backbone of the local public transport system complemented by other public transport services. PLBs provide feeder service to public transport interchanges, and serve areas where passenger demand is comparatively lower or the use of high-capacity transport modes is not suitable. With the opening of new railway lines in recent years, the role of railway in the public transport system will be further enhanced. According to the Administration, the other public transport services, including PLB service, would then be coordinated to ensure their healthy development.

3. There are two types of PLBs, namely green minibuses ("GMBs") and red minibuses ("RMBs"). Within the existing cap of 4 350 PLBs, about 3 250 (approximately 75%) are GMBs whereas the rest are RMBs. According to the survey conducted by the Transport Department ("TD") in 2015, the utilisation of GMBs and RMBs were 98% and 95% respectively, meaning that the majority of

PLB vehicles were travelling on the roads. The number of PLBs with paid valid licences was 4 347 as at 31 January 2017.

4. GMBs provide scheduled services with fixed routes, fares, vehicle allocation and timetable approved by TD. In March 2017, there are around 520 GMB routes in operation across Hong Kong.¹ RMBs are not required to operate on fixed routes or timetable and are free to set their own fares. They are subject to certain restrictions on their service area. It has been the Administration's established policy to contain and when possible reduce the total number of RMBs, as well as containing their service area, and encouraging RMBs to convert to GMBs.² The average daily total PLB patronage is approximately 1.8 million passenger trips, which corresponds to a generally stable share of around 15% of the public transport market over the past five years.

Statutory limit on the number of public light buses

5. Section 23(1) of the Ordinance provides that the Chief Executive-in-Council may, by publication of notice in the Gazette, limit the number of a class of vehicle which may at any time be registered. Section 23(3) of the Ordinance further provides that LegCo may by resolution extend the period for which a limit remains in force.

6. The number of PLBs has been capped at 4 350 since 1976. The statutory limit was originally set out in the Public Light Buses (Limitation on Number) Notice (Cap. 374K) and the effective period has been extended from time to time through resolutions of LegCo. It was last extended in 2011 for a period of five years up to 20 June 2016.

7. On 6 November 2015, the Panel on Transport ("the Panel") was briefed on the findings of the Administration's review on the statutory limit on the

¹ As an established practice of TD, these GMB routes are grouped under 160 route packages, having regard to such factors as the service area and patronage of the individual routes for operation by the same operator. This practice ensures that no routes with unsatisfactory investment returns but of social needs will be left without an operator.

² Taking into account the road congestion problem in Hong Kong and the objective to encourage conversion of RMBs to GMBs, the Administration has imposed certain restrictions on RMB operations. RMBs can operate in their existing service area but are not allowed access to new towns or new housing developments. Besides, there are also restrictions on RMBs in using expressways.

number of PLBs under the Public Transport Strategy Study ("PTSS").³ The review suggested that as the demand for PLB service had remained generally stable, there was no need to adjust PLB number cap downward. Notwithstanding that the average occupancy rate of PLBs stood at around 50%, the survey conducted by TD in 2015 showed that there was generally greater service demand during peak periods and that the service of some routes was not sufficient to meet demand during those periods. That said, in view that increasing the number of PLBs would generate additional traffic flow and aggravate the traffic congestion problem, and there would also be issues in recruiting sufficient drivers, the Administration recommended maintaining the existing cap on the number of PLBs at 4 350 for another five years. In the meantime, the Administration would examine the issue of increasing the seating capacity of PLBs in parallel.⁴ Panel members supported the recommendation to extend the effective period of the cap on the number of PLBs (i.e. 4 350) for five years, from 21 June 2016 to 20 June 2021. According to the Administration, the public transport trade and the Transport Advisory Committee ("TAC") were also consulted in 2015 on whether the existing limit on the number of PLBs should be maintained. The trade and TAC supported maintaining the existing limit.

Road Traffic (Public Light Buses: Limit on Number) Notice 2016

8. In the above connection, the Secretary for Transport and Housing ("STH") gave notice to move a motion at the LegCo meeting of 6 January 2016 to seek LegCo's approval to further extend the period for which the statutory limit on the number of PLBs would remain in force for five years up to 20 June 2021. However, the effective period of the statutory limit had not been further extended as the resolution proposed to be moved by STH was not dealt with by the Council before its expiry on 20 June 2016. To prevent a legal lacuna from arising owing to the lack of the statutory limit on the number of PLBs, the Chief Executive-in-Council made the Road Traffic (Public Light Buses: Limit on Number) Notice 2016 (L.N. 101 of 2016 gazetted on 21 June 2016 and enacted as Cap. 374X) ("the Notice") to maintain the same statutory cap (at 4 350) for 12 months up to 20 June 2017.

³ Please refer to the Administration's paper [LC Paper No. CB(4)119/15-16(06)] on the findings and recommendations.

⁴ The Administration put forward a proposal for increasing the seating capacity in June 2016 and listened to the views of the Panel in December 2016. The Administration expected to introduce the Bill for increasing the seating capacity of public light buses into LegCo in the first half of 2017.

9. In October 2016, a Subcommittee had been formed to study the Notice. Members of the Subcommittee supported the Notice and noted that they would have the opportunity to review the appropriateness of the statutory limit on the number of PLBs as the Administration would seek LegCo's approval to further extend the effective period of the current limit by resolution during the 12-month effective period of the limit.

Proposed resolution under section 23(3) of the Road Traffic Ordinance

10. The Administration has given notice to move a motion at the Council meeting of 29 March 2017 for extending the effective period of the existing cap on the number of PLBs at 4 350 by five years until 20 June 2022.

Major views and concerns of members

11. The major views and concerns of members expressed when issues relating to the statutory cap on the number of PLBs were discussed at meetings of the Panel and the Subcommittee formed to study the Notice in the Fifth and Sixth LegCo are summarized in the ensuing paragraphs.

Number of public light buses

12. Members in general indicated support for maintaining the existing cap on the number of PLBs. Nevertheless, some members expressed concern that placing a cap of 4 350 on the total number of PLBs might not be conducive to improving PLB service, such as introduction of new routes and increase in PLB service frequency. The Administration responded that as the average occupancy rate of GMBs had remained at around 50%, it was recommended to keep the existing cap on the number of PLBs at 4 350. Otherwise, under the current operating environment, increasing the number of PLBs might intensify competition and adversely affect the operation of the trade.

13. Some members expressed concerns that the number of PLBs operating in some districts was inadequate. The Administration replied that TD would discuss with PLB operators concerned how best to deploy their fleet. One way of increasing the supply of GMBs was through the conversion of some RMBs. For example, RMB routes with reduced patronage due to the opening of new railways would have surplus vehicles that could be converted to GMBs.

Seating capacity of public light buses

14. Apart from the statutory cap on the number of PLBs, the Administration had also studied the proposal to increase the seating capacity of PLBs under PTSS. According to the Administration, if the seating capacity of all PLBs increases from 16 to 20-24, it would represent an increase of 25% to 50% in passenger capacity. This would be equivalent to an addition of about 1 087 to 2 175 16-seat PLBs. Members noted the Administration's recommendation that the carrying capacity of GMBs should be increased by increasing the seating capacity of PLBs including GMBs, instead of the number of vehicles. Since the occupancy rates of most GMBs vary between peak and non-peak periods, increasing the number of seats to improve the situation during peak periods should suffice from the perspective of meeting passenger demand.

15. Some members supported the proposal to increase the seating capacity of PLBs as it would bring about an increase in the overall public transport capacity without increasing vehicle number, thus more environmental-friendly. They considered that the proposal could make more efficient use of the existing PLB capacity, reduce passengers' waiting time during peak hours and enhance the financial viability of PLB trade, resulting in a higher income for drivers and alleviating the pressure on fare increase. However, some other members was concerned that increasing the seating capacity of PLBs might have an adverse impact on other public transport services.

16. Members noted the Administration's view that the seating capacity of PLBs should be increased by not more than three seats (i.e. not more than 19 seats), which deviated from the suggestions made by some members of PLB trade on increasing the number to 20 seats. Some members opined that the Administration should respect the trade's views on the number of seats to be increased as they had first-hand knowledge of the operations and their needs. At the Panel meeting on 16 December 2016, members passed four motions, urging the Administration to, inter alia, increase the statutory maximum seating capacity of PLBs to 20 seats.

Policy on public light bus service

17. Some members considered that the existing transport policy on PLB service was outdated and inadequate for the sustainable development of the trade. Even though there was an emerging demand for PLB service arising from the development of new towns, the role of PLBs as providing supplementary feeder service had not changed over the years. They opined that the Administration did not have any long-term planning on how to maximize the supplementary role

and functions of PLBs against the expanding railway network. Therefore, they called on the Administration to conduct a comprehensive review of the policy.

18. Some members also expressed concern about the operating difficulties faced by PLB trade as many PLB routes were operating at a loss due to the shortage of drivers, difficulties in increasing fares for GMBs, restrictions on their operating areas and direct competition from new railway lines. They urged the Administration to consider implementing immediate measures that could address the operating difficulties faced by the trade. Some of the suggestions included introducing new GMB routes in new districts where there was a keen demand for public transport services; relaxing restricted or prohibited zones in busy districts to allow PLBs to pick up and drop off passengers; gauging the views of the trade when considering the rationalization of GMB routes; enhancing the financial viability of those loss-making routes; and allocating bus routes with lower patronage for operation by PLBs.

Latest development

19. At the meeting held on 17 March 2017, the House Committee agreed to form a Subcommittee to study the proposed resolution under Section 23(3) of the Road Traffic Ordinance (Cap. 374) in relation to the statutory limit on the number of PLBs. At the request of the House Committee, the Administration has withdrawn the notice to move the motion mentioned in paragraph 10 above.

Relevant papers

20. A list of relevant papers is in **Appendix**.

Council Business Division 4
Legislative Council Secretariat
27 March 2017

**Subcommittee on Proposed Resolution under Section 23(3)
of the Road Traffic Ordinance (Cap. 374)**

List of relevant papers

| Date of meeting | Panel/Committee | Minutes/Paper | LC Paper No. |
|-----------------------|---------------------------|---|--|
| 17.12.2014 | Council meeting | Hon Michael TIEN Puk-sun raised a question on the operation of public light buses | http://www.info.gov.hk/gia/general/201412/17/P201412170436.htm |
| 25.11.2014 & 5.5.2015 | Panel on Transport ("TP") | Administration's paper on the Public Transport Strategy Study – work plan | CB(1)238/14-15(06) http://www.legco.gov.hk/yr14-15/english/panels/tp/papers/tp20141125cb1-238-6-e.pdf |
| | | Minutes of meetings | CB(4)437/14-15 http://www.legco.gov.hk/yr14-15/english/panels/tp/minutes/tp20141125.pdf CB(4)209/15-16 http://www.legco.gov.hk/yr14-15/english/panels/tp/minutes/tp20150505.pdf |
| 16.1.2015 | TP | Administration's paper on transport-related policy initiatives of the Transport and Housing Bureau under the 2015 Policy Agenda | CB(4)349/14-15(04) http://www.legco.gov.hk/yr14-15/english/panels/tp/papers/tp20150116cb4-349-4-e.pdf |

| Date of meeting | Panel/ Committee | Minutes/Paper | LC Paper No. |
|------------------------|-------------------------|---|---|
| 12.5.2015 | TP | Administration's paper on Public Transport Strategy Study – seating capacity of public light buses | CB(4)922/14-15(06) http://www.legco.gov.hk/yr14-15/english/panels/tp/papers/tp20150512cb4-922-6-e.pdf |
| | | Minutes of meeting | CB(4)85/15-16 http://www.legco.gov.hk/yr14-15/english/panels/tp/minutes/tp20150512.pdf |
| 6.11.2015 | TP | Administration's paper on Public Transport Strategy Study Topical Study – statutory cap on the number of public light buses | CB(4)119/15-16(06) http://www.legco.gov.hk/yr15-16/english/panels/tp/papers/tp20151106cb4-119-6-e.pdf |
| | | Administration's follow-up paper | CB(4)267/15-16(01) http://www.legco.gov.hk/yr15-16/english/panels/tp/papers/tp20151106cb4-267-1-e.pdf |
| | | Minutes of meeting | CB(4)513/15-16 http://www.legco.gov.hk/yr15-16/english/panels/tp/minutes/tp20151106.pdf |
| 24.2.2016 | Council meeting | Hon TANG Ka-piu raised a question on green minibus drivers | http://www.info.gov.hk/gia/general/201602/24/P201602240432.htm |

| Date of meeting | Panel/ Committee | Minutes/Paper | LC Paper No. |
|------------------------|--|--|--|
| 21.6.2016 | TP | Administration's paper on Public Transport Strategy Study – Role and Positioning Review on premium taxis and increasing the seating capacity of public light buses | CB(4)1124/15-16(01) http://www.legco.gov.hk/yr15-16/english/panels/tp/papers/tp20160621cb4-1124-1-e.pdf |
| | | Minutes of meeting | CB(4)1315/15-16 http://www.legco.gov.hk/yr15-16/english/panels/tp/minutes/tp20160621.pdf |
| 29.6.2016 | Council meeting | Hon Frankie YICK Chi-ming raised a question on manpower in transport industry | http://www.info.gov.hk/gia/general/201606/29/P201606290525.htm |
| 1.11.2016 | Subcommittee on Road Traffic (Public Light Buses: Limit on Number) Notice 2016 | Legislative Council Brief on Road Traffic (Public Light Buses: Limit on Number) Notice 2016 | THB(T)CR19/5591/72 http://library.legco.gov.hk:1080/articles/1189574.281673/1.PDF |
| | | Legal Service Division Report | LS1/16-17 http://www.legco.gov.hk/yr16-17/english/hc/papers/hc20161014ls-1-e.pdf |
| | | Report of the Subcommittee on Road Traffic (Public Light Buses: Limit on Number) Notice 2016 | CB(4)163/16-17 http://www.legco.gov.hk/yr16-17/english/hc/papers/hc20161125cb4-163-e.pdf |

| Date of meeting | Panel/ Committee | Minutes/Paper | LC Paper No. |
|-----------------|------------------|--|---|
| | | Minutes of meeting | CB(4)356/16-17 http://www.legco.gov.hk/yr16-17/english/hc/subleg/sc101/minutes/sc10120161101.pdf |
| 16.12.2016 | TP | Administration's paper on increasing the seating capacity of light buses | CB(4)285/16-17(03) http://www.legco.gov.hk/yr16-17/english/panels/tp/papers/tp20161216cb4-285-3-e.pdf |
| | | Administration's follow-up paper | CB(4)677/16-17(01) http://www.legco.gov.hk/yr16-17/english/panels/tp/papers/tp20161216cb4-677-1-e.pdf |
| | | Minutes of meeting | CB(4)513/16-17 http://www.legco.gov.hk/yr16-17/english/panels/tp/minutes/tp20161216.pdf |