

CB(1)786/04-05(05)

Public Omnibus Operators Association Ltd.
公共巴士同業聯會有限公司

Unit A, 10/F., Hing Wah Commercial Building, 450-454 Shanghai Street, Kowloon, Hong Kong.
 九龍上海街450-454號康華商業大廈10字樓A室
 電話: 2782 0911 傳真: 2782 0935 E-mail: pooa@netvigator.com



Chairman and Members
 Transport Panel
 Legislative Council
 Chater Road, Central
 HONG KONG

22 January 2005

Honourable Members,

Review on the Operation of Non-Franchised Buses

Please refer to the captioned review, which has been in progress since the previous session of the Legislative Council. Documents pertinent to the above have been submitted for discussion at the Transport Panel. According to our information, a revised Review will be tabled on 2 February 2005.

We would like to advise Honourable Members that the Public Omnibus Operators Association ("POOA"), which has a membership (in terms of fleet size) of over half of the non-franchised public bus operators in Hong Kong, would submit that the progress in the discussion with the Special Panel designated for the Review by the Transport Advisory Committee ("TAC"), the Environment, Transport and Works Bureau ("ETWB") and Transport Department ("TD"), is far from satisfactory.

To this effect we wish to summarize our frustration over the Review as follows:

- (a) Non-franchised public buses operate under a system of Passenger Service Licences ("PSL"), specifying the types of services that they are authorized to provide. In the Review, it was proposed that in future the types of services that individual buses could offer would be strictly limited. The above move would cause detrimental effects towards the business of these operators and livelihood of their employees.

We would suggest that for existing operators, their respective authorized services under the PSL system should not be reduced. As for newly registered vehicles, Transport Department could impose restrictions accordingly.

Legislative Council/2

- (b) In our previous discussions with representatives from TAC, ETWB and TD, we have repeatedly stress that the market of non-franchised buses in Hong Kong has been suffering from over-supply. The Government should consider capping the total number of non-franchised public buses in Hong Kong. This was rejected. As a result, even during the period of review, TD has continued to allow registrations of new buses.

We wish to propose that the number of non-franchised buses in Hong Kong be frozen at its current level, subject to review in two years.

- (c) The current policy of a "3-tier" system for road transport, i.e., railway as backbone, to be supported by franchised buses, and other modes of transport (non-franchised buses, taxis and public light buses) would be supplementary, has been devised under Report No. 3 of Comprehensive Transport Study ("CTS-3").

We would like to stress that non-franchised buses have their distinctive characteristics recognized by CTS-3 and that these characteristics are beneficial to the passengers, e.g., point-to-point service, flexibility and catering for specific user groups. Government should not take away these benefits from the passengers, which could result in fewer choices for the consumer and higher cost in transportation for the general public.

- (d) Recommended measures in the Review, some of which have already been implemented by TD while pending Legco's consideration, if put into practice, would severely jeopardize the livelihood of those directly and indirectly engaged in the non-franchised bus sector.

There are over 7,200 non-franchised buses in Hong Kong; the categories of labour engaged in this sector include drivers, bus escorts (for student service), maintenance and repair (technicians and engineers), parts and tyre supply, cleaning, administration and marketing. Given a bus to employee ratio of 1:3, the livelihood of over 20,000 employees and their families will be at stake.

Legislative Council/3

While we earnestly urge members of the Panel not to accept the proposals presented by the Review in the forthcoming meeting on 2 February 2005, we would also be much obliged to continue our dialogue with representatives from ETWB and TD to work out an acceptable framework for the management of non-franchised buses in Hong Kong.

We submit the above for your consideration.

Yours faithfully,
For and on behalf of
PUBLIC OMNIBUS OPERATORS
ASSOCIATION LIMITED



Aaron Yeung
Chairman