

Dear Chairman and Members of Legco Panel on Transport,

The consultation on renewal of KMB franchise provides an opportunity for members of the public to comment on the service.

Transport Department (TD), despite numerous complaints from the public via direct contact and through the media, has allowed the continuous operation of RoadShow on public buses despite that fact that the bus companies have not provided the services promised in the first place, **ie the provision of real time information on routes via panels at bus stops and the onboard screens.**

Passengers had this service foisted on them in 2001 despite protests that all they wanted was a quiet and relaxing bus ride and the opportunity to escape the noise pollution on the streets. Because of the RoadShow passengers have found their commuting options severely restrained as being bombarded by the noise from the screen on long journeys is unbearable.

In recent years traffic congestion has become a serious problem, particularly in areas subject to infrastructure and MTR developments. Commuters can be trapped on a stationary bus for 30 minutes or more. West Kowloon is an example of this. There is no opportunity to hop off the bus and walk, passengers are virtual prisoners.

Not only were commuters denied the right to enjoy the ride, the benefits promised with regard to real time information on routes never materialized. Legco Transport Panel and TD has been grossly negligent in allowing this situation to continue. There should have been a review of the service after a number of years to ensure that the promises made to the Legislative Council and commuters were fulfilled.

In the interim there have been significant advances in technology and we now have a situation whereby the majority of passengers are immersed in their own choice of entertainment via tablets, i-phones and other mobile devices. Very few people watch the programmes on the screens. Moreover the volume is not loud enough to follow loud enough to disturb those passengers, the majority, with no interest in the content.

With technological advances it is obvious that the solution is that RoadShow creates an app for those few passengers who want to follow the programmes to tune in on their mobile phones. Then the noise pollution can be eliminated and passengers can have free choice on how to pass their time on board, from looking out the window, to playing games, texting or whatever.

Apart from the noise issue the relationship between Road Show, KMB (Transport International Holdings) and Sun Hung Kai should be examined. It is quite clear that RS is not an independent company. It was set up specifically to siphon off advertising revenue from bus revenue. The board is stacked with SHK henchmen. RS is 73% owned by Transport International. That the advertising services are procured via a genuine public tender is plainly ridiculous. Who would bother wasting time bidding for the services with so many KMB relatives on the management?

I note that RoadShow declared a loss for a number of years. Why as revenue is higher than it was in the early 2000's? Is the contribution towards fare reduction significant in view of the

indifference of most commuters towards the service and the fact that the advantages of this service promised by KMB have never materialized?

I would bring to your attention to some links below to provide more in depth information on the issue. It is evident that for over a decade there has been a pattern whereby the franchised bus services have been proclaiming that they will provide real time route information while obviously not committing to the necessary research and trials to reach the stated goals. It is the responsibility of Legco and TD to monitor these services to ensure that all the objectives are achieved.

This year the appallingly backward state of our IT related public services has prompted the government to intervene.

Budget Item

52. I shall allocate an additional \$200 million to install traffic 52.detectors along some strategic routes to provide the public with more real-time traffic information and enhance transport efficiency

Budget Item

*141. The Government has earmarked over \$80 million to provide franchised bus companies with a subsidy to install seats at over 1 000 bus stops and **real-time bus arrival information display panels for the convenience of waiting passengers.***

Why should the tax payer subsidize the installation of bus arrival display panels? These were promised back in 2001 when the Road Show service was foisted on the community. In return for being bombarded with gratuitous noise passengers would enjoy real time service information.

That funds that should be spent on alleviating poverty be funnelled to this cabal is scandalous.

I would remind members that yesterday Transport minister Anthony Cheung Bing-leung rejected calls for the government to subsidize public transport fares

“As to whether the government should use public money to subsidize all public transport, the government thinks this is unfeasible,” he added.

Cheung said the government needed to prioritize different social needs with regard to allocating public money. “Will this be a reasonable way of using our resources and public money?” he asked.

Indeed, so why should KMB be subsidized for providing a service that should have been up and running for more than a decade?

Moreover the few display panels already installed show more advertising than bus information

In the last 15 years RS has made millions in profits but the government has not insisted that the conditions of this service be fulfilled. 2014 revenue attributable to equity shareholders was a whopping \$70 million on revenues of \$475.

However RS has managed to make a loss in 2015, on revenue of \$412 millions? It is obvious that much revenue is being siphoned off for 'Royalty and Management Fees', over \$224m in 2015. I note that this cost has escalated sharply. What management fees? There is a substantial salary outlay, why should there be any need for additional management? See chart at bottom and attached year end account information.

There is also the question as to how much the foray into China impacted any contribution to the fares. See 2010 and 2011 results.

It is obvious that Legco and TD have not fulfilled their duty to ensure that the interests of the public are fully met. What is more the timely introduction of the promised services would have had a positive impact with regard to congestion and air pollution. The provision of real time information would have allowed commuters to make intelligent decisions with regard to which route to choose – if the direct service is delayed then another could be used to travel part of the way and then transfer to an alternative service to reach the destination. It would also alert passengers to delays due to congestion.

Real time route information would also have resolved some of the problems arising from bus route rationalization as the commuter would have more flexibility. It would also help to convince commuters that Bus-Bus Interchange is a feasible option.

The following measures should be considered when considering the renewal of KMB franchise:

- A review of the Road Show modus operandi and the open tender mechanism
- That renewal of the KMB franchise conditions include the appointment of a member of the Transport Panel to the board to represent the interests of the commuters.
- That the \$80 million subsidy be cancelled
- That KMB take immediate steps to provide the services promised in 2001
- That KMB confine its commercial activities at bus stops to the standard structure and remove all the advertising panels on top of bus shelters that are currently blocking sightlines and negatively impacting ventilation. They are occupying public air space.
- That a clause be added to the KMB By Laws that no passenger be allowed to disturb other passengers as is stipulated in both the MTR and Citybus/New World regulations. MTR reads as follows.

No person, unless authorized in writing by the Corporation, shall play or use or attempt to play or use any radio, cassette, compact disc player, record player, portable wireless television, or any other similar device upon any part of the railway premises which shall generate noise.

In conclusion Legco and TD must now uphold their responsibility to protect and promote the interests of the community through their role in supervising the franchised bus services.

Yours faithfully

Mary Mulvihill

Further information can be accessed on the following links:

<http://www.legco.gov.hk/yr00-01/english/panels/tp/papers/a1718e01.pdf>

TV panels inside buses July 2001

6. KMB (1933) has formed a joint venture company (i.e. KM Vision Ltd) with RoadVision Holdings Ltd (a 100% subsidiary of the RoadShow Group) to provide and develop TV panels inside buses and interactive passenger information panels at bus stops and bus terminals. The panels are used as a platform for research into Global Positioning System (GPS)-type technology and communication systems, and the **ultimate objective is to enhance passenger information and fleet management** of KMB (1933) through bus tracking by application of GPS-type technology.

<http://www.legco.gov.hk/yr01-02/english/panels/tp/papers/tp0524cb1-1783-1e.pdf>

See Slide 25

<http://202.66.146.82/listco/hk/transport/annual/2001/ar2001.pdf> KMB Report 2002

see page 20

<http://en.wikipedia.org/wiki/RoadShow> General Information

http://www.hush-the-bus.com/new/eng/the_facts.html General Information

<http://www.legco.gov.hk/yr05-06/english/panels/tp/papers/tp1117cb1-309-2e.pdf>

October 2005, Application for New Franchise See 19 c

(c) Citybus (Franchise 1) and KMB have agreed to continue the trial on Global Positioning System to further ascertain its technical and operational feasibility for bus tracking and provision of passenger information. Pending conclusion of the trials, all three companies **have agreed to enhance passenger information through alternative means such as provision of bus stop announcement on all buses and installation of more LED panels at bus termini to show bus information and departure time.**

http://www.epd.gov.hk/epd/english/news_events/legco/files/EA_Panel_100122a_eng.pdf January 2010 Rationalization of Bus Routes to improve Air Quality

http://corp.roadshow.com.hk/files/img/financial_document/ew_0888frp-20120403q4.pdf

Road Show running at a loss??

<http://www.info.gov.hk/gia/general/201104/13/P201104130121.htm> April 2011 - more than 10 years after we were promised real time information

KMB indicated that it has no plan at present to provide other information such as passenger waiting time or estimated duration of traffic congestion

http://www.thb.gov.hk/eng/psp/pressreleases/transport/land/2016/0106_LCQ22_annex2_e.pdf

Number of public transport interchanges/bus termini, bus-bus interchanges and bus shelters with real time bus service information display panels

ROADSHOW YEAR END ACCOUNTS (see attached pdf)

	ooo's	Profit attributable to Equity Shareholders	Royalty Mgmt fees	Salaries
2001	301,294	158,295	5,806	30,723
2002	173,354	55,027	7,321	28,309
2003	196,457	-36,953	18,466	28,452
2004	243,367	20,114	9,880	28,378
2005	290,496	26,270	22,658	27,468
2006	353,416	30,781	35,072	29,543
2007	181,358	59,400	43,154	18,448
2008	183,972	56,784	51,588	24,789
2009	223,139	14,016	84,077	40,315
2010	356,444	-61,641	135,866	54,454
2011	397,328	-48,637	133,893	60,047
2012	443,173	74,817	143,006	72,743
2013	488,214	104,853	166,356	81,973
2014	475,218	70,587	187,546	86,263
2015	429,921	-47,913	224,382	77,806

Losses for 2 years due to withdrawing from online mainland platform that had nothing to do with local

attributable to increase in royalty, licence and mgmt fees