

**English Translation**

Our Ref : (1) in LM (1/2017) Pt.3 to PVC 15/5-1 Pt. 2  
Your Ref : CB4/PAC/R69  
Tel No : 2829 5206  
Fax No : 2824 0433

10 January 2018

Public Accounts Committee  
Legislative Council  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong  
(Attn: Mr Anthony Chu)

Dear Mr Chu,

**Public Accounts Committee**

**Chapter 4 of the Director of Audit's Report No. 69**  
**Regulation of non-franchised bus and school private light bus services**

Thank you for your letters of 22 December 2017 to the Transport and Housing Bureau and Transport Department on the captioned subject. I am authorized to give a coordinated response of the Transport and Housing Bureau and the Transport Department, which is set out in Annex.

Yours sincerely,

(Chan Ying-kit)  
for Commissioner for Transport

Encl

c.c. Secretary for Transport and Housing (Fax: 2104 7274)  
Secretary for Financial Services and the Treasury (Fax: 2147 5239)  
Director of Audit (Fax: 2583 9063)

**Report No. 69 of the Director of Audit – Chapter 4**  
**Regulation of Non-franchised Bus and School Private Light Bus Services**

**Coordinated Response to the Public Accounts Committee**

Public Accounts Committee raised a series of enquiries in its letters of 22 December 2017. This note sets out the response of the Transport Department (TD) to these enquiries, as well as the coordinated response of the Transport and Housing Bureau (THB) and TD to three of these enquiries addressed to both.

**Part 2: Administration of licensing requirements**

*Question 1: According to paragraph 2.7(c) of the Report, the Government encourages passenger service licence (PSL) applicants who wish to introduce new services to source vehicles from the existing fleet on the market, in lieu of purchasing additional vehicles. However, paragraphs 2.11(a) and (b) of the Report show that the utilisation rate of public non-franchised buses (NFBs) has increased from 81% in 2004 to 86% in 2016, while the number of second-hand public NFB transfer cases increased from 53 in 2005 to 142 in 2016. Will the Government advise whether the procuring of vehicles from the existing fleet on the market is bundled with the transfer of the service endorsement and PSL of the vehicle? Does the Government agree that a growing demand for second-hand public NFBs in the market makes it necessary to further review the sourcing requirement? [Note: This question has been addressed to both TD and THB.]*

2. The “sourcing requirement”, which is to encourage PSL applicants to source vehicles from the existing fleet on the market, has been implemented smoothly since its introduction in 2005. At present, the number of NFBs has been standing at some 7 000 and applicants have been able to source NFBs from

the existing operators in the market. The overall service supply remains stable and is capable of coping with passenger demand.

3. The operation of NFB service is regulated through PSLs issued under the Road Traffic Ordinance (Cap. 374). Any person who wishes to provide NFB service is required to submit to the TD a PSL application, together with valid proof of service (e.g. service contract) and obtain relevant service endorsements. A PSL is renewable but not transferrable. A PSL holder may be authorised to operate one or more than one type of services. Upon purchasing an NFB on the market, the applicant is required to apply afresh to the TD for a new PSL and the relevant service endorsements. The TD will, based on the proof provided by the applicant, consider the application and grant the appropriate service endorsements.

4. The TD has been making active efforts to meet the public's demand for NFB services. For example, the TD has since 2015 granted exemption for complying with the "sourcing requirement" to NFBs exclusively used for student services, in light of the increasing demand for student services. In 2016, to tie in with the development of Hong Kong, Macao and Zhuhai, the TD decided to grant exemption from sourcing requirement to shuttle buses plying the Hong Kong-Zhuhai-Macao Bridge and NFBs allocated quotas for accessing Macao, in order to cope with the additional passenger demand. Such measures show that the Government is by no means rigid in implementing the "sourcing requirement", and will make adjustments according to actual circumstances with a view to striking a reasonable balance between road traffic and NFB services. In view of the diversified views expressed by stakeholders on relaxing the "sourcing requirement", the TD will keep an open mind and listen to the views of various parties, while closely monitoring the overall demand and supply of NFBs. The Government will step in where necessary in the event of market imbalance.

***Question 2: According to paragraph 2.7(d) of the Report, the then Environment, Transport and Works Bureau opined that it was not appropriate to impose a cap on the NFB fleet because it might lead to undesirable speculative activities and thus generate premium for PSLs and NFB vehicles, increasing the cost of NFB services which would eventually be passed on to the passengers. However, according to paragraph 2.11(c) of the Report, the average transaction price of a second-hand public NFB had increased from \$0.3 million in 2005 to \$0.9 million in 2016 while the average price for a new bus normally ranged from \$0.6 million to \$0.9 million. Will the Government explain why the average transaction price of a second-hand public NFB was roughly the same as the average price of a new bus? [Note: This question has been addressed to both TD and THB.]***

5. The Government has not imposed a cap on the number of public NFB fleet, nor has it regulated the commercial activities related to the transactions of public NFBs (including their businesses and vehicles, etc). The transaction prices of second-hand public NFBs are adjusted under the operation of market mechanism and affected by various factors, including the prevailing economic situation and economic prospects of the trade, vehicle age, seat capacity, vehicle amenities and condition, etc. For example, some NFB operators acquired double-deck NFBs with a view to increasing the carrying capacity to meet its operational needs. Since the supply of double-deck NFBs is much smaller, the second-hand market of the double-deck NFBs is different from that of the single deck NFBs and the transaction price of double-deck NFBs would be higher than that of single-deck NFBs in general (for example, the transaction price of two double-deck NFBs in 2016 was about \$4.9 million each as quoted in the Report). Therefore, the average transaction price of second-hand NFBs in 2016 as quoted under paragraph 2.11(c) of the Report includes the above kind of transaction, leading to an increase of the overall average transaction price.

***Question 3: According to paragraph 2.14 of the Report, a PSL holder shall provide a service contract of any duration to justify the continued need for the service to support a PSL renewal application. However, when examining renewals approved from 2014 to 2016, Audit found that 6 PSL holders had not submitted relevant service contracts but only letters declaring that the NFBs under the concerned PSLs would be deployed for such services. Does the Government agree that it should uphold the requirement on a PSL holder to submit a service contract or other relevant documents for supporting each service endorsement when applying for PSL renewal? If yes, how will the Government prevent the recurrence of similar situation? If no, what are the reasons?***

6. The cases in which Audit found that no service contract had been submitted involved 2 PSL holders with a total of 6 tour service (A01) and hotel service (A02) endorsements.

7. The PSL holders concerned were travel agents. Under the current arrangement, they could submit documentary proof to justify the need for tour service so as to apply for the renewal of the relevant endorsements. On the other hand, as indicated in the Transport Advisory Committee Working Group Report on Review of Regulation of Non-Franchised Bus Operation in 2004, tour service and hotel service endorsements are complementary to each other and serve the same or very similar clienteles. Therefore, the TD adopted a relatively flexible approach when processing applications for these two types of service endorsements. If a PSL holder could provide a contract entered with a licensed travel agent, or a PSL holder who is a travel agent could justify the service need on its own, and the contracts or supporting documents state that the public NFB would be deployed to provide transport services to and from a hotel, the TD would accept these documents as valid proof for renewal of hotel service endorsements.

8. In response to the Audit's recommendations, the TD has liaised with the NFB trade and will take measures to strictly enforce the requirements for processing renewal applications. PSL holders are requested to submit contracts or other supporting documents to support the renewal of each service endorsement when applying for PSL renewal. The subject officers will also strictly examine each application to ensure compliance with the relevant requirements.

***Question 4: According to paragraph 2.21 of the Report, it is stated in the application forms that an application for operating a new scheduled contract hire service should be submitted at least 14 days prior to the service commencement. However, Audit analysed 90 such applications approved in 2016 and found that the average processing time by the TD was 30 days. What are the reasons for that the processing time taken by the TD is 2 times longer than the time required for submission of applications? How much manpower has the TD deployed to undertake such task? Will the TD consider introducing an express vetting procedure to meet the applicants' legitimate expectation of TD's service?***

9. When processing an application for contract hire service, the TD will consider a series of factors regarding the proposed service, including the impact of the pick-up/drop-off points and the routings on road traffic and public transport services. At present, the processing of applications for contract hire service is coordinated by the Public Vehicles Unit of the TD, with inputs from Regional Offices overseeing the traffic and public transport matters of the districts concerned, depending on the routings and pick-up/drop-off points of the proposed service.

10. The TD has all along targeted to complete the processing of applications within 14 days. However, as the proposed pick-up/drop-off points of some applications are located in busy road sections or restricted zones, and

some routings may pose adverse impact to the regular public transport services, the TD has to be particularly careful when processing the applications. Where necessary, the subject officers will discuss with the applicants on the alternative pick-up/drop-off points or routings. Of the 90 applications mentioned by Audit, 47 of them involved multiple pick-up/drop-off points, and thus longer processing time was required. The TD officers have strived to complete the processing of the applications prior to the proposed service commencement date.

11. In order to improve the relevant processing work, the TD has further reviewed the workflow of the processing procedures, and has implemented targeted measures to streamline the processing procedures. For example, repeated internal consultation will no longer be required for those usual pick-up/drop-off points, so as to complete the process within 14 working days as far as possible after the applicants' submission of the required supporting documents. This can better meet the expectation of the applicants.

***Question 5: According to paragraph 2.28 (a) of the Report, it has been the practice of the TD to count the processing time of an application from the date of the receipt to the date of approval. However, in practice, it takes 9 working days to issue the approval letters after the approval dates. Why is it that the TD's calculation method for counting the target processing time did not follow the good practices promulgated in CSB Circular No. 7/2009? Why does the Government need another 9 days to issue the approval letters? Can operators operate their businesses prior to the receipt of approval letters?***

12. The cases mentioned by Audit involved applications for display of advertisements/markings on the bodies of public service vehicles. After approving these applications, the TD would first verbally inform the applicants that they should go to the relevant offices to complete the formalities and pay the relevant charges. After the applicants have completed the procedures, the

TD would then issue the formal approval letters. Since the TD could not estimate the actual time required by the applicants in completing the procedures, it was the practice of the TD in the past that the processing time of an application was counted from the date of the receipt of the application to the date of approval. In fact, among the 15 cases mentioned in the Report, it took an average of 9 working days for the applicants to complete the formalities and pay the relevant charges after the TD had approved the applications, and hence be issued with the approval letters. Therefore, there was a time lapse of 9 working days between the approval dates and the dates of issue of approval letters.

13. In response to Audit's recommendations, the TD has improved the methodology for evaluating the achievement of target processing time regarding the above type of applications. The TD will issue an approval-in-principle letter to the applicant on the approval date, and the processing time will be calculated from the date of receipt of an application to the date of issue of the approval-in-principle letter. The approval-in-principle letter will inform the applicant that he/she should go to the TD office to complete the formalities and pay the relevant charges as soon as possible. Only after the completion of the above procedures will a PSL holder be issued a formal approval letter for operating the business concerned.

***Question 6: According to paragraph 2.28(b) of the Report, Audit found that the TD's reported 100% achievement of the pledged processing times was not supported. Please explain why such misinformation was made.***

14. According to the TD's previous internal guidelines, two random surveys would be conducted annually to assess whether the performance pledges of the public vehicle licensing services have been met. However, there have been omissions of the surveys in recent years due to staff movements and other operational requirements, thus giving rise to the situation in which the



achievement of performance target reported by the TD was not supported.

15. The TD has since August 2017 introduced a new regular mechanism and updated the internal guidelines to record the processing time of **each application** electronically, with a view to ensuring accurate reporting of the result of performance pledge measurement and comprehensively monitoring the achievement for each month. Meanwhile, the TD has also reminded the subject officers to strictly adhere to the procedures and requirements for measuring performance pledge.

### **Part 3: Regulatory controls over unauthorised operations**

*Question 7: According to paragraph 3.8 of the Report, the number of NFBs suspected to be operating without suitable endorsements was generally on an increasing trend. Figure 6 reflects that the NFBs with the most significant increasing trend were those providing tour services. Moreover, Table 4 shows that among the NFBs providing residents' services, the number of NFBs suspected to be operating without the relevant service endorsements was higher than the number of licensed ones. Has the Government assessed whether the phenomenon arose because the number of endorsements granted by the Government was too small or the processing time for endorsement applications was too long? Or were there other reasons? What measures will the Government adopt to improve the situation?*

16. The number of public NFBs suspected to be operating without service endorsements as reported in the surveys included those NFBs not displaying the stipulated service signboards or displaying service signboards without the relevant service endorsements. Buses failing to display the stipulated service signboards do not necessarily mean that their operation was unauthorised. Therefore, the actual number of public NFBs operating without service

endorsements would be lower than the survey data. In any case, the survey information would help ascertain the possible number of breaches of the PSL conditions or regulations for not displaying service signboards. The TD has followed up on the matter in this respect.

17. The TD has all along been maintaining close communication with the trade on matters relating to applications for PSLs and other service endorsements, such as relevant requirements, processing procedures and timeframe, etc. Meanwhile, the TD has requested NFB operators to comply with the PSL requirements, including displaying the stipulated service signboards, through regular trade conferences and bulletins issued to the trade. The TD will closely monitor the implementation situation and take follow-up actions where necessary. The TD will also conduct on-board surveys to ascertain whether there are breaches and whether enforcement actions are required.

***Question 8: According to paragraph 3.14 of the Report, Audit conducted 22 on-board surveys on residents' service routes and found that 21 (95%) routes had not been operated in accordance with the approved schedules of service, revealing that such irregularities were not uncommon. Has the Government already noticed such irregularities? If yes, what follow-up actions had been taken? If no, what are the reasons? Has the Government assessed whether monitoring by means of on-board surveys is inadequate? What measures does the Government consider effective to enhance the monitoring work?***

18. Operators of residents' service are required to provide service in accordance with the schedules of service (including the routeings, stopping points, operating hours, service frequency, etc.) as approved by the TD. If the TD finds that any operators do not follow the requirements (such as unauthorised stops or/and routeing deviation), the TD will immediately request the operator to cease the non-compliant operations and undertake an

investigation. If such irregularities persist, the TD will issue a warning letter to the operator or conduct an inquiry into the case. The TD has set up a centralized database for recording all such cases and follow-up details to facilitate monitoring of follow-up actions.

19. To monitor the operation of residents' service, the TD has been conducting field surveys, including terminal surveys and on-board surveys. The TD will arrange appropriate surveys with regard to the actual needs. Terminal surveys are undertaken mainly for monitoring passenger demands, operating hours, service frequency and vehicle deployment of residents' services, etc, while on-board surveys are undertaken for monitoring the routings and en-route stops of the services concerned. The TD will strengthen the existing monitoring guidelines to stipulate that officers should consider the type of field surveys to be adopted having regard to the actual situation and risk-based approach principles (for example, for suspected cases of routing deviation and observing unauthorised stops of residents' services, the TD will carry out on-board surveys). In fact, since mid-2017, the TD has progressively carried out regular terminal surveys and on-board surveys on residents' services in order to monitor the operation of residents' services more closely.

20. As for 21 routes as mentioned by Audit, the TD has conducted surveys on these routes and carried out follow-up actions in accordance with the abovementioned procedures. To pragmatically address the problem, the TD will request the operators and passenger representatives to review the routings and stopping points of these residents' services, and, where necessary, to submit applications to the TD for revising the routings and stopping points.

***Question 9: According to paragraph 3.15(a) and Table 6 of the Report, in the 53 surveys with irregularities found by the Regional Offices' contractors from 2010 to 2017, there had been omissions and delays in taking follow-up actions***

***in 35 (66%) cases. Will the Government explain in detail why cases of omissions and delays constituted over 50% of the cases, and how can the situation be improved?***

21. In the past, omissions and delays in taking follow-up actions stemmed from failure of individual TD officers to follow through the procedures when taking follow-up actions on cases of unauthorised operations, or failure to keep systematic records on follow-up actions. Such situation is considered not desirable. To address the problem, the TD has set up a centralised database to record all such cases and follow-up details to facilitate effective monitoring of follow-up actions on cases of unauthorised operation.

***Question 10: According to paragraph 3.15(b)(ii) of the Report, among the 18 complaint cases from 2012 to 2016, the Regional Offices issued letters to inform the operators concerned that complaints had been received and requested them to cease the unauthorised operations. However, the Regional Offices had only conducted follow-up surveys to ascertain cessation of the unauthorised operations in 3 (17%) of the cases. What are the reasons that no follow-up survey had been conducted on the other 15 complaint cases? Have any other follow-up actions been taken? What measures does the Government consider in order to improve the situation?***

22. When the Regional Offices of the TD followed up on these on the 15 complaint cases, the officers concerned did not follow the procedures to carry out the follow-up investigation to ascertain whether the operators concerned had ceased the unauthorised operations. Such situation is considered not desirable. To address the problem, the TD has set up a centralized database to record all such cases and follow-up details to facilitate effective monitoring of follow-up actions on cases of unauthorised operation.

***Question 11: According to Case 2 cited at paragraph 3.15 of the Report, there might be unauthorised stops in a residents' service route. Although the TD had subsequently issued clarification letters and repeated reminders to the PSL holder, Audit's on-board surveys in May 2017 still found that the residents' service had 5 to 8 unauthorised stops. Please advise whether the unauthorized operation concerned have persisted for at least 7 years, and whether the Government has conducted any follow-up surveys or has taken any enforcement actions during the period?***

23. For the case concerned, when the TD discovered the route had not operated in accordance with the schedule of service in 2010, the TD had already issued a letter to the operator urging it to operate the route in accordance with the schedule of service. Subsequently, surveys conducted by TD on the route concerned between 2013 and 2015 also found that the route had not operated in accordance with the schedule of service. As a result, when the operator applied for renewal of its PSL, the TD shortened the licence period from the usual 12 months to 6 months. The on-board survey conducted by the TD on the route in mid-2017 also found that there were picking up/dropping off activities at unauthorised stops. In this connection, the TD met with the operator and urged the operator that it had to operate in accordance with the schedule of service. The TD also requested the operator and passenger representatives to review the routeings and stopping points of the residents' service, and, where necessary, to submit the application to the TD for revising the routeings and stopping points, with a view to pragmatically addressing the problem.

24. The TD will continue to monitor the service of the route concerned. If the irregularity persists, the TD will consider referring the case to the Non-franchised Bus Enforcement Team for follow up.

*Question 12: According to paragraph 3.22 of the Report, among the 93 concluded cases, 67 cases were sanctioned. However, it took 24 hours on average from the date of recommending to the Commissioner for Transport for holding an inquiry to the date of implementing sanctions. This was 1.4 times longer than the average time of 10 months found in the 2008 audit review. Would the Government please explain why the above situation arose? Which part of an inquiry took the longest time? Given the lengthy and time-consuming inquiry procedures, Audit found that unauthorised operations had continued in all of the cases when the inquiries were in progress. Will this pose safety risks to the public? What measures does the Government think can be taken to improve the situation?*

25. The TD has all along been adopting a strict, cautious and fair approach in handling every inquiry case. The TD will scrutinize the survey data of each suspected case of operations of NFB or school private light bus services which were not authorized under the PSL, and will conduct inquiry only when there are sufficient grounds for doing so. Having decided to conduct inquiry, the responsible public officers shall accurately record and consider any evidence/representations given by PSL holders and TD representatives when preparing inquiry reports. Moreover, in considering sanctions, the TD will take into account previous inquiry cases with similar nature, the objective of imposing sanctions and sanctions permitted by the law.

26. As seen from the above, during the process from recommending to the Commissioner for Transport for holding an inquiry to imposing sanctions, multiple procedures and officers with different duties are involved. The processing time of each case is affected by various factors, including the complexity of the cases and whether the operators under inquiry are cooperative, etc, and so the processing time of each case varies. In response to Audit's recommendations, the TD has devised an internal inquiry progress reminder mechanism so as to closely monitor and expedite the inquiry procedures as far

as possible.

27. Regarding the cases where Audit found that unauthorised operations continued while the inquiries were still on-going, the TD will conduct follow-up surveys. If it is found that unauthorised services are still in operation, the TD will issue letters to request the operators to cease the operations and the TD will follow up on the matters. The vehicle owners or operators will be held fully liable for the possible risks arising from the continuation of such unauthorized services.

***Question 13: According to paragraph 3.2(a) of the Report, the TD has since 2004 focused resources on taking enforcement actions against unauthorised operations by means of inquiry. However as indicated in paragraph 3.23(b) of the Report, there were 25 concluded cases in which the offending PSL holders had avoided sanctions through transfer of ownership of NFBs. In Case 3 cited in the Report, the PSL holder concerned (Company A) applied to the TD for transferring the ownership of all 3 NFBs in its fleet at \$1 each to Company B, and the transfer of NFBs and change of service operator were subsequently approved by the TD. As a result, no sanction could be imposed when the PSL of Company A was cancelled. Does the Government agree that there is a pressing need to impose more stringent sanction or introduce legislative amendments in order to plug the loophole in the system? If no, has the Government explored other feasible measures to plug the sanction avoidance loophole, including considering withholding the processing of applications for transfer of ownership from service operators who are involved in outstanding inquiry cases? [Note: This question has been addressed to both TD and THB.]***

28. Under the existing Road Traffic Ordinance, when it is established that a PSL holder has contravened the relevant legislation or conditions, the Commissioner for Transport may suspend, cancel, or vary the PSL concerned.

If the PSL holder transfers the ownership of the vehicle to be sanctioned prior to the implementation or expiry of the sanction, the sanction may be imposed on another vehicle under the same PSL until the PSL is cancelled when there is no more registered vehicle under that PSL. PSL holders can transfer the ownership of their vehicles due to different considerations (such as other business development, personal or commercial reasons, etc). Under the existing legislative framework, the Commissioner for Transport is not empowered to forbid the transfer of vehicle ownership by PSL holder.

29. The TD has contemplated measures to prevent the operators from avoiding sanction by transferring the ownership of all their vehicles (such as imposing restrictions on the transfer of vehicles before conclusion of an inquiry, or imposing penalty on a NFB transferred before sanction is decided). However, such measures would involve complex legal issues, such as the property rights of PSL holders, which may not be feasible.

30. In response to Audit's recommendations, the TD will explore afresh the feasibility of introducing possible measures to prevent the offending PSL holders to avoid sanctions, with due regard to the relevant legal restrictions, and will consult the Department of Justice on the proposed measures.

31. At the present stage, the TD will expedite the investigation and handling of inquiries as far as possible.

***Question 14: According to paragraph 3.30 of the Report, there was a media report in September 2016 that the information displayed on some stop signs was outdated, and all the relevant updating work carried out by the Highways Department had been completed in April 2017. However, Audit's site inspections from May to August 2017 found that 3 of the stop signs were still with outdated information. Please advise what information was used as the basis for TD's response to Audit. What follow-up action will be taken for***



***stop signs found to be erected on public roads without the TD's approval?***

32. In August 2017, the TD updated the information on the 3 concerned stop signs containing outdated information as stated in Audit's report. The TD will strengthen the monitoring work and update the internal working guidelines, in order to ensure the accuracy of information displayed on the stop signs for residents' service.

33. The TD understands that some individual operators have erected stop signs at some major stopping points to facilitate proper passenger queuing orders and to display information such as headway frequency of the services. Hence, such signs may serve certain functions. The TD has commenced a comprehensive review of the stop signs of residents' service with a view to formulating practicable arrangements to rationalize the situation. If any stop signs are found to impose serious obstruction or danger to traffic or pedestrians, the TD will request the operators to remove them.

**Part 4: Safety measures on student service vehicles**

***Question 15: According to paragraph 4.7 of the Report, the TD reckoned that through a normal replacement cycle, it may take up to some 6 years to phase out/replace the remaining 1 879 student service vehicles without safer seats. Does the Government agree that there is a need to speed up the progress of phasing in student service vehicles with safer seats to ensure the safety of students? If yes, what are the follow-up work and timetable? If no, what are the reasons?***

34. To further enhance the safety of student service vehicles, we have amended the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap 374A) to require student service vehicles registered on or

after 1 May 2009 to be equipped with safer seats.

35. The TD has been keeping in view the figures of student service vehicles equipped with safer seats. With the progressive replacement of student service vehicles by the new ones, the proportion of vehicles equipped with safer seats has been on the rise. To encourage owners of commercial vehicles (including light buses and NFB for carriage of students) to replace their old vehicles with more environmentally-friendly new models, the Environmental Protection Department has repeatedly provided subsidies to the trade. Meanwhile, pre-Euro IV diesel commercial vehicles would also be phased out on or before the end of December 2019 as required. With the above vehicle replacement arrangement and relevant measures, there will be a continual increase in the proportion of vehicles equipped with safer seats. Moreover, we have also introduced legislative amendments to increase the maximum seating capacity of light buses to 19 seats, and the amended legislation is also applicable to school private light bus. With the enactment of legislative amendments, operators of school private light buses will speed up the replacement of vehicles, which will lead to an increase in the proportion of vehicles equipped with safer seats.

36. The TD will continue to keep track of the progress of installation of safer seats and publicise their benefits to members of the public, particularly schools and parents, with a view to encouraging the operators to use student service vehicles with safer seats. In this connection, we have all along been providing information about safety of student service vehicles to parents and guardians through different channels, such as publicity leaflets, Road Safety Bulletin, Guidelines for Ensuring Safety of Students on Student Service Vehicles, etc. We will update relevant guidelines and publicity materials in due course to enable parents and guardians to better understand the statutory requirements, benefits and related safety matters in relation to safer seats. We will also continue to work with the Education Bureau to enhance the dissemination of information to schools and parents.

***Question 16: According to paragraph 4.9(a) of the Report, safer seats provided less significant protection to passengers aged under 4.5 years or weighing under 18 kilograms (kg) compared to older children. Has the Government considered asking the operators of student service vehicles and stakeholders to use appropriate child restraint device (CRD) for young child passengers placed in the rear seats? If yes, what are the follow-up work and timetable? If no, what are the reasons?***

37. CRDs are classified into different types according to the height, weight or age of the children. Specific choice of suitable CRDs with appropriate adjustments is necessary to suit individual children. If CRDs are not needed for one particular trip of student service, arrangements have to be made on the storage of those CRDs in the vehicle. Hence, mandating the passengers of student service vehicles to use CRDs would involve diverse considerations such as actual operation, legal liability, the views of the trade, etc. For instance, whether the CRDs would prevent prompt egress from the vehicles as students might not be able to unfasten their seat belts on their own when the need arises; the issue of which parties be held responsible for the proper installation and wearing of the CRDs in student service vehicles is yet to be resolved. Moreover, we also note that mandatory requirements imposed on the use of CRDs by students are not common practice in overseas countries. In view of the above, the Government at present has no plan to mandate the use of CRDs by student passengers on board the student service vehicles.

***Question 17: According to paragraph 4.17 of the Report, the 2013 consultancy study report indicated that lap-belts were inferior to lap-shoulder seat belts in reducing the risks of severe head and neck injuries in frontal crashes. In this connection, has the Government recommended to the operator of student service vehicles the type of seat belt to be installed in the student service vehicles?***

38. Operators of student service vehicles who install seat belts at the passenger seats of their vehicles have to comply with the standards specified in Schedule 2 to the Road Traffic (Safety Equipment) Regulations (Cap 374F). Both lap-belts and lap-shoulder seat belts conform to the standards specified in the legislation, and can provide proper protection to passengers as long as they are properly worn.

39. As stated in the reply to Question 15, to further enhance the safety of student service vehicles, we have amended the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap 374A) to require all student service vehicles registered on or after 1 May 2009 to be equipped with safer seats. The 2013 consultancy study also pointed out that installation of additional restraint device can give better protection to passengers. Nevertheless, after examining other relevant factors such as technical feasibility, operational consideration and implementation issues, the consultant came to the conclusion that the overall performance of “safer seats with lap-shoulder seat belts” was similar to that of “safer seats” alone.

***Question 18: According to paragraph 4.18 of the Report, the installation of CRDs would require a substantial change of existing mode of operation which could have impacts on the operating cost of, and fee payable for, student service vehicles, and there were a number of issues to be thoroughly considered and resolved before a decision could be taken on the types of measures to further enhance the safety of student service vehicles. In this connection, has the Government drawn up a timetable for follow-up on the issues? If yes, please provide the details.***

40. The TD attaches great importance to the safety of student passengers on board the student service vehicles. We have been closely monitoring the accident statistics in relation to student service vehicles. We have from time to

time reviewed and introduced measures where necessary to enhance the safety of the student passengers.

41. The TD will continue to keep abreast of the latest developments of measures adopted by overseas countries in enhancing the safety of student passengers and listen to the views of different stakeholders. If the measures are considered suitable to be implemented in Hong Kong after taking into account relevant factors such as the safety benefits, cost implications, operation and implementation as well as the impacts on the trade, we will consider introducing them in Hong Kong at an appropriate juncture.