

Legislative Council Panel on Transport

Review on Green Minibus Operation in Kowloon, Sai Kung and areas along the KCRC East Rail Corridor

PURPOSE

Transport Department has commissioned a consultancy study on green minibus (GMB) operations in Kowloon, Sai Kung and areas along the KCRC East Rail Corridor. The review is now substantially completed and this paper informs Members of its key findings.

BACKGROUND

Studies on GMB operations

2. In response to the concerns of the GMB trade about the viability of their operations, Transport Department has undertaken to conduct two consultancy studies on GMB operations covering Hong Kong Island, Kowloon and NT East in 1999. The Hong Kong Island Study was completed in early 1999 and Members were briefed on the study findings in May 1999. A note recapitulating the key findings is at Annex A.

3. The present study on GMB operation in Kowloon, Sai Kung and areas along the KCRC East Rail Corridor commenced in March 1999. The study covers 956 GMBs operating in 64 packages consisting of 129 routes. Similar to the Hong Kong Island Study, this study aims at –

- a) conducting a broad review on the financial position of the existing GMB packages in Kowloon, Sai Kung and the KCRC East Rail Corridor and identifying measures to improve the operational efficiency and financial viability of loss-making routes; and
- b) identifying suitable new GMB routes for the study area and opportunities for replacing loss-making bus routes with GMB services.

The key findings of the study are set out in paragraphs 6 to 11 below.

Developments since the last study

4. Since 1976, the public light bus fleet size has been frozen at 4 350 by an order of the Executive Council. The limitation order has been extended from time to time since then through resolutions passed by the Legislative Council. The limitation order was last extended in June 1999 for another two years up to 20 June 2001.

5. Since the completion of the Hong Kong Island Study in April 1999 and with the on-going implementation of the various improvement measures identified by that study, the number of GMBs has increased by more than 50. Amongst the 4 350 PLBs currently in operation, there are at present 2 305 GMBs and 2 045 red minibuses (RMBs). A background note on the role and operation of GMBs and RMBs is at Annex B.

REVIEW ON GMB OPERATION IN KOWLOON AND NT EAST : KEY FINDINGS

Financial viability of GMB operation

6. According to the study findings, the continued development in Kowloon and the new towns in NT East has brought about a steady growth in the demand for GMB services. The number of passengers carried by the GMBs operating in the study area has increased from a daily average of 344 800 in 1994 by nearly 20% to about 412 300 a day in 1998. This compares to an overall 2% increase in the total public transport patronage during the same period.

7. Whilst GMBs continue to face competition from the other transport modes, the average daily load factor of the Kowloon and NT East GMB routes are recorded to be 41% and 42% respectively. This shows that most of the GMB routes are quite well utilized. On the other hand, operating costs have come down as a result of the current economic conditions and the 30% reduction in diesel duty in 1998. The study has found that the majority of the 64 GMB packages in the study area are able to remain financially viable, although a few of them are known to be suffering from a small loss.

8. The study has developed route improvement measures for 8 routes belonging to 7 loss-making packages. These measures include re-routeings, changing of terminals, introducing supplementary routes and extending operating hours. Details of these route improvement measures

are set out at Annex C. There are on-going discussions between Transport Department and the GMB operators concerned on the details and these improvement measures will be implemented as soon as the operators are ready.

Opportunities for expansion in GMB operation

9. The study has reviewed the list of developments to be completed in Kowloon and NT East between 2000 and 2003. As most of these new developments will be situated at locations where there is already a well-developed public transport network (e.g. West Kowloon, Sha Tin and Tai Po), the study has built on the existing services and identified scope for expanding their capacity to meet the additional passenger demand. According to the consultant's assessment, there is a need to increase the size of the GMB fleet in Kowloon and NT East by some 200 vehicles in the next four years. This represents an increase of about 20% in the GMB fleet size in these areas.

10. For developments in new areas, the study has identified a total of 10 possible new GMB routes in Kowloon and NT East to provide short and high frequency feeders to railway stations, to serve areas which are inaccessible to franchised buses, and to meet transport demand in areas which are insufficient to justify a franchised bus service. These routes are in the initial stage of examination and further details are being developed.

11. The study also recommended two loss-making franchised bus routes as possible candidates for conversion to GMB routes for Transport Department's further consideration. In selecting suitable routes for conversion, the consultant has matched the peak-hour passenger demand against the peak-hour carrying capacity of GMBs to ensure that the GMB capacity is able to meet the demand.

WAY FORWARD

12. The findings of this study and of the Hong Kong Island Study completed in early 1999 indicate that despite competition from other transport modes and the economic downturn, most of the GMB packages are operating quite well and remain viable. The studies also identified possible measures to further improve their viability and in this regard, Transport Department would follow up vigorously on the recommendations of the studies.

13. In parallel, Transport Department is conducting another Study which would inter alia look into ways to rationalize the existing GMB network in the catchment areas of the three new railways planned for completion in the next five years (i.e. West Rail (Phase I), MTR Tseung Kwan O Extension and the Ma On Shan Rail), and to identify new GMB feeder routes for linking with the new railway stations. We will inform Members of the findings of this study when they are available.

Transport Bureau
21 January 2000

Review on GMB Operations on Hong Kong Island

Scope and Timing

- The review on GMB operation on Hong Kong Island commenced in September 1998 and was completed in April 1999. The study covered 500 GMBs operating in 25 packages which consist of 67 routes in Hong Kong Island.

Summary of Key Findings

(a) Financial Viability of GMB Operation

- The average daily load factor of the Hong Kong Island routes is 43%, which shows that most of the GMB routes are quite well patronized.
- Most of the 25 packages are financially viable, although a few are known to be suffering from a small loss.
- Route improvement measures including re-routeings, changing of terminus and reducing vehicle allocation, were developed for 9 routes in 6 loss-making packages.

(b) Opportunities for Expansion in GMB Operations

- The study has identified 5 possible new GMB routes for introduction in the next four years for Transport Department's consideration. Most of these routes will be serving the new developments in Aldrich Bay.
- The scope for further new GMB routes is expected to be rather limited in Hong Kong Island as most parts of the Island are already well developed and no significant increase in population is projected for 1999 to 2003.

Role and Operation of GMBs and RMBs

GMB Services

- GMB services were introduced in 1972 through the conversion of RMBs. The primary function of GMBs is to supplement the mass carriers. They provide scheduled services with fares, routeings and timetables stipulated by the Transport Department.
- GMB routes are granted to operators in the form of packages consisting of both profitable and unprofitable but socially desirable routes.

RMB Services

- RMBs operate non-scheduled routes in response to market demand. They provide a service for people who are prepared to pay higher fares in return for a more flexible service. RMB operators are free to determine the fare level having regard to demand for the service.

Present Position

- There are at present 4 350 PLBs, of which 2 045 are RMBs and 2 305 are GMBs.
- In the past four years, the patronage of PLBs has remained fairly stable at about 1.75 million passengers a day. Partly due to the continuing conversion of RMBs into GMBs (469 RMBs have converted to GMBs during the same period), the market share of GMBs has increased from 8.5% to 9.4% while that of RMBs has decreased from 8.0% to 7.0%.
- PLBs play a supplementary role in the provision of public transport services. As they are less efficient road users and RMBs in particular tend to concentrate their activities on busy thoroughfares which may cause traffic management problems, Government's policy is to limit their total number as well as their activities, and to encourage the conversion of RMBs into GMBs.

Details of Improvement Measures

| Route | Improvement Measures |
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| Kowloon Route 1 Star Ferry – Tsim Sha Tsui East | Increase service frequency by improving the efficiency of the operations. |
| Kowloon Route 33M Kowloon City Ferry – Fu Shan | Reduce vehicle allocation to improve efficiency. |
| Kowloon Route 40M Diamond Hill MTR Station – Fu Shan | Re-routeing to increase the catchment area. |
| Kowloon Route 46 Richland Garden – Tai Kok Tsui (Olympic MTR Station) | Re-routeing to increase the catchment area. |
| Kowloon Route 47 Shun Lee – Tsui Ping (Fuk Tong Road) | Increase service frequency by improving the efficiency of the operations. |
| NT East Route 801 Yiu On – Fo Tan (Cheung Lek Mei Street) | Introduce section fare for attracting more en-route passengers. |
| NT East Route 806M Wong Tai Sin MTR Station – Fo Tan | Introduce section fare for attracting more en-route passengers and a new supplementary service to meet passenger demand. |
| Sai Kung Route 4 Sai Kung – Tui Min Hoi | Reduce vehicle allocation to improve efficiency. |