



**THE HONG KONG ASSOCIATION OF PROPERTY
MANAGEMENT COMPANIES LIMITED**

香港物業管理公司協會有限公司

The Chairman & Members
Legislative Council Panel on Transport
Legislative Council Building,
Chater Road, Central,
Hong Kong.

21 February 2005

Dear Sirs/Madams,

The Role & Operation of Non-franchised Buses

We learnt that Legislative Council is going to hold a meeting to discuss the role and operation of non-franchised buses. As many of our Association's members have, one way or the other, involvement and contractual relationship with non-franchised bus service, we wish to bring to the attention of the Panel our views and concerns in regard to non-franchised buses.


- Non-franchised bus service in the form of residents' bus or contract hire have been deeply rooted and became a necessity in many housing estates. In recent years, our members have great difficulty in getting approval from Transport Department for residents' bus, no matter how strong and sound the reasons given in the applications. Application, vetting and approval are processed under one authority. Ironically, Transport Department keeps rejecting applications on one hand and condemning "unauthorized" bus service that it may void third party insurance, which in turn, may provide excuses for insurance companies to turn down legitimate insurance claims by passengers.
- Passengers will decide their own mode of transport by striking a balance among three factors : fare, travelling time and comfort. We should let the market decide what is the best combination of public transports. Legislation to curb a genuine demand will never succeed, but merely deprive the passengers from enjoying the freedom of choices of transport and harvesting the benefit of cost saving from market competition.

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- Some public transports (rails or franchised buses) can never be viable or willing to operate in certain markets. Even if they are compelled to operate or step up peak hours service, the wasteful and inefficient operation will lead to increase in transportation cost to the detriment of the general public. If the idled non-franchised buses can be called in to bridge the gap, they can relieve other public transport operators from committing too heavily on some non-profitable services.
- Contract hire service is vital to increase patronage of certain social events and activities (especially to elderly and children) that would have not been successful without the provision of contract hire free buses.
- For some specific groups of users (e.g. shoppers, model flat viewers, club members, tours, hotel guests, etc.) who need to travel for a specific purpose, contract hire buses offer the only possible solution. These activities may promote personal spending which will bring about a speedy economic recovery and create more jobs in HKSAR in return.

As the role and operation of non-franchised buses affect so many employees and the huge number of passengers who have been/will be enjoying their service, a thoughtful and long-term transport policy should be formulated. We are fully aware of the intention of Transport Department to step up control of non-franchised buses. However, any rash legislation/administrative measures made without addressing the need and expectation of passengers at large will likely to cause confusion to and back fire from the general public. As such, we recommend a deeper and broader consultation by way of draft policy paper to be held before the Legislative Council deciding the role and operation of non-franchised buses.

For and On Behalf of
The Hong Kong Association of
Property Management Companies Limited



Suen Kwok Lam
President