

**For discussion
on 20 March 2015**

Legislative Council Panel on Transport

Public Transport Strategy Study – Topical Study Franchised Bus Service

PURPOSE

Eight topical issues will be covered by the Topical Study under the Public Transport Strategy Study (“PTSS”). The Topical Study on franchised bus service has been completed. It covers three areas, namely route rationalisation, enhanced monitoring of the lost trip situation, and priority use of roads by franchised buses. This paper reports to Members the outcome of the study.

BACKGROUND

2. Public transport services are closely related to the daily life of the public. Every day, over 90% of total passenger trips (over 12 million in total) are made through the public transport system in Hong Kong. Given that Hong Kong is a small and densely-populated city with limited road space, and the public are concerned about the impact of road traffic on air quality, we will continue to adopt a public transport-oriented policy and use the railway as the backbone of the public transport system for our city. However, the railway is not hegemonic. The Government’s objective is to provide quality and diversified public transport services to the community. Road-based public transport services will continue to play an important role. Among these services, franchised buses have high capacity and can be deployed more flexibly. They can adjust their service patterns to meet changes in demand within a relatively short period. Hence, they will continue to be the mass carrier serving areas without direct railway access as well as providing feeder service connecting the railway network and inter-district service. Although several new railway¹ will be opened in the coming few years, it is expected that franchised bus service will continue to account for about 30% of the total patronage of all public transport services.

¹ South Island Line (East), Kwun Tong Line Extension, Shatin to Central Link, and Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link.

3. In tandem with the further development of the heavy rail network, we consider it necessary to examine the overall strategic arrangements of the public transport system so as to enhance the complementarity amongst the various public transport services. This is to ensure that the public can enjoy efficient services with reasonable modal choices on the one hand, and public transport operators can enjoy sustainability on the other hand. To this end, the Government would commence the PTSS. As explained in our work plan presented to the Legislative Council (“LegCo”) Panel on Transport in November 2014, the PTSS comprises two parts, namely the Role and Positioning Review (“RPR”) and the Topical Study. The RPR will review the roles and positioning of various public transport services, while the Topical Study will look into important topics that are of concern to LegCo members, the public and the public transport trades. The workflow of the two parts is recapped at **Annex 1**.

4. With regard to franchised bus service, the Government has granted six bus franchises². Every day, the franchised bus companies are deploying about 5 800 buses to operate 74 000 trips and serve about 4 million passengers. The Topical Study would explore how to improve operational efficiency, service regularity and quality of franchised bus service through route rationalisation, enhanced monitoring of the lost trip situation and confirmation of the policy to further implement bus priority measures. This is to enhance the competitiveness of franchised bus service and maintain its long-term and sustainable development. Subsequently, we will, with the assistance of a consultant and having regard to the implications for other public transport services, explore under the RPR whether it is feasible and desirable to introduce different types of new services (e.g. point-to-point express routes, seat-only service, premium service with additional facilities (such as Wi-Fi)) to attract new passengers. We will also explore whether it is feasible and desirable to install real-time bus arrival information systems for service improvement. During the process, we will carefully evaluate the long-term operational and financial implications of the proposals for the franchised bus trade, and the implications for the other public transport trades. We will also assess passenger demand for these new services

² The franchises are operated by the Kowloon Motors Bus Company (1933) Limited, Citybus Limited (with two franchises, namely the franchise for Hong Kong Island and Cross-Harbour Bus Network and franchise for Airport and North Lantau Bus Network), New World First Bus Services Limited, New Lantao Bus Company (1973) Ltd, and Long Win Bus Company Ltd.

Bus Route Rationalisation

5. Enhancing franchised bus service is an on-going task of the Transport Department (“TD”). Bus route rationalisation is an important part of it. As an annual exercise, franchised bus companies would submit their route development programmes (“RDPs”) to TD. The RDPs would include proposals to introduce new services (such as express service), improve frequency and extend operating hours, as well as to reduce frequency, truncate routes, and cancel or amalgamate routes, having regard to the latest situation. The objective is to better utilise resources, enhance network efficiency, improve service quality, alleviate traffic congestion and reduce roadside air pollution. In considering rationalisation proposals, TD will take into account factors such as changes in population and passenger demand as well as infrastructural development. Reference would also be made to the established guidelines on service rationalisation (at [Annex 2](#)). District councils will be consulted in the process.

6. Bus route rationalisation is one of the policy initiatives announced by Chief Executive in his 2013 Policy Address. Since then, TD and franchised bus companies have pursued route rationalisation with greater vigour. In addition to the annual RDP, the "Area Approach" has been adopted to review bus service holistically for a district as a whole, rather than on a route-by-route basis. Routes with persistently low patronage would be rationalised. Resources so saved would be used to strengthen existing services with increased demand or introduce new services, and to enhance feeder services or provide more interchange concessions, with a view to maximising the overall benefits to the district.

7. In 2013, TD and the franchised bus companies applied the Area Approach in Tuen Mun and North District for the first time. With this experience, Area Approach rationalisation was carried out in Shatin, Tai Po, Tsing Yi and Yuen Long in 2014. Through the RDP and Area Approach rationalisation in 2013 and 2014, a total of 22 routes of low patronage were cancelled or amalgamated, 8 routes were truncated, frequency of 104 routes was reduced in Hong Kong. Meanwhile, 11 new routes were introduced and frequency of 154 routes was increased to meet the passenger demand. The volume of bus traffic en route major trunk roads in Central, Causeway and Mong Kok was reduced by more than 2 000 trips, which could help alleviate roadside air pollution. During 2013 and 2014, about 245 buses were saved through route rationalisation. Over 90% of which has been re-deployed for new service or enhancement of existing service.

8. To tie in with Area Approach rationalisation, TD and the bus companies have set up new or enhanced existing Bus-Bus Interchanges (“BBIs”) on Tuen Man Highway, on Tsing Sha Highway and at the Tai Lam Tunnel Toll Plaza. Passengers can make use of 56 routes at these three BBIs for trips to/from the New Territories and Kowloon/Hong Kong Island. They can enjoy BBI fare concessions ranging between \$4 to about \$24 per trip when making an interchange. Moreover, better facilities (such as bus arrival time display system, free Wi-Fi, large bus route map and chairs) have been provided. At the Tai Lam Tunnel Toll Plaza BBI, the franchised bus company has set up a one-stop kiosk providing octopus add-value service, EPS cash withdrawal and payment services. These three BBIs have been well-received by passengers, with over 46 000 passenger trips being made daily on average. With reference to the experience of these BBIs, TD will explore the possibility of setting up BBIs in other suitable locations. More attractive interchange route packages and fare concessions will be introduced and better hardware facilities will be provided.

9. Moreover, prior to the completion of new railway projects, TD will assess the changes of passenger demand and travelling pattern after the opening of the new railway and the impact on other road-based public transport services. TD will then prepare public transport re-organisation plan (“PT Plan”) to enhance the coordination among various public transport services and their complementarity. To tie in with the partial opening of the West Island Line (“WIL”) in end-2014, TD has started to implement the PT Plan by phases. So far, one new feeder bus route³ connecting to the new railway stations has been introduced to replace a bus route with overlapping service area⁴. In view of the notable drop of patronage after the opening of the Kennedy Station and HKU Station, TD and the franchised bus companies have adjusted the frequency of 19 routes. Upon the full opening of the WIL, TD will implement the remaining proposals under the PT Plan by phases having regard to the actual situation. Such proposals include rationalising 27 bus routes (10 of which will be amalgamated and two will be truncated) and adjusting service frequency in view of the actual change of patronage. Similarly, TD will assess the impact of the opening of the Kwun Tong Line Extension, South Island Line (East) and Shatin to Central Link on other public transport services and will prepare PT Plans.

³ Citybus Route No. 43M (Tin Wan – Shek Tong Tsui). Moreover, three green minibus feeder routes connecting new railway stations have been introduced.

⁴ Citybus Route No. M47 (Wah Fu (North) – Central (Hong Kong Station)).

10. The successful implementation of bus route rationalisation proposals requires the support of the community. To this end, TD has made use of various means (such as producing promotional videos/audio clips, feature videos, posters, booklets and pamphlets) to explain the concept of route rationalisation and solicit understanding and support. Before rolling out the rationalisation proposals, TD would consult the district councils concerned, conduct promotional campaigns, and arrange small group briefings to explain the details of the rationalisation proposals. TD would also closely monitor the implementation of rationalisation proposals and make suitable adjustment as necessary to suit passenger needs.

11. As Area Approach rationalisation for various districts in the New Territories have basically been finalised or implemented, TD will focus its attention on the urban area in Kowloon in the coming year. When TD and the franchised bus companies have prepared the rationalisation proposals, they will consult the district councils concerned and solicit local support as per the established practice to enhance bus service quality and operational efficiency.

Bus Services

12. The Government has all along been attaching great importance on the regularity of franchised bus services. Under the Public Bus Services Ordinance (Cap. 230 of Laws of Hong Kong), the franchised bus companies are required to operate bus service in accordance with the routing, timetable, frequency and bus allocation as stipulated in the Schedule of Service approved by TD. TD has been closely monitoring the level of franchised bus service through reviewing the operational records of franchised bus companies, conducting regular surveys, and acting on passengers' complaints and suggestions.

13. The Government was very concerned about the relatively high lost trip rates between 2010 and 2012. To this end, TD and the franchised bus companies had carried out follow-up actions, including analysing the reasons for lost trips. The bus companies were also required to make improvements on factors within their control and take appropriate measures as far as possible to deal with other external factors. With the efforts of TD and the franchised bus companies, the overall lost trip rate has dropped from 4.2% in 2012 to 2.6% in 2013, and 2.4% in the first three quarters of 2014.⁵

⁵ Owing to the Occupy Movement, the overall lost trip rate for the fourth quarter of 2014 was 5.2%.

14. Notwithstanding, TD shares the view that there is room for improvement on the mechanism of monitoring the frequency of franchised bus service. In response to the Ombudsman's recommendations of its investigation on TD's mechanism of monitoring the frequency of franchised bus services in 2014, TD has already implemented a number of measures to enhance its monitoring mechanism since early this year.

15. Regarding the definition of "lost trips", TD has all along been maintaining statistics of lost trip rates to examine and analyse the situation so as to formulate improvement measures. Previously, lost trip rates had been calculated on a daily basis to reflect the overall level of service delivery. In response to the Ombudsman's recommendation, TD and the franchised bus companies have introduced the following four different periods for calculation of lost trip rates starting from this year-

Peak periods

- (a) Morning peak period: from the first departure to 9:59 am;
- (b) Evening peak period: from 4:00 pm to 7:59 pm;

Off-peak periods

- (c) Inter-peak period: from 10:00 am to 3:59 pm; and
- (d) After evening peak period: from 8:00 pm to the last departure.

16. The four periods above have been set primarily with reference to the travelling patterns of passengers during the morning and evening peak periods, as well as their expectations over the level of bus service during the respective periods. Based on the new method of calculation, any difference between the number of journeys for a bus route actually recorded during a particular period and the number specified in the Schedule of Service for that route will be regarded as lost trips⁶. The new method will enhance the public's understanding of service performance during peak and off-peak periods. It also enables TD and the franchised bus companies to obtain a more accurate picture of the lost trip situation for specific periods for appropriate follow-up action. As at end-January this year, the overall lost trip rate in Hong Kong was about 1.2% under the old calculation method. It was 1.8% under the new calculation method (2.1% for peak periods and 1.5% for off-peak periods). Details are at **Annex 3**.

⁶ Under the new calculation method, excess trips made in one period cannot compensate for lost trips in another period.

17. Details on measures taken by the TD in response to the other recommendations put forward by the Ombudsman are at **Annex 4**.

Priority use of roads by franchised bus

18. As one of the road users, franchised buses need to share road space with other transport modes. Hence, traffic congestion would inevitably affect its service reliability. Under the public transport-oriented policy, according priority use of roads to public transport services is an established policy. Yet, the implementation would have to have due regard to the actual road situation.

19. Major bus priority measures already being implemented include-

- (a) designation of bus-only lanes;
- (b) designation of bus-only lane changing position;
- (c) setting up bus stops at pick-up and drop of restricted zones; and
- (d) changing road junction design and adjusting road traffic light signal control.

At present, there are a total of over 23 kilometres of bus-only lanes and 16 designated bus gates in Hong Kong. Details are at **Annex 5**.

20. The Government has been adopting a three-pronged approach in tackling road traffic congestion. They are the improvement of traffic infrastructure, expansion and improvement of the public transport system, and management of the use of roads. The Government will continue to implement these measures, review their effectiveness and explore areas for improvement. Yet, the Government would often encounter various challenges in implementing measures to help ease traffic congestion. For instance, as Hong Kong is a small and densely populated city, planning of new roads would be subject to constraints. Various stakeholders would also hold differing views on traffic management proposals. In light of these challenges, the current measures may not be able to yield the intended effect fully. Hence, it is necessary for the Government to consider other measures. To this end, the Transport Advisory Committee (“TAC”) was invited by the Government to conduct a study on road traffic congestion. In December 2014, TAC submitted the Report on Study of Road Traffic Congestion in Hong Kong to the Government. The Report analysed the various causes of road traffic congestion in Hong Kong and recommended a number of short, medium and long-term measures. We are studying

TAC's recommendations in detail and will respond at an appropriate juncture. When conducting the RPR, we will explore how to further promote the priority use of roads by public transport services in the context of the implementation of measures to alleviate traffic congestion and in the light of actual road situations.

21. It is worth noting that the implementation of bus priority measures would reduce the number of lanes for use by other vehicles on the same road section. The travelling speed of other vehicles may reduce as a result. When planning for bus priority measures, TD must carefully assess the feasibility and desirability of implementing such measures on the individual road sections concerned so as to ensure that the overall traffic network would not be overly affected. TD would also carry out consultation before their implementation of the measures.

22. The reliability of bus service is naturally constrained by road traffic situation. TD and the franchise bus companies will adjust the number of buses and frequency of individual routes in the light of actual road conditions. Meanwhile, TD will continue to actively encourage the franchised bus companies to make use of information technology to enhance the accuracy of bus information. For instance, some operators have started to use real-time bus arrival information systems to provide more information so that passengers can better plan their journeys according to their own needs. Overall speaking, the system is technically reliable. Yet, as the system involves a comparatively higher capital investment and operating cost, the bus companies have indicated that they would need to carefully weigh the need of passenger and actual operating benefits under different operating environment when considering whether the use of the system should be further promoted. Notwithstanding, the Government will continue to urge the bus companies to make use of the real-time bus arrival information system more proactively. This topic will be further studied in the RPR.

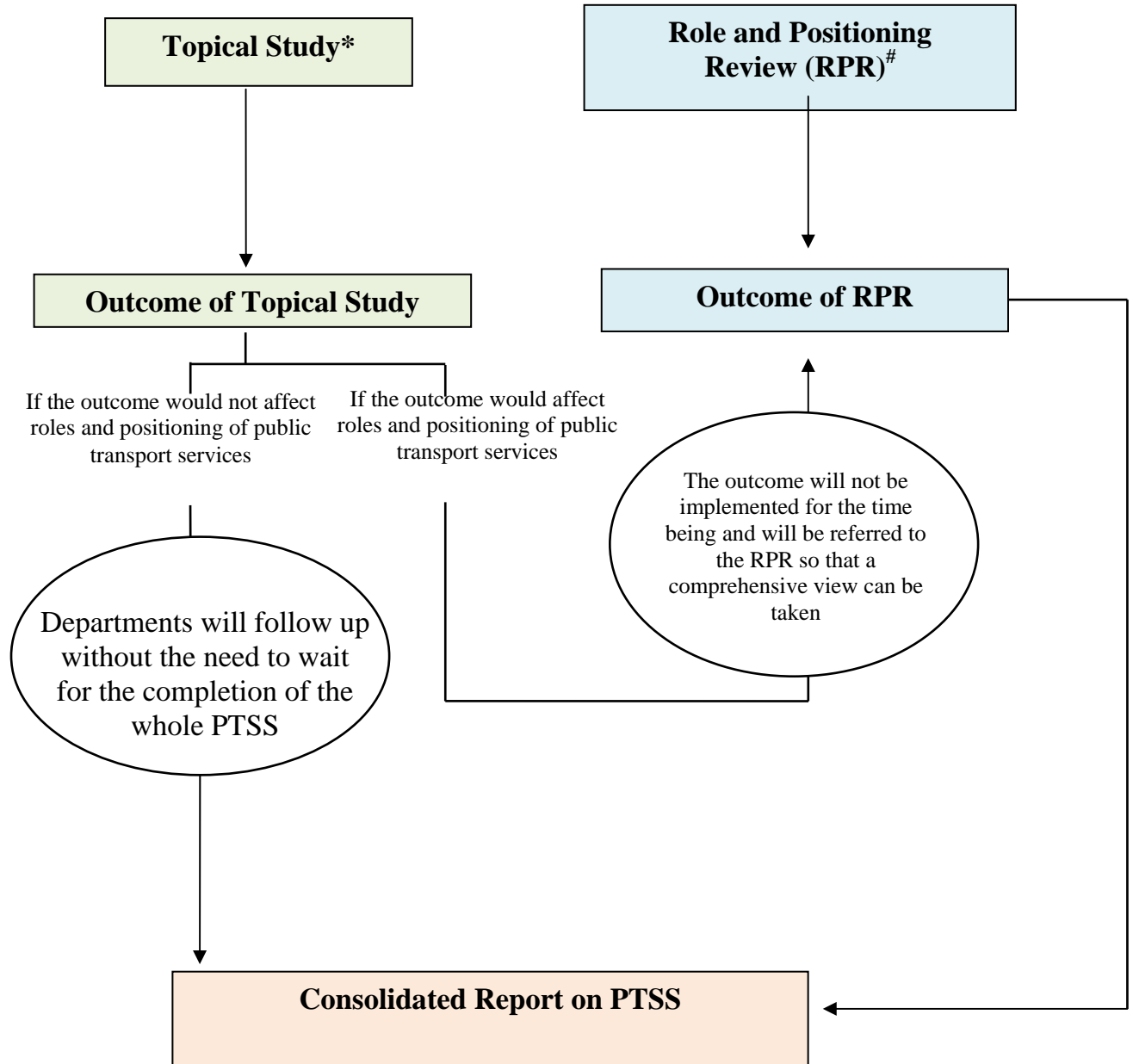
Conclusion

23. In view of the rising expectation of passengers on the quality of bus service, the Government and the franchised bus companies will continue the efforts to rationalise bus route, monitor the frequency of bus service, and actively explore and implement bus priority measures. The objective is to provide quality and reliable services to the public and ensure the long-term and sustainable development of franchised bus sector.

24. As mentioned in paragraphs 4, 20 and 22 above, we will make reference to the outcome of this Topical Study and carefully examine in the context of RPR the role and positioning of franchised bus service and whether service adjustment should be made. Possible topics to be covered include the feasibility and desirability of introducing new premium service and using the real time bus arrival information system.

Transport and Housing Bureau
March 2015

**Work flow of the two parts under the
Public Transport Strategy Study (PTSS)**



* We will report the outcome of individual issues covered by the Topical Study to the Panel on Transport of the Legislative Council (LegCo) starting from the first quarter of 2015.

The RPR will commence after the LegCo has approved the manpower resources required under the established procedures in due course.

**Guidelines on Service Improvement and Reduction
in Bus Route Development Programmes**

Service Improvement

(I) Frequency Improvement

If the occupancy rate of any bus route reaches 100% during any half-hour of the peak period and 85% during that one hour, or reaches 60% during the busiest one hour of the off-peak period, the Transport Department (TD) will consider the deployment of more vehicles to enhance the service level. In increasing the vehicle allocation, priority will be given to redeploying vehicles saved from other rationalisation items.

(II) New Bus Service

If the frequency improvement alone is not sufficient to meet demand and no practical alternatives are available, we will give consideration to the provision of new bus service, with priority to serve areas that are beyond the catchment area of existing railways or railway feeders. In approving any new bus service, we will also consider the impact of such new service on the traffic condition on major roads, and will as far as possible refrain from providing long haul bus routes or routes that operate via busy districts such as Mong Kok, Tsim Sha Tsui, Central, Wan Chai, Causeway Bay etc.

Service Reduction

In pursuance of our policy objective of providing a safe, efficient and reliable transport system in a sustainable environment, franchised bus routes with low utilisation would be rationalised from time to time to enhance bus operation efficiency while meeting passenger demand and matching local operating environment, reducing traffic congestion and roadside emission. These guidelines set out the situations whereby rationalisation measures such as adjustment to service frequency and timetable, route cancellation / amalgamation, route truncation, etc. would be pursue

(III) Reduction of Bus Trips along Busy Corridors

In view of concentration of activities in the urban areas leading to serious environmental and traffic concerns, TD is committed to reducing the number of bus trips along busy corridors and bus stoppings through various measures of service cancellation / reduction and route rationalisation. If it is inevitable for new routes or enhanced bus services to operate via these busy corridors, the bus operators will have to reduce the same number of trips plying through the same corridor from other routes in order not to aggravate the traffic and environmental conditions in these busy corridors.

(IV) Frequency Reduction

If the average occupancy rate of an individual route is below 85% during the peakiest half-hour of the peak period, or below 30% during the off-peak period, TD will consider reducing bus deployment for the route. Railway feeder routes, socially essential routes (such as bus routes serving remote areas or where the majority of the passengers are elderly) with no alternatives available, and routes with peak headways at 15 minutes or more will be considered on individual merits.

(V) Route Cancellation / Amalgamation

If the utilisation of a low-frequency route does not improve (i.e. a bus route with average occupancy rate lower than 50% during peak hour, despite its headways having already been reduced to 15 minutes and 30 minutes during peak hours and off-peak hours respectively), TD will consider proposing cancellation of the route or amalgamation of the route with other route(s) in consultation with the bus operators.

(VI) Route Truncation

To optimise the use of resources, TD will review with relevant bus operators the feasibility of truncating routes, in particular those where majority of the passengers will have alighted en route. In formulating truncation proposals, TD will consider whether the number of affected passengers is excessive (i.e. the occupancy rate of not more than 20% to 30% at the proposed truncated section during the peakiest hour); whether enough roadside space is available to accommodate the affected passengers for interchange; and whether terminal space for the changed route is available.

Factors to be Considered in Bus Service Rationalisation

In formulating rationalisation proposals, in particular those where drastic measures are to be adopted, TD would give due consideration to ensure that the interests of passengers would be taken care of and to minimise impact on them as far as possible. Factors that will be taken into account include:

- (a) nature of the services proposed to be cancelled: For services the utilisation rates of which have been consistently low but are socially essential (i.e. those serving remote areas or where majority of the passengers are elderly) and without reasonable alternatives, TD would consider other means to improve the service performance, such as through the use of vehicles with smaller carrying capacities, provision of alternatives such as introduction of replacement green minibus services, etc;
- (b) availability of reasonable alternatives: In proposing service cancellation, measures have to be taken to ensure that reasonable alternatives for the affected passengers are provided as far as possible. Factors such as the availability of spare capacity of alternative services in taking up the diverted passengers, the number and convenience of interchanges involved, the total journey time (including interchange and on-vehicle time) as compared with the existing services, etc, would be assessed carefully to ensure the reasonableness of the alternative services;
- (c) fare of the best available alternative service: The total journey fare as compared with the fare of the existing service would be assessed. Positive consideration to route cancellation will be given if the total journey fare is not higher than that of the service being considered for cancellation. The relevant bus operators would also be requested to consider the provision of fare concessions, such as interchange discounts, section fares, special discounts to elderly, and other incentives wherever appropriate and feasible, to provide attraction to the affected passengers to facilitate the implementation of the rationalisation proposals;

- (d) transport operational considerations: The proposed service rationalisation should not cause undue hardship to passengers or operational problems. Factors such as the number of passengers requiring interchanges, the availability of space for interchange activities, etc. would be carefully assessed. The deployment of the saved vehicles to improve services within the same district would also be spelt out where appropriate;
- (e) impact of the proposed service rationalisation on bus captains: Factors to be considered include the number of bus captains that would be affected by the proposed service rationalisation, and whether the excess bus captains could be absorbed through natural wastage or other means without causing any major staff issues; and
- (f) environmental benefits arising from the service rationalisation: Environmental benefits such as the reduction in emission, reduction of bus trips in busy corridors, etc. would be spelt out in the consultation documents for the public to take note of.

Annex 3

Lost trip rates of franchised bus operators in January 2015

	Morning peak period	Evening peak period	Inter-peak period	After evening peak period	Overall rate in Hong Kong
KMB	1.4%	2.6%	1.5%	1.5%	1.7%
Citybus (Franchise for Hong Kong Island and Cross-Harbour Bus Network)	1.3%	1.5%	1.1%	1.5%	1.3%
Citybus (Franchise for Airport and North Lantau Bus Network)	0.5%	1.3%	1.1%	0.7%	0.9%
NWFB	3.6%	3.7%	2.6%	1.5%	2.9%
LW	1.5%	1.4%	0.8%	0.6%	1.1%
NLB	0%	0%	0%	0%	0%
Overall rate in Hong Kong	1.6%	2.5%	1.5%	1.5%	1.8%

Note:

- Morning peak period: from the first departure to 9:59 am.
- Evening peak period: from 4:00 pm to 7:59 pm.
- Inter-peak period: from 10:00 am to 3:59 pm.
- After evening peak period: from 8:00 pm to the last departure.

Legend:

KMB	Kowloon Motors Bus Company (1933) Ltd
NWFB	New World First Bus Services Limited
LW	Long Win Bus Company Ltd
NLB	New Lantao Bus Company (1973) Ltd

Measures in monitoring the frequency of franchised bus services

In response to the Ombudsman's recommendations on the mechanism of monitoring the frequency of franchised bus service, other measures implemented by TD are as follows-

(a) Causes of lost trips

2. Previously, the causes for lost trips were grouped under six categories, namely "Vehicle Breakdown", "Vehicle Shortage", "Driver Shortage", "Traffic Congestion", "Accidents" and "Other Reasons". Among the six categories, "Vehicle Breakdown", "Vehicle Shortage" and "Driver Shortage" are within the control of the franchised bus companies, while the remaining ones are outside the control of them. As the "Other Reasons" was a rather common reason for lost trips, TD has refined its definition by further separating it into four categories to allow more in-depth analysis on the causes of lost trips. The four categories are-

- (a) "Inclement Weather": when the Red Rainstorm Signal, Black Rainstorm Signal or Storm Signal No. 8 or above is hoisted by the Hong Kong Observatory;
- (b) "Planned Public Events": when public events (e.g. carnivals, festivals/celebrations, marathons, horseracing and public demonstrations, etc.) which require special traffic and transport arrangements are held;
- (c) "Redeployment of Buses": when contingency or additional service has to be provided to meet passengers demand arising from railway incidents and to cater for lost trips of less frequent routes; and
- (d) "Others Reasons".

3. Under the new arrangement, the causes for lost trips are grouped under nine categories. A more detailed categorisation can help TD and the franchised bus operators to have a more accurate picture on the causes of lost trips and take efficient and appropriate measures to resolve the problem.

4. As regards the causes which are under the franchised bus companies' control (i.e. "Vehicle Breakdown", "Vehicle Shortage" and "Driver Shortage"), the franchised bus companies have the responsibility to take appropriate preventive measures. As breakdown of vehicles would lead to vehicle shortage, TD and the franchised bus companies have

reviewed the causes which would lead to vehicle breakdown. The major causes include-

- (a) engine failure due to the failure of battery, engine appliances, starters and generators;
- (b) over-heat or water leakage of heat exchangers, or failure of its water level warning signals; and
- (c) gearbox failure.

5. In light of the above reasons, the franchised bus companies have implemented a number of preventive measures since April 2014. For example, they would regularly conduct slow-charging of battery to increase battery stability; use higher-quality soft silicon hoses; conduct pressurised test on cooling systems during daily bus check; and improve the signaling system of the gearbox to reduce signal errors due to overheating or aging of signaling lines. TD will continue to monitor the lost trip situation caused by shortage of buses and mechanical failure. TD will also monitor and analyse the causes of vehicle breakdown with reference to cases of emergency repairs, and explore with the franchised bus companies suitable improvement measures in a timely manner.

6. As for the manpower situation of bus drivers, the franchised bus companies have actively recruited, provided trainings for and improved communications with bus drivers and improved their working environment. Since the beginning of this year, the bus companies are required to submit monthly reports about the manpower situation of bus driver using a standardised form to TD. Should there be any sign of manpower shortage, the franchised bus company will be urged to implement improvement measures as soon as possible.

Sanction regime

7. In response to the Ombudsman's recommendations, TD has reviewed the sanction regime in respect of bus lost trips. There has all along been a rigorous and fair statutory mechanism and administrative arrangements in place for the close monitoring of franchised bus service. As far as the statutory mechanism under the Public Bus Services Ordinance is concerned, if a franchised bus company fails to comply with the Ordinance or franchise requirements or fails to provide a proper and efficient service, the Chief Executive-in-Council may impose penalty on the company concerned. The Chief Executive-in-Council may also revoke its operating right on individual routes or the entire franchise.

8. As for the administrative arrangements, TD will normally follow up on a bus company's non-compliance regarding service delivery as required by the department by setting out clearly what the improvements the bus company is required to make in writing. If the company fails to provide a reasonable explanation or make improvement, TD will remind the company in writing again the need for compliance to requirements and to implement improvement measures within a specified period of time. Depending on the persistence and severity of each case, TD may issue warning letters in respect of lost trips of individual routes or the overall lost trip situation, and require the company to make improvement by a specified deadline. If the warning is not heeded, TD may consider triggering the statutory mechanism by making a submission to the Chief Executive-in-Council as mentioned in paragraph 7 above. The circumstances warranting the issue and the number of such warning letters will be taken into consideration when a franchise is due for renewal. Past experience suggests that the above mechanism has been working well. The franchised bus companies would take letters or warning letters from TD seriously and take active follow-up actions on those letters.

9. To ensure that the franchised bus companies are taking mitigation measures and improving services more promptly, a written notice will be served to its board of directors when TD issues a warning letter to a franchised bus company. Moreover, the Government will take into account whether any warning letters have been issued as well as the number of such letters issued when processing a fare increase application submitted by a bus company.

Annex 5

Bus-only lanes and designated bus gates

Bus-only lanes

Location	Operation hours	Approximate Length (km)
Hong Kong Island		
Caine Road westbound (between Upper Albert Road and Breezy Path)	<u>Mon - Fri</u> 07:00 – 19:00 <u>Sat</u> 07:00 – 13:00 <u>Except Sundays & Public Holidays</u>	1
Connaught Road West eastbound (between Des Voeux Road West and Morrison Street)	<u>Weekdays</u> 07:00 – 21:00	0.3
Des Voeux Road Central eastbound (between Pedder Street and Ice House Street)	<u>Weekdays</u> 24 hours	0.1
Des Voeux Road Central eastbound (between Ice House Street and Murray Road)	<u>Weekdays</u> 24 hours	0.3
Des Voeux Road Central westbound (between Bank Street and Jubilee Street)	<u>Weekdays</u> 24 hours	0.6
Pok Fu Lam Road westbound (between Mount Davis Road and Pok Fu Lam Road Playground)	<u>Weekdays</u> 24 hours	0.1

Location	Operation hours	Approximate Length (km)
Queensway westbound (between Murray Road and Jackson Road)	<u>Mon - Sat</u> 07:00 – 09:00	0.2
Gloucester Road westbound (between O'Brien Road and Fenwick Street)	<u>Weekdays</u> 07:00 – 24:00	0.2
Cross-Harbour Tunnel Egress to Central westbound (between Tunnel Exit and Canal Road Flyover)	<u>Weekdays</u> 24 hours	0.1
Canal Road Flyover underneath southbound (between Hennessy Road and Yiu Wa Street)	<u>Weekdays</u> 24 hours	0.2
Morrison Hill Road southbound (between Sports Road and Queen's Road East)	<u>Weekdays</u> 16:00 – 19:00 <u>Except Public Holidays</u>	0.1
Hennessy Road westbound (between Jardine Bazaar and Lee Garden Road)	<u>Weekdays</u> 07:00 – 24:00	0.1
Hennessy Road westbound (between Tang Lung Street and Canal Road East)	<u>Weekdays</u> 07:00 – 24:00	0.1
Hennessy Road westbound (between Tin Lok Lane and Tonnochy Road)	<u>Weekdays</u> 07:00 – 09:00 <u>Except Public Holidays</u>	0.1

Location	Operation hours	Approximate Length (km)
Hennessy Road westbound (between Fleming Road and Luard Road)	<u>Weekdays</u> 07:00 – 09:00 <u>Except Public Holidays</u>	0.3
Shau Kei Wan Road westbound (between Tai On Street and Tai Hong Street)	<u>Weekdays</u> 24 hours	0.1
Fu Yee Road southbound (between Cheerful Garden and Siu Sai Wan Road)	<u>Weekdays</u> 07:00 – 09:00	0.1
King's Road eastbound (between Ngan Mok Street and Fortress Hill Road)	<u>Weekdays</u> 24 hours	0.8
King's Road eastbound (between North Point Road and Tin Chiu Street)	<u>Weekdays</u> 24 hours	0.7
King's Road eastbound (between Man Hong Street and Java Road)	<u>Weekdays</u> 24 hours	0.5
Nam On Street eastbound (between Nam On Lane and Shau Kei Wan Bus Terminus)	<u>Weekdays</u> 24 hours	0.1
Wong Chuk Hang Road westbound (between Aberdeen Tunnel Toll Plaza and Wong Chuk Hang Road near Gramtham Hospital)	<u>Weekdays</u> 16:00 – 19:00 <u>Except Public Holidays</u>	0.2

Location	Operation hours	Approximate Length (km)
Wong Chuk Hang Road eastbound (near Gramtham Hospital and Aberdeen Tunnel Toll Plaza)	<u>Weekdays</u> 07:00 – 09:00 <u>Except Public Holidays</u>	0.5
Wong Chuk Hang Road upramp to Aberdeen Tunnel northbound (between Shouson Hill Road and Aberdeen Tunnel Toll Plaza)	<u>Weekdays</u> 07:00 – 09:00 <u>Except Public Holidays</u>	0.5
Wong Chuk Hang Road eastbound (near Nam Long Shan Road)	<u>Weekdays</u> 24 hours	0.1
Nam Long Shan Road southbound (between Wong Chuk Hang Road and Bus Terminus)	<u>Weekdays</u> 24 hours	0.3
Kowloon		
Nathan Road southbound (between Playing Field Road and Bute Street)	<u>Daily</u> 07:00 – 19:00	0.3
Nathan Road southbound (between Mong Kok Road and Dundas Street)	<u>Daily</u> 07:00 – 19:00	0.4
Nathan Road northbound (between Dundas Street and Nelson Street)	<u>Daily</u> 07:00 – 19:00	0.3
The slip road from Hong Chong Road southbound to Cross-Harbour Tunnel	<u>Daily</u> 07:00 – 10:00	0.2
To Kwa Wan Road southbound (between San Ma Tau Street and Chi Kiang Street)	<u>Weekdays</u> 08:00 – 10:00, 17:00 – 19:00	0.5

Location	Operation hours	Approximate Length (km)
To Kwa Wan Road northbound (between Shek Tong Street and Sheung Heung Road)	<u>Weekdays</u> 08:00 – 10:00, 17:00 – 19:00	0.7
New Clear Water Bay Road northbound (outside United Christian College)	<u>Weekdays</u> 24 hours	0.1
Nam Cheong Street southbound (between Ap Liu Street and Yu Chau Street)	<u>Weekdays</u> 24 hours	0.1
Yen Chow Street northbound (between Yee Kuk Street and Lai Chi Kok Road)	<u>Weekdays</u> 24 hours	0.1
Lei Yue Mun Road southbound (from Block 1 to Block 8 of Sceneway Garden)	<u>Weekdays</u> 07:00 – 24:00	0.2
Hammer Hill Road southbound (between Choi Hung Road Roundabout and Prince Edward Road East)	<u>Weekdays</u> 07:00 – 24:00	0.3
Choi Hung Road eastbound (between Prince Edward Road East & 65 metres south of Lok Sin Road)	<u>Weekdays</u> 07:00 – 24:00	0.1
Prince Edward Road East westbound (near Rhythm Garden)	<u>Weekdays</u> 24 hours	0.1
Lung Cheung Road eastbound (near Wong Tai Sin MTR Station)	<u>Weekdays</u> 07:00 – 24:00	0.3

Location	Operation hours	Approximate Length (km)
Hong Chong Road southbound (outside Cross-Harbour Tunnel Administrative Building)	<u>Weekdays</u> 24 hours	0.3
Hong Chong Road northbound (near Cross-Harbour Tunnel Toll Plaza)	<u>Weekdays</u> 24 hours	0.1
Junction Road southbound (from Carpenter Road to Prince Edward Road West)	<u>Weekdays</u> 07:00 – 10:00, 16:00 – 19:00	0.1
Nam Cheong Street southbound (from Woh Chai Street to Berwick Street)	<u>Weekdays</u> 07:00 – 24:00	0.1
West Kowloon Corridor eastbound (from Pei Ho Street to Tai Kok Tsui Road)	<u>Weekdays</u> 07:30 – 09:00 <u>Except</u> <u>Sundays and</u> <u>Public Holidays</u>	0.4
Lai Chi Kok Road westbound (between Mei Lai Road and Kwai Chung Road)	<u>Weekdays</u> 07:00 – 24:00	0.1
Cheung Sha Wan Road eastbound (between Kwai Chung Road and Mei Lai Road)	<u>Weekdays</u> 07:00 – 24:00	0.2
Nathan Road southbound (from near Shantung Street to near Hamilton Street)	<u>Weekdays</u> 07:00 – 19:00	0.3
Shing Tak Street (between Ma Tau Chung Road and Fu Ning Street)	<u>Weekdays</u> 24 hours	0.3

Location	Operation hours	Approximate Length (km)
New Territories		
Che Kung Miu Road westbound	<u>Weekdays</u> 07:00 – 10:00, 16:00 – 19:00	0.3
Hung Mui Kuk Road southbound	<u>Weekdays</u> 07:00 – 10:00, 16:00 – 19:00	1
Lion Rock Tunnel Road westbound	<u>Weekdays</u> 07:00 – 10:00, 16:00 – 19:00	0.8
Siu Lek Yuen Road southbound	<u>Weekdays</u> 08:00 – 10:00	0.1
Tate's Cairn Highways southbound	<u>Weekdays</u> 07:00 – 10:00	0.2
Tai Po Road - Yuen Chau Tsai eastbound	<u>Weekdays</u> 07:00 – 10:00	0.1
Tuen Mun Road eastbound	<u>Weekdays</u> 07:30 – 09:00	9
Tuen Mun Road southbound near Lam Tei	24 hours	0.5
Tuen Mun Road northbound near Lam Tei	24 hours	0.2
Sam Shing Street westbound	24 hours	0.1
Kwai Chung Road southbound (fronting Fung King House of Lai King Estate)	24 hours	0.2

Location	Operation hours	Approximate Length (km)
Lai King Hill Road northbound (opposite Ching Lai Commercial Centre of Ching Lai Court)	24 hours	0.1
Fung Shue Wo Road eastbound (entry road to Tsing Yi Pier PTI)	24 hours	0.1
Tsing Yi Heung Sze Wui Road northbound (from Tsing Yi Bridge roundabout to Chung Mei Road)	24 hours	0.1
Castle Peak Road westbound (between Yuen Long Hong Lok Road and Kik Yeung Road Road)	24 hours	0.1

Designated bus gates

Location	Operation hours
Hong Kong Island	
Gloucester Road Westbound near Canal Road Flyover upramp	<u>Daily</u> 24 hours
Canal Road Flyover exit to Cross Harbour Tunnel	<u>Daily</u> 24 hours
Hung Hing Road Eastbound to Cross Harbour Tunnel portal	<u>Daily</u> 24 hours
Kowloon	
The slip road linking Lung Cheung Road Westbound and Waterloo Road Northbound	<u>Daily</u> 24 hours
Chatham Road North Westbound to Hong Chong Road Southbound	<u>Daily</u> 24 hours

Location	Operation hours
Nam Cheong Street Southbound to Tai Po Road	<u>Daily</u> 24 hours
Cherry Street Eastbound to Argyle Street	<u>Daily</u> 24 hours
New Territories	
Hang Tai Road (Slip road to Ma On Shan Road)	<u>Daily</u> 24 hours
Tin Sam Street Right Turn to Hung Mui Kuk Road	<u>Daily</u> 07:00 – 10:00, 16:00 - 19:00 <u>Except Public Holidays</u>
San Wan Road near Landmark North	<u>Daily</u> 24 hours
Fanling Station Road near Fanling Station Playground	<u>Daily</u> 24 hours
On Po Road near Junction with On Tai Road	<u>Daily</u> 24 hours
On Chee Road near junction with On Po Road	<u>Daily</u> 24 hours
Access Road from Siu Sheung Road to Yuen Long Highway	<u>Daily</u> 24 hours
Hung Tin Road near Hung Shui Kiu Bus Depot Connection Road Eastbound	<u>Daily</u> 24 hours
Hung Tin Road near Hung Shui Kiu Bus Depot Connection Road Westbound	<u>Daily</u> 24 hours