For discussion on 16 December 2016

Legislative Council Panel on Transport Increasing the Seating Capacity of Light Buses

PURPOSE

Further to the report made by the Government to this Panel in June 2016 on the progress of the study on whether it is feasible and desirable to increase the seating capacity of public light buses ("PLBs") [vide LC Paper CB(4)1124/15-16(01)], this paper presents the outcome of the study and implementation details for increasing the seating capacity of PLBs and canvasses Members' views.

BACKGROUND

2. Among the public transport system, the role of PLBs is to provide supplementary feeder service and to serve areas with relatively lower passenger demand or where the use of high-capacity transport modes is not suitable. Over the past five years, the average daily patronage of PLBs at over 1.8 million passengers made up of about 15% of the total public transport patronage in Hong Kong. It is the Government's established policy to set a limit on the number of PLBs. The current cap is 4 350, of which about 3 250 (over 70%) are green minibuses ("GMBs") and the rest are red minibuses ("RMBs"). The existing law provides that each PLB can carry up to 16 passengers¹. The maximum seating capacity of PLBs was last increased in 1988 by the Government from 14 to the current 16 seats.

3. According to the outcome of a survey conducted by the

¹ Under the Road Traffic Ordinance (Cap. 374), light buses is defined as "a motor vehicle constructed or adapted for use solely for the carriage of a driver and not more than 16 passengers and their personal effects, but does not include an invalid carriage, motor cycle, motor tricycle, private car or taxi". In addition, Schedule 3 of Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A) also specifies the maximum passenger seating capacity of different classes of vehicles, including light buses.

Transport Department ("TD") in 2015, while the supply and demand for PLB services have remained generally stable over the past few years, the passenger demand during peak periods has generally increased. Services of some routes are insufficient to cope with demand. There is thus a need to study whether the carrying capacity of PLBs is sufficient and whether an increase in the carrying capacity of PLBs is warranted. In addition, the PLB trade has indicated from time to time that the operating environment is becoming more difficult and they experience the problem of shortage of drivers. In recent years, the GMB trade has also proposed to the Government to increase the seating capacity of PLBs. Their latest proposal is specifically to increase the number of seats from 16 to 20-24. In the light of the above, we have commenced the study on the feasibility and desirability of increasing the seating capacity of PLBs and have commissioned a consultant to assist in the study.

SEATING CAPACITY

4. We briefed this Panel in June 2016 on the progress of our study and the preliminary analysis². In gist, while the number of PLBs has all along been set at 4 350, there has been growth in both the number of GMBs and GMB route packages, resulting in an increase in the overall supply of GMB services. The number of GMBs has increased from about 2 810 in 2006 to 3 250 at present, with an average increase rate of 1.5% per annum. During the same period, the number of GMB route packages has also increased from 147 to 160. The main reasons behind the increase in the number of GMBs are the Government's policy of encouraging the conversion of RMBs to GMBs³ and the opening of new GMB routes to cater for the passenger demand arising from new development areas.

5. In terms of passenger demand for GMB services, while it has remained generally stable, the demand during peak periods and non-peak

² The consultant analysed the operating data and occupancy rate of about 510 GMB routes and about 120 RMB routes throughout Hong Kong in 2015.

³ At present, in the selection exercise of operators for new GMB routes, the TD will give additional marks to applicants who are RMB operators so as to encourage them to convert to GMB services.

periods differs quite significantly. The occupancy rates of GMBs during the two periods also vary. The overall average daily (i.e. including both peak and non-peak periods) occupancy rate of GMBs remains at about The occupancy rate may rise to about 70% during the peakiest 50%. one hour⁴ and may drop to about 40% during non-peak periods. During the peakiest one hour, about 70% of the GMB routes have left-behind 10% of these routes have left-behind passengers at the termini. passengers who have to wait for more than one departure before boarding. Among the routes where the GMBs are already fully loaded at the termini, passengers of about 30% of these routes are unable to board at en-route stops. Moreover, nearly 10% of GMB routes have an average waiting time of over 10 minutes. As regards the service supply, the supply of most GMB routes during the peakiest one hour has almost reached Their service frequency can hardly be further increased to saturation. cope with passenger demand⁵.

6. Our analysis of the financial conditions of GMB operators reveals that about 60% of GMB route packages incurred losses in the financial year 2014/15. To cater for the passenger demand during the peakiest one hour as mentioned in paragraph 5 above and to improve the operating environment of operators, the outcome of the consultancy study suggests that there is a genuine need to increase the carrying capacity of GMBs.

7. We initially proposed to this Panel in June 2016 that carrying capacity of GMBs should be increased by increasing the seating capacity of PLBs including GMBs (instead of the number of vehicles). Since the occupancy rates of most GMBs vary between peak and non-peak periods, increasing the number of seats to improve the situation during peak periods should suffice from the perspective of meeting passenger demand.

⁴ The peakiest one hour refers to the hour with the highest service frequency within the daily peak periods (i.e. 7:00 - 10:00 am and 5:00 - 8:00 pm). If the highest service frequency is observed in different periods, the hour with the highest patronage will be used for calculation. For routes which operate outside the above peak periods (e.g. supplementary routes), the hour with the highest service frequency throughout the whole daily operating period will be used for calculation.

⁵ Over 40% of GMB routes operate at an average headway of not more than 5 minutes during the peakiest one hour. Nearly 10% of the routes even operate at a headway of not more than 2 minutes.

We also pointed out that increasing no more than 3 seats could already significantly improve the situation of inadequate GMB services, in particular during the peakiest one hour.

8. When deciding on the suitable maximum seating capacity of GMBs, the main considerations are the supply and demand for GMBs and the need to maintain the delicate balance amongst various public transport The findings of the study suggest that the maximum seating services. capacity of GMBs should be increased from 16 to 19 seats. If the number of seats is increased to 19, the number of GMB routes with left-behind passengers at termini during the peakiest one hour is expected to drop significantly from about 70% at present to less than 40%. Also, the ratio of GMB routes with waiting time of over 10 minutes will also reduce by nearly 80%. From the perspective of improving the operating environment of GMB operators, the loss-making GMB route packages are expected to drop by half from close to 60% at present to about 30%. It is noteworthy that while the consultant's analysis shows that increasing the seats number to 20 or above may continue to reduce the number of left-behind passengers and the waiting time, as well as continue to improve the operating environment of GMB operators, the corresponding magnitude of the incremental improvements will diminish beyond 19 seats.

9. Another factor we should not overlook is that the well-developed public transport services in Hong Kong are facing different degree of competition. As such, in considering the issue of PLBs seat increase, we must carefully review the impact of the proposal on other public transport trades with a view to maintaining the delicate balance and roles amongst various public transport services so that they can continue to develop in a sustainable manner and provide diversified modal choices to benefit the community. In fact, other public transport trades such as the franchised buses and taxis have expressed concern about the proposal of PLB seat increase. They are worried that a substantial seat increase would affect the current delicate trade balance and confuse the existing roles of different public transport services in the public transport system.

10. At the meeting of this Panel in June 2016, some members suggested that the Government should consider increasing the seating

capacity of GMBs to 20 on the grounds that it is technically feasible for an individual GMB model in the market to install 20 seats. In this regard, it should be emphasised that when considering the exact number of seats to be added, our main considerations are the supply and demand for GMBs and the need to maintain the delicate balance amongst various public transport services. Our policy considerations will not be based on a particular type or model of vehicle, nor will we decide on the allowable seat increase for the reason that an individual GMB model is available in the market. Having regard to the considerations in paragraph 8 and 9 above, we are still of the view that increasing the maximum seating capacity of GMBs to 19 seats would be more appropriate.

11. We consider that all GMBs should be allowed to increase seats, rather than only for those GMB routes where the service supply could not meet the demand. The reason is that the current policy allows GMB operators to freely deploy vehicles of their fleet to provide services for different routes under the same route package based on their operational conditions. Such flexible vehicle deployment arrangement is very common and effective in GMB operation.

12. We propose that the same maximum seating capacity should also apply to RMBs. This sits well with the established Government's objective to encourage the conversion of RMBs to GMBs. In this case, operators need not carry out additional vehicle replacement or make extra arrangement for increasing the seating capacity at the time of conversion. In fact, the consultancy study shows that increasing the number of seats to 19 will also significantly reduce the number of left-behind passengers and passenger waiting time for RMBs during the peakiest one hour: the number of RMB routes with left-behind passengers is expected to greatly reduce from over 70% to nearly 40%; the number of RMB routes with waiting time of over 10 minutes will also reduce by nearly 70%.

13. It should be emphasised that the current proposal is to increase the <u>maximum</u> seating capacity of PLBs (both GMBs and RMBs) to 19 seats, but <u>not to mandate</u> all PLBs to adopt the same seating capacity. Upon the implementation of the proposal, PLB operators may in future take into account the operational conditions and passenger demand in deciding on their own whether to increase the seating capacity of their vehicles and, if so, the exact number of seats to be added and the time of implementation. If a PLB operator wishes to replace his existing short wheelbase PLBs with those that can accommodate more seats, he can simply submit his application to TD in accordance with the existing mechanism of vehicle replacement. As regards the long wheelbase models with a length of 6.99 metres currently used in Hong Kong as PLBs, they can technically accommodate 19 seats while meeting the statutory requirements on seating and gangway arrangement⁶. Operators who are now using these models can revise the seating layout of the vehicles to retrofit them to accommodate additional seats and apply to the TD for examination of vehicles after seat addition. We also welcome the trade to introduce through regular channels different types of vehicle models that meet statutory requirements to provide PLB services.

PRIVATE LIGHT BUSES

14. Under the Road Traffic Ordinance (Cap. 374) ("RTO"), the class of "light buses" includes both PLBs and private light buses⁷. Like PLBs, there is a maximum seating capacity (i.e. 16 seats) for private light buses. Findings of our study reveal that the supply of private light buses has increased over the past five years (i.e. from 2011 to 2015). School private light buses (commonly known as "nanny vans"), which account for the largest share of the private light buses market, have enjoyed the highest growth over the past five years at an annual average growth rate of 12%. The growth of private light buses fleet reflects the increasing demand for this type of transport service in recent years. Based on the above analysis, we also recommend that the statutory maximum seating capacity of private light buses should continue to align with that of PLBs and be increased to 19 seats. The Government adopted the same

⁶ The dimensions of passenger seats, clear spaces between passenger seats and size of gangways on PLBs are all regulated under the existing law. Also, the length, width and weight of a PLB is regulated by law, such that a PLB is subject to a ceiling of 7 metres in overall length, 2.3 metres in overall width, 3 metres in overall height and 5.5 tonnes in gross vehicle weight.

⁷ Under the Ordinance, "private light bus" means -

⁽a) a school private light bus; or

⁽b) a light bus (other than a school private light bus) used or intended for use-

⁽i) otherwise than for hire or reward; or

⁽ii) exclusively for the carriage of persons who are disabled persons and persons assisting them, whether or not for hire or reward.

arrangement for private light buses when the seating capacity of PLBs was last increased in 1988. Detailed analysis is at <u>Annex</u>.

LEGISLATIVE AMENDMENTS

15. The current definition of "light bus" under the RTO stipulates that it can carry no more than 16 passengers at most. As regards the definition of "bus", it is defined as a motor vehicle constructed or adapted for the carriage of more than 16 passengers and their personal effects. If the seat increase proposal is to be implemented, we will take forward the legislative amendments to revise the above definitions of "light bus" and "bus" under the RTO in order to allow the new maximum seating capacity of light buses to take effect. Schedule 3 to the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A), which stipulates the maximum passenger seating capacity of "light bus", should also be revised from 16 to 19 seats. Besides, consequential amendments are required to be made to the definitions of "light bus" and "bus" under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330) and Road Tunnels (Government) Regulations (Cap. 368A).

16. In addition, there are currently a total of about 210 registered "buses" (including public or private buses) with a seating capacity of 17 to 19 seats. Upon the enactment of the legislative amendments, we propose to provide a transitional arrangement so that these vehicles originally registered as "buses" shall continue to be so classified until their owners apply for deregistration⁸. Such arrangement will ensure that these "buses" can continue to provide their services without being affected by the amended definitions of "light bus" and "bus".

SERVICE IMPROVEMENT

17. While considering increasing the maximum seating capacity of PLBs, we also continue to encourage the trade to improve PLB services.

⁸ The same transitional arrangement was adopted in the last exercise of increasing the maximum seating capacity of PLBs from 14 to 16 seats in 1988.

As reported to this Panel in June 2016, the TD has been encouraging the trade to install various supplementary facilities to facilitate the use of PLB services by the needy and the elderly. Taking the opportunity of replacement of vehicles by GMB operators to increase the seating capacity of vehicles, the TD is working with the trade to follow up on <u>mandatory</u> installation requirements on every newly registered GMB, including half-step at the middle door, handrails and/or call bells with indication lights, which are expected to be implemented in tandem with the amendment to the maximum seating capacity of PLBs.

18. Moreover, the Government and the trade have identified new low-floor wheelchair-accessible PLB models suitable for use in Hong We expect to introduce these PLB models in the second half of Kong. next year for trial runs on some suitable hospital routes so as to ascertain whether the use of these PLB models to serve those routes would be feasible and desirable. Since the length of low-floor wheelchair-accessible PLB models will exceed the current statutory length limit of PLBs at 7 metres in Hong Kong, the Commissioner for Transport will consider exercising her discretionary power endowed under Section 4 of the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A) to grant exemption in respect of vehicle length to facilitate the trial runs of those low-floor PLB models in Hong Kong. Separately, to help promote the policy objective of green transport, having regard to the advice of the Environment Bureau, the TD may consider discretionary exemption for specific models of more environmentally friendly PLBs from the vehicle length limit if the prescribable green-energy features can only come with PLBs of longer than the statutory length limit.

THE NEXT STEP

19. We will take forward the necessary legislative amendment exercise for increasing the seating capacity of PLBs, and plan to introduce the amendment bill into the Legislative Council in the second quarter of 2017.

ADVICE SOUGHT

20. Members are invited to comment on the proposals in paragraphs 4 to 18 above.

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Annex

Private light buses

Types of Private Light Buses

There are three types of private light buses, namely (i) school private light buses ("SPLBs")(commonly known as "nanny vans"); (ii) private light buses for carriage of persons with disabilities; and (iii) other types of private light buses not for hire or reward. As at end 2015, there were about 3 100 private light buses in operation, of which SPLBs accounted for the largest share (around 60%) while private light buses for carriage of persons with disabilities and other types of private light buses each made up for about 20%. The seating capacities of private light buses vary from 12 to 16 seats depending on the operators' choices having regard to operational needs.

Supply and Demand for Private Light Buses Services

2. Consultant's analysis shows that the supply of private light buses has increased over the past five years (i.e. from 2011 to 2015), at an average annual growth rate of about 9%. The numbers of three types of private light buses have all increased. Since there is no legal provision to limit the number of private light buses and the supply of private light buses has all along been market-driven, the growth of private light buses fleet reflects the increasing demand for this type of transport service in recent years.

3. SPLBs, which accounts for the largest share of the private light buses market, have enjoyed the highest growth over the past five years at an annual average growth rate of 12%. On the other hand, based on the Census and Statistics Department's population forecast, the consultant suggests that kindergarten and primary school student population will keep increasing in short to medium term. As such, it is anticipated that the students' demand for private light bus services will experience similar growth in the short to medium term.

Increasing the Seating Capacity of Private Light Buses

4. Based on the analysis above, we recommend that the statutory maximum seating capacity of private light buses should continue to align with that of PLBs and be increased to 19 seats. Private light buses operators may, having regard to the operational conditions, decide on their own whether to increase the seating capacity of their vehicles and, if so, the exact number of seats to be added and the time of implementation. Upon the implementation of the proposal, if a private light bus operator wishes to replace his vehicles to increase the seating capacity, he can simply submit an application to the TD in accordance with the existing mechanism of vehicle replacement to ensure the length, width and weight of the incoming vehicles comply with the statutory requirements. Operators do not need to make separate application.