

**LEGISLATIVE COUNCIL BRIEF**

Road Traffic Ordinance  
(Chapter 374)

**ROAD TRAFFIC (PUBLIC LIGHT BUSES:  
LIMIT ON NUMBER) NOTICE 2016**

**EXTENSION OF THE EFFECTIVE PERIOD OF THE  
EXISTING CAP ON THE NUMBER OF PUBLIC LIGHT BUSES**

**INTRODUCTION**

This paper informs Members that the Government plans to move a motion pursuant to section 23(3) of the Road Traffic Ordinance (Cap. 374) (“the Ordinance”) at the meeting of the Legislative Council (“LegCo”) on 29 March 2017 for passage of the resolution at Annex (“the Proposed Resolution”). Its purpose is to extend the effective period of the existing cap on the number of public light buses (“PLBs”) (at 4 350) as stipulated in the Road Traffic (Public Light Buses: Limit on Number) Notice 2016 (Cap. 374X) (“the Notice”) by five years until 20 June 2022.

**JUSTIFICATIONS**

2. The total number of vehicles which may be registered as PLBs has all along been capped at 4 350 since 1976. The current cap is imposed by the Notice, which was made by the Chief Executive-in-Council pursuant to section 23(1) of the Ordinance on 21 June 2016. The cap imposed by the Notice shall remain in force for a period of 12 months, up to 20 June 2017, unless it is extended by the LegCo by resolution in accordance with section 23(3) of the Ordinance<sup>1</sup>.

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<sup>1</sup> Section 23(1) of the Ordinance provides that the Chief Executive-in-Council may, by publication of notice in the Gazette, limit the number of vehicles which may at any time be registered by reference to, inter alia, the class or description of vehicle. According to sections 23(2) and (3) of the Ordinance, the notice can remain in force for such period not exceeding 12 months unless it is extended by the LegCo by resolution.

3. Over the past three decades, the LegCo has time and again passed resolutions to extend the effective period of the statutory cap on the number of PLBs pursuant to section 23(3) of the Ordinance. The Government completed a review on the statutory cap on the number of PLBs in 2015 and recommended maintaining the existing cap (at 4 350). The effective period of the cap should be extended by another five years such that the PLB trade may continue to provide stable services to the public. As such, in accordance with the past practice and pursuant to section 23(3) of the Ordinance, the Government tabled a resolution at the LegCo to propose to extend the effective period of the cap by five years (“the Original Resolution”) in January 2016. However, owing to the vast number of agenda items that the LegCo had to deal with and the progress of the transaction of LegCo business at that time, the LegCo was unable to deal with the Original Resolution in time before the expiry date of the effective period of the statutory cap (i.e. 20 June 2016). To prevent a legal lacuna from arising owing to the lack of the statutory cap, the Chief Executive-in-Council made the Notice on 21 June 2016 to maintain the same statutory cap (at 4 350) for 12 months up to 20 June 2017<sup>2</sup>. At the time of making the Notice, we advised the LegCo that during the 12-month effective period of the Notice, the Government would again, in accordance with the past practice, move a resolution at the LegCo pursuant to section 23(3) of the Ordinance to seek an extension of the effective period of the cap by five years (up to 20 June 2022). We now plan to move a motion for passage of the Proposed Resolution at the LegCo meeting on 29 March 2017.

4. The Proposed Resolution only seeks to maintain the existing cap on the number of PLBs. As regards the seating capacity of PLBs, the Government put forward a proposal for increasing the seating capacity in June 2016 and listened to the views of the LegCo Panel on Transport in December 2016. We expect to introduce the Bill for increasing the seating capacity of light buses into the LegCo shortly.

## **PROPOSED RESOLUTION**

5. Pursuant to section 23(3) of the Ordinance, the Secretary for Transport and Housing plans to move a motion at the LegCo meeting on 29 March 2017 for extending the effective period of the existing cap on the number of the PLBs at 4 350 by five years until 20 June 2022.

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<sup>2</sup> For details, please refer to the LegCo Brief on the Notice issued on 21 June 2016 (File Ref.: THB(T)CR 19/5591/72), which is available on LegCo’s website (<http://library.legco.gov.hk:1080/record=b1189574>).

## **LEGISLATIVE TIMETABLE**

6. The legislative timetable is as follows –

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|--|---------------|
| Government to issue the notice for the motion                                  | 8 March 2017  |
| Secretary for Transport and Housing to move the motion at the LegCo            | 29 March 2017 |
| Publication in the Gazette (subject to the passage of the motion by the LegCo) | 31 March 2017 |

## **IMPLICATIONS OF THE PROPOSAL**

7. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It does not affect the current binding effect of the Ordinance. It has no civil service, economic, environmental, family, financial, gender, productivity and sustainability implications.

## **PUBLIC CONSULTATION**

8. The Transport Department (“TD”) consulted the public transport trade<sup>3</sup> in mid-2015 on whether the existing cap on the number of PLBs should be maintained. The Government also briefed the LegCo Panel on Transport and the Transport Advisory Committee in November 2015 of the review outcome. The trade and the abovementioned Panel and Committee supported maintaining the cap on the number of PLBs at 4 350. At the meeting of the LegCo subcommittee for scrutiny of the Notice in November 2016, the subcommittee took note that the Government would seek to extend the effective period of the statutory cap by resolution by five years until 20 June 2022. It also took note that the Government was formulating the implementation proposal and drafting the Bill for increasing the seating capacity of PLBs, with the aim of introducing the Bill into the LegCo in the first half of 2017.

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<sup>3</sup> This includes various stakeholders of the PLB trade (all PLB registered owners, holders of PLB passenger service licences, green minibus associations and major red minibus associations) as well as operators of franchised buses, non-franchised buses and taxis.

## **PUBLICITY**

9. A spokesperson will be available to respond to media enquiries.

## **BACKGROUND**

10. Our transport policy is underpinned by public transport services with railways as its backbone. Other modes of public transport play supplementary roles. The role of PLBs is to provide supplementary feeder service, as well as to serve areas with relatively lower passenger demand or where the use of high-capacity transport modes is not suitable. The number of PLBs has been subject to a cap of 4 350 since 1976<sup>4</sup>. There are two types of PLBs, namely green minibuses (“GMBs”) and red minibuses (“RMBs”). Within the existing cap at 4 350, about 3 250 (approximately 75%) are GMBs whereas the rest are RMBs. The average daily total PLB patronage is approximately 1.8 million passenger trips, which corresponds to a generally stable share of around 15% of the public transport market over the past five years. According to the comprehensive survey conducted by TD in 2015, the utilisation of GMBs and RMBs were 98% and 95% respectively, meaning that the majority of PLB vehicles were travelling on the roads. The number of PLBs with paid valid vehicle licences was 4 347 as at 31 January 2017. As we understand from the trade, PLB vehicle owners will not leave their vehicles idle on purpose as ownership incurs certain operating expenses. That said, a very small number of PLBs may not be in service on some days for reasons such as the vehicles concerned being under maintenance or transaction, or in respect of RMBs, the vehicles being for lease.

11. GMBs operate scheduled services with their routes, fares, vehicle allocation and timetable subject to approval by TD. At present, there are around 520 GMB routes in operation across Hong Kong. They are grouped under 160 route packages<sup>5</sup> granted by TD. RMBs are not

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<sup>4</sup> PLBs were first registered as a new class of vehicles in 1969 to supplement bus services. In view of the traffic management problems arising from the concentration of PLB’s activities on busy thoroughfares as well as the considerable improvement in public transport services, the Government decided in 1976 that PLBs should be encouraged to operate scheduled services as far as possible to complement the major public transport modes such as rail and bus services. One of the measures implemented to meet this policy objective was capping the maximum number of PLBs at 4 350. The PLB number cap has been maintained since then.

<sup>5</sup> It is the established practice for TD to group appropriate routes into a route package having regard to such factors as the service area and patronage of the individual routes for operation by the same operator. This practice ensures that no routes with unsatisfactory investment returns but of social needs will be left without an operator.

required to operate on fixed routes or timetable and are free to set their own fares. They are subject to certain restrictions on their service area under the existing policy<sup>6</sup>. The Government has all along been encouraging RMBs to convert to GMBs<sup>7</sup>. With the continual expansion of the railway network in recent years, the network and service of PLBs are regularly adjusted so that they can continue to properly perform their supplementary function.

12. As mentioned in our paper for the LegCo Panel on Transport in December 2016 (LegCo Paper No. CB(4)285/16-17(03)<sup>8</sup>), the Government considers that there is a case to increase the seating capacity of PLBs (instead of the number of vehicles) with a view to increasing the overall carrying capacity of PLBs. We will introduce the Bill for implementing the proposal for increasing the seating capacity of light buses into the LegCo shortly.

## **ENQUIRIES**

13. Any enquiry concerning this Brief can be directed to Ms Stella Lee, Assistant Commissioner for Transport (Management and Paratransit), at 2829 5208.

## **Transport and Housing Bureau 8 March 2017**

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<sup>6</sup> The Government's established policy is to contain and when possible reduce the total number of RMBs and contain their service area. Taking into account the road congestion problem in Hong Kong and the objective to encourage the conversion of RMBs to GMBs, the Government has imposed certain restrictions on RMB operation. RMBs can operate in their existing service area but are not allowed access to new towns or new housing developments. Besides, there are also restrictions on RMBs in using expressways.

<sup>7</sup> To encourage the conversion of RMBs to GMBs, TD will develop new routes suitable for GMB operation having regard to the demand for public transport and group these new routes into packages based on factors such as geographical conditions and operational viability. Interested operators, including RMB operators, may then bid for operating the new GMB route packages. In selecting operators for operating new GMB routes, applicants who are new entrants to the GMB trade (including incumbent RMB operators) will be given additional marks in the selection exercise. This arrangement was introduced in 2002 to promote the conversion of RMB operators to GMB operation. To further encourage RMB operators to bid for new GMB routes, the percentage of additional marks given to new entrants has increased from 10% to 15% since 2004. This is to provide stronger incentive to RMB operators to bid for new GMB routes so as to pursue further the policy of converting RMB routes to GMB routes.

<sup>8</sup> The paper can be retrieved from LegCo's website (<http://library.legco.gov.hk:1080/record=b1193727>).

## **Road Traffic Ordinance**

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### **Resolution**

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(Under section 23(3) of the Road Traffic Ordinance (Cap. 374))

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**Resolved** that the period for which the limit specified in the Road Traffic (Public Light Buses: Limit on Number) Notice 2016 (L.N. 101 of 2016) on the total number of vehicles that may be registered as public light buses remains in force, being 12 months beginning on 21 June 2016, be extended to 20 June 2022.