

## CILTHK Submission on Public Transport Strategy Study

The government launched the Public Transport Strategy Study (PTSS) in 2014 and advised that this was a systematic review on the overall strategic arrangements of the public transport services other than the heavy rail. The objectives were to maintain the delicate balance among various public transport services (other than heavy rail) and enhance their complementarity in tandem with the further development of the heavy rail network, with a view to ensuring that the public transport services are convenient and multi-modal to benefit the public, while public transport operators can enjoy long-term sustainability.

The Chartered Institute of Logistics and Transport in Hong Kong (the "Institute") notes that the Public Transport Strategy Study (PTSS) was eventually completed with the Report issued in June 2017. The Report reaffirms that the current public transport system has generally been working well. Operating on a *commercial* basis, public transport operators are able to maintain an *efficient and quality service*, while providing *multimodal choices* for the community. While the Institute has no dispute about the reaffirmation of the existing public transport system in Hong Kong, we fail to see the government vision in respect of public transport, nor do we see any strategy, objectives and the follow-up working measures on transport development that would help Hong Kong uphold its top status in urban transport mobility. We raise our observations in the ensuing paragraphs and sincerely hope that the government takes these comments seriously. We believe there is a need to develop a genuine public transport strategy to achieve a long term vision for passenger transport with supporting working measures to keep Hong Kong moving ahead.

### General Comments

#### Lack of Transport Vision, Strategy and Performance Indicators

The word "strategy" as we understand it refers to a plan of action designed to achieve a long-term goal or vision. It should have clear objectives and matrices against which measures and policies are evaluated. In the context of a public transport strategy study, one would normally expect to see an overall transport vision taking into account current and future developments, the objectives in pursuing the vision, and then a set of measures designed to achieve the vision. To assess whether or not such objectives are likely to be achieved requires baseline matrices of current performance and forecasts of future matrices post-implementation of any strategy. In this Strategy Report, however, we fail to see any stated long-term vision. Neither is there any systematic assessment of the changing transport operating environment, and how the future challenges are to be met.

Even for the stated objectives in paragraph 2.1, we fail to see how the measures proposed in the report can really meet them. The proposed measures appear to be piecemeal and fail to address many key issues including inter-modal coordination in the true sense, sustainability of the public transport system as a whole as well as for individual operators, etc. At a time when many cities are pushing forward with exciting plans to significantly reduce traffic and increase use of public transport, pedestrianise major streets, provide infrastructure to promote cycling, etc., this Study lacks any vision other than continuation of the status quo with a few technological and environmental advances.



### Lack of Assessment of the Changing Transport Environment

Before setting out the strategy and objectives, one would need to know the operating environment and the challenges ahead. We note that things have been changing rapidly in the past decade. We are facing an aging population with increasing demand for barrier-free transport services. We are suffering from a polluted environment and have pressing needs for green transport. We treasure more and more our time and have strong desire for reliable and efficient transport services. In face of the rapid technological advancement, we are in need of a transport system that matches our lifestyle with up-to-date facilities satisfying our psychological and practical needs. We also need a transport environment that provides incentives for innovation and for operators to invest in new technologies. We need a detailed analysis on the rapidly changing environment and customer expectations to give us an indication on the future requirements. Unfortunately in the Report we fail to find any detailed assessment in particular on the need of our passengers.

### Complementarity / Inter-modal coordination

The Report states that the Study examines the roles and positioning of various public transport services against the background of using the railway as the backbone of our public transport system. It also seeks to review whether some service adjustments should be made to ensure the long-term and healthy development of the public transport services. Nevertheless, apart from a couple of references to complementarity when discussing franchised bus route restructuring for new MTR lines, there is little else on the subject. We accept the concept of railway as backbone. However, there are times when the rail services leave much to be desired. For instance, we can see the crowded conditions at the interchange rail stations, in particular at Admiralty, and the serious congestion problems which occur on many sections of the rail network during the peak periods. We consider that there should be more discussion on how the road based public transport modes can offer an alternative to the rail services rather than simply operate as feeder services. This would benefit the community as a whole as well as the individual operators.

When we discuss about interchange between different transport operators and different transport modes, one major issue is the interchange fares, in addition to interchange facilities. Of course, the ideal model would be to have fare integration for the public transport modes. We note the financial implications and the difficulties involved, but as a first step, the government should develop interchange fare policies aimed at reducing the interchange penalties for passengers and balancing the interests of different transport operators to promote the interchange concept and inter-modal coordination as a whole.

### Sustainability

Long-term sustainability is raised as an objective but there is fairly little deliberation on this point in the report.

The report does provide considerable information on each of the public transport modes (other than MTR) and sets out suggestions for operational improvements. The Study also mentions two key factors for the success of Hong Kong's well-developed public transport system, which are (a) operation on a commercial basis, without any direct subsidy from the Government, except in the case of the outlying island ferry routes; and (b) the delicate balance among various public transport services.

The government is an important "push" factor in helping to shape the public transport system. This is of particular importance in the face of the rapid changing operating

environment, whether it be on the political, social, financial or operating sides. Regrettably the report lacks clear indications or directions in these areas.

Due to the poor operating environment and the escalating costs of operation, we are already moving towards direct subsidies to maintain the essential outlying ferry services. We see the loss of bus passengers with the commissioning of new railway lines. We see the reservation of public transport operators to invest on new technology to improve their service quality and bring in new innovations. With the increasing expansion of the rail network, the public aspiration for more environmental and quality improvement measures / facilities, the shortage of labour and the increasing escalation in operating costs, the continuation of financially sustainable operations will be a major challenge to the public transport operators. As a strategy report, we expect there should be policies and measures to help the public transport operators maintain sustainability in the long-term and bring in incentives for continued investments in new innovative ideas and technology.

#### Efficient Operation and Traffic Congestion

One of the major factors in ensuring that the public can enjoy efficient services is to improve traffic circulation. The report, however, does not discuss the deleterious impact of a continuing increase in private car usage nor does it attempt to quantify the benefits to all road-based public transport (including LRT and tram) of reducing the overall traffic levels so that public transport can move more efficiently and effectively. The omission of such a critical issue in terms of efficiency and delivery of road based public transport greatly detracts from the report's credibility. A study to examine the impact on road based public transport if traffic levels were to be reduced with a resultant reduction in congestion-related delays is worthy of consideration. The productivity gains would help keep fares low, would reduce fleet sizes, would reduce fuel consumption and therefore CO<sub>2</sub> emissions. Since buses could travel faster, it would also reduce roadside pollutants and improve air quality. It would also produce huge travel time savings for the vast majority of road users. Such a study would demonstrate the damage caused by traffic congestion, highlight the benefits of reducing congestion and could be one option studied within the framework of a future CTS.

### **Specific Comments**

#### **Rail**

On railway development, this Report refers only to the Railway Development Strategy 2014 ("RDS-2014") announced in September 2014, which reaffirms the policy of using railway as the backbone of our public transport system. Because of its important backbone status in the public transport system, the Institute considers that the government should develop policy and strategy on how to *integrate the railways with the other public transport services in terms of network and fares*. Bearing in mind the proposals as stated in the RDS-2014, the government should develop policy and strategy as on how the different transport modes should work together to meet the passenger transport demand "before" and "after" the new railway network.

We note that there are some areas where the railways are falling behind in terms of *quality provision*, such as the increasingly crowded conditions, needs more caring for the aging population, the absence of wifi services on trains, etc. The government should make sure that MTRC is not complacent about its backbone status but continues to maintain its world-class standard.



## Bus

*Bus priority measures* are discussed in Para 4.11 noting that providing a bus lane will reduce the number of lanes for other traffic and as a result other traffic speeds may fall. We believe the term “priority” means that, if a choice has to be made, the needs of the priority mode should be considered paramount. If congestion is expected to rise to the extent that buses will be delayed, the government should take additional measures to ensure bus priority is achieved. Too much concern on the impact of bus priority measures on other traffic implies that the government is not taking bus priority as a serious policy objective. While other cities in the world are placing more and more importance on bus priorities, the lack of determination on the part of Hong Kong implies that we are falling far behind and this should be a matter of concern to the government.

The imminent introduction of the EKL and SCL will significantly reduce ridership on many of the remaining profitable franchised routes which in turn will reduce the bus companies’ ability to cross subsidise loss making routes. If the system remains unchanged, this is likely to require fare increases well in excess of the FAA formula. Despite the fact that “*long term sustainability*” is one of two objectives for this Study, there is no analysis of this topic for franchised buses. This is a far more important issue than many of the matters discussed in the report.

We support the setting up of more large-scale *bus-bus interchange* schemes, the successful implementation of which would result in a win-win situation benefiting both the passengers and operators. Nevertheless, we also consider it is important to improve road infrastructure to increase passenger convenience and eliminate interchange fare penalties for passengers to increase the attractiveness of interchange. We notice that there are issues relating to the inter-company BBIs and consider that the government should take lead in resolving the inter-company issues to enlarge the interchange network for passengers.

Regarding the discussion of converting low-patronised GMB routes in paragraph 4.5 and the proposed mid-sized single-deck buses in paragraph 4.18 and 4.23, we consider it is worthy of giving further consideration to fully utilise the GMBs, the maximum seating capacity of which has recently been increased, instead of creating keen conflicts and blurring the role between franchised buses and GMBs. As regards concerns about peak capacity, the government may explore introducing peak residents' services to supplement the peak demand.

We support the bringing in of new innovative ideas to the Hong Kong transport system. In this respect, it is good to see that the Report is encouraging franchised operators to develop more premium quality long-haul services which will help reduce the demand for private transport from an increasingly affluent community. To make it a success, policy support on segmentation between premium and basic service in terms of fare, routing and headway, etc., is necessary.

While we are encouraging the introduction of barrier free concept, we should take into accounts new passenger desires. In the UK (including London), access by wheeled buggies in their “fully erect form” to buses is widespread and popular. The government should take note of this development and work on how this practice can be introduced in Hong Kong.



## **LRT**

We note that LRT is to play a prominent and effective role as a feeder to the West Rail Line. We also support the government's proposal of conducting a study early to see if it is necessary to provide alternative means to link up NWNT to the urban areas. As regards the proposal of deploying a green transport mode to provide public transport services within HSKNDA and YLSPDA, we care to caution the need to integrate fares with the trunk service to the urban areas in addition to the service integration.

## **PLB**

We welcome the recognition of the essential role played by GMBs as feeders to rail and franchised bus routes and the commitment to ask GMBs to offer low floor, disabled access if the current trials are successful. The increase in seating from 16 to 19 should provide a chance to request the owners to upgrade to a low floor vehicle at the same time.

We also see the mutual gains for 'route swaps' between GMB and franchised buses as it may help optimise the use of resources. Success in this regard might serve to minimise the present unhealthy competition between GMBs and franchised buses for the interests of GMB operators, franchised bus operators and passengers alike.

## **NFB**

We note the reaffirmation of the supplementary role of NFB in relieving demand on the franchised bus and GMB services primarily during the peak hours and in providing services to specific passenger groups.

With regard to the removal of the sourcing requirements in respect of student service vehicles and cross-boundary shuttle buses, the government should impose stringent measures to avoid abuses in service operation.

## **Taxi**

It is recognised in the Report that there is demand for the current illegal personalised and point-to-point passenger service of a higher fare provided through the use of car-hailing mobile applications. The proposed solution is to introduce 600 franchised taxis.

The Institute has clearly stated its position with regard to the franchised taxis in its previous submission and consider that it would not resolve the problem of poor quality taxi service unless the plan is to scale the franchised taxis in service up by an order of magnitude. However, by so doing the ridership and the earnings of the regular taxis would be seriously impaired. We support the introduction of premium taxi services but consider that the government should work with the taxi trade to convert existing taxi operation to premium service bit by bit with an eventual target of upgrading all the taxi services.

## **Ferry**

We welcome the study on the long-term operation model of ferry services to maintain their financial viability and suggest that the government should work out a long-term development plan for ferry operation, taking into account proposals of increasing the population in the outlying islands.





## Conclusion

The Institute takes the view that this Report falls far short of what would reasonably be expected of a Strategy Study in that there is no overall vision of the future public transport system, no objectives on a modal or overall basis, no target performance measures, no real analysis of operator sustainability under a range of operating environments, etc. At best this Report offers some short / medium term proposals, e.g., network changes for LRT and some BBI and bus lane suggestions for franchised buses as might be expected in a modal Five Year Development Plan.

The Report does mention government efforts to ease traffic congestion, contain private car growth, reduce illegal parking, etc. and notes that traffic congestion adversely impacts road based public transport. There is however no commitment to reduce traffic levels; this would significantly improve the efficiency of road based public transport and reduce passenger travelling times. The lack of any commitment is disappointing.

Overall speaking, we are proud that Hong Kong was ranked first in terms of public transport services among 84 cities under The Future of Urban Mobility, a report published in April 2014 by Arthur D Little, a management consultancy. We raise our concerns as we concur with the views of this survey report which mentions that Hong Kong's mobility has been shaped by one dominant operator and further improvement of the mobility system will require more cooperation with other stakeholders in the ecosystem and the introduction of innovative mobility services. We consider the government should :-

- state clearly the transport vision, and the strategy and objectives in pursuing such a vision;
- Assess in detail the changing operating environment and up-to-date aspirations of customers;
- Work more on the issue of complementarity on such aspects as network and fare integration;
- take more visionary moves on the innovative and technological advances with an aim to achieve continued sustainability;
- Launch a detailed study on the impact of traffic on service efficiency of public transport.

The last comprehensive transport study CTS3 was conducted in 1999, almost twenty years ago. Much has changed in this time and the Institute takes the view that a new CTS study is long overdue. This new study would forecast future travel conditions if current trends and policies continue, would assess these conditions and, if found unacceptable, would examine options to achieve desired objectives. Such a study would give proper weight to, *inter alia*, passenger expectations and requirements, environmental objectives, expected technological changes including automated vehicles and extensive use of electrical vehicles and also the long term suitability of the current corporate financial arrangements. It is time for the government to consider to launch the fourth Comprehensive Transport Study with an aim to develop an updated transport vision and strategy for Hong Kong.

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