

**For discussion on
21 March 2025**

Legislative Council Panel on Transport

Operating Environment of Public Light Bus Trade

Purpose

This paper reports to Members about the latest operating environment of public light bus (“PLB”) trade and the relevant enhancement measures implemented by the Government.

Background

2. The Government has a set of holistic transport strategies and planning principles. With the public transport oriented policy and the use of railway as the backbone of our transport system, we provide convenient, environmentally-friendly and efficient mass transport services to the public. Different modes of public transport services complement each other’s strengths and play their respective roles to meet the needs of residents and social and economic development. PLBs are relatively more flexible in service arrangement, and play an important supplementary feeder role mainly serving areas with relatively lower passenger demand or where the use of high-capacity transport modes is not suitable.

3. Currently, the total number of PLBs is capped at 4 350, including around 3 400 green minibuses (“GMBs”) and around 950 red minibuses (“RMBs”). GMBs operate scheduled services with routes, fares, vehicle allocation and timetable subject to approval by the Transport Department (“TD”); while RMBs are not required to operate on fixed routes or timetable, and can set their own fares.

Operating Environment of PLB Trade

4. The average daily patronage of PLBs remained stable at around 1.47 million passenger trips per day in 2023 and 2024, after the COVID-19 pandemic. Since 2017, the share of PLB in the overall public transport market has remained at about 13% to 14%. However, along with the

change of travelling needs and patterns of the public, and the decline in the overall patronage of public transport services, the average daily patronage of PLBs in 2024 dropped by about 19% when compared with that of 2017. The patronage of PLBs from 2017 to 2024 is set out at Annex.

5. The TD conducts analysis on the accounts of GMBs in a financial year (“FY”) on an annual basis, covering all GMB routes in Hong Kong¹. The overall financial position of GMBs in FY 2023-24 is similar to that in FY 2022-23, and the financial positions of most GMB routes are generally healthy. While the fare revenue increased over the previous financial year, there was also an increase in the costs, such as salaries of drivers and fuel costs, resulting in losses on some routes. As the figures for FY 2023-24 have yet to reflect the full-year effect of the GMB fare adjustment in 2024 (see paragraph 13 below), it is expected that the overall financial position of GMBs will continue to improve in FY 2024-25. The TD has been closely monitoring the operation of GMB routes and has implemented various enhancement measures to tackle issues on the operational arrangements, safety, service level and shortage of drivers, etc.. Details are set out in the ensuing paragraphs.

Measures to Enhance the Operating Environment of PLB

Planning and Introduction of New GMB Routes

6. Based on the transport strategies mentioned in preceding paragraphs, the TD will take into account a number of factors, such as district development, travel needs of the residents, traffic conditions as well as the capacity and functions of different modes of public transport, in planning public transport services in individual districts, including the introduction of new GMB routes. The TD has adopted the relevant approach in the planning of public transport network in new development areas and large-scaled housing development projects in recent years, for example, the public housing development projects of Queen’s Hill, Fanling, and Fu Tip Estate Phase 2, Tai Po, consisting of franchised buses and GMB services to facilitate commuting of the residents. The TD will also closely monitor the changes in the demand for public transport services in various districts, with update on the planning and adjustment of the public transport service arrangements from time to time, and formulate suitable new GMB route packages.

¹ As the majority of RMBs are operated by individuals, and the service details are not subject to the regulation of the TD, the TD does not have information on the operating accounts of RMBs.

7. The TD has been inviting applications from interested parties (including RMB operators) to operate new GMB routes through the prevailing Green Minibus Operators Selection Exercise (“GMBOSE”). In response to the increasing passenger demand, the TD will also approve the operators of the concerned GMB routes to increase the number of vehicle deployment. From 2019 to 2024, the TD introduced a total of 21 new GMB routes with 76 additional GMBs through the GMBOSE for applications from interested parties. During the same period, with a view to enhancing the service level of existing GMB routes, the operators concerned also deployed 83 additional GMBs.

8. At the same time, the TD conducts comprehensive review of the planning of franchised bus and GMB routes in its annual Route Planning Programme to ensure better coordination between franchised bus and GMB services, providing the public with an efficient public transport network.

“Conversion of RMBs to GMBs”

9. In addition to the introduction of new GMB routes, it has been the Government’s established policy to encourage the conversion of RMBs to GMB operations, which has a wider catchment area and a relatively stable operating environment, with a view to improving their operating conditions and allowing for more effective monitoring by the TD to ensure the service quality.

10. Apart from inviting applications from RMB operators to operate new GMB routes through the GMBOSE, in mid-2024, the Government invited the operators of 11 selected RMB routes meeting specific conditions to apply for conversion to GMB route operations (“the Scheme”). To better monitor the PLB services, the operators of the approved routes will need to comply with the “Conditions for the Operation of Public Light Bus (Scheduled) Service”, including employing drivers to perform driving duties, and the daily operation and fares will also be subject to TD’s approval and regulation. In January 2025, the TD has approved the operators of two RMB routes under the Scheme to convert their RMB routes into GMB route operations, i.e. routes “Sau Mau Ping (Hiu Kwong Street) – Jordan (Pak Hoi Street)” and “Yuen Long (Park YOHO) – Yuen Lon Station (Long Ming Street) (circular)”, involving 12 PLBs. The operators of the approved routes have started the relevant gearing-up work and will commence service in March 2025. Depending on the operation of the two routes participating in the Scheme, as well as

the views and feedback from the trade on the Scheme, the TD will consider further opening up the Scheme for more RMB routes.

Facilitating the Operation of PLB Trade

11. In response to the request of the trade, the TD has been introducing various measures to facilitate the operation of the PLB trade. For example, from August 2024, the TD permits parking of PLBs at designated PLB stands where it does not impact road safety or other road users during the non-operating hours (generally the non-peak and overnight periods), with a view to meeting the operational and parking needs of the trade, as well as reducing the parking costs borne by the operators. As at mid-February 2025, about half of all PLB stands (i.e. 370 stands)² had been installed / arranged for installation with the PLB parking signs. The TD will continue to discuss with the trade to complete the remaining installation works within 2025.

12. Taking into account the actual road conditions of individual locations, the TD may suitably relax or rescind some passenger pick-up/drop-off restricted zones or prohibited zones for RMBs. The TD has relaxed the restrictions on RMBs in their use of expressways in recent years, allowing RMBs to operate on some sections of the West Kowloon Corridor, Kwun Tong Bypass, East Kowloon Corridor, as well as Tsing Sha Highway and Island East Corridor.

13. In addition, the TD handles fare increase applications from GMB operators in a prudent and timely manner, with a view to maintaining the financial stability of the GMB route packages and the provision of quality services to the public. In 2024, the TD has approved the fare increase applications of 258 GMB routes (a total of 65 route packages), accounting for 45% of the GMB routes in the territory. Moreover, the TD analyzes the annual accounts of GMB in a financial year, and reviews the ceiling of fares in “GMB Fare Scale”³ such that the GMB fares can reflect the latest economic situation and operating environment. For RMBs, the Government has extended the Public Transport Fare Subsidy Scheme and

² There are a total of 760 PLB stands designated by the TD (including RMB and GMB stands), excluding about 60 PLB stands designated on non-public roads (e.g. public housing estates and private roads).

³ Under section 29 of the Road Traffic Ordinance (Cap. 374), the Commission for Transport may specify the fares of individual GMB routes in the Passenger Services Licenses issued. The fares to be charged are determined by the ceiling of fares as stipulated in the prevailing “GMB Fare Scale”.

“\$2 Scheme” to eligible RMB routes, which brings about positive effects on the operation of RMBs.

Enhancing Service Quality of PLBs

14. The Government will continue to render necessary assistance to the trade to enhance the service quality, operating efficiency and safety of PLBs for attracting more passengers. With a view to enhancing PLB management and passengers’ convenience, the Government has funded the development of a data collection system, and has installed global positioning devices on all GMBs in the territory since 2022, so that passengers can get access to the real-time arrival information of GMBs through TD’s “HKeMobility” mobile application. GMB operators can also use the relevant data for fleet management to optimise operational efficiency.

15. On the other hand, the TD will continuously review the services of GMB routes, and approve different service enhancement options, including frequency adjustment, routeing alternation, route amalgamation, vehicle deployment adjustment, etc., taking into account the passenger demand and operational needs of GMB services, with a view to improving the operational efficiency and financial position of GMBs. If an operator who is operating multiple route packages would like to apply for service rationalization amongst route packages, the TD will carefully consider allowing merger of operations with redeployment of vehicles for enhancing the efficiency. In the past three years, the TD has processed a total of 145 applications for optimizing GMB services. For example, with the approval of the merger of the New Territories GMB Route 28K (Tai Po Market Station – Sha Tin (Pak Hok Ting Street)) and Route 814 (Lai Ping Road – Sha Tin (Pak Hok Ting Street)) in July 2024, the operators are able to improve operational efficiency and have greater flexibility in vehicle deployment for the introduction of special service Route 28A (Tai Po Market Station – Yau King Lane) as well as the provision of short-working service of Route 814 (plying between Lai Ping Road and Fo Tan Station) during the morning peak hours on weekdays, to meet the travelling needs of passengers.

16. The Government is also actively exploring with the trade on other feasible proposals for providing quality PLB services, including the provision of pre-booking and wheel-chair accessible PLB services, as well as capitalizing on the advantages of RMB in flexible service routeings and headways to develop “mobility-on-demand” transport mode of operation. In November 2024, the Management Committee on Smart Transport Fund

approved a project that covers the development of a system for provision of on-demand service for RMB operators with a trial on a RMB route after completion of system development work.

Enhancing Manpower Resources of PLB Trade

17. The Government noted that the PLB sector has been facing continuous and acute shortage of drivers. In 2020, the Government has relaxed the period required of holding driving licences before a person may apply for a commercial vehicle (including PLBs) driving licence, in order to attract new blood to the trade. With a view to further alleviating the manpower shortage of the trade, the Government announced the Labour Importation Scheme for Transport Sector – PLB/coach trade in June 2023. A total of 900 quotas for imported PLB drivers have been approved under the two rounds of applications in September 2023 and July 2024 respectively. As at mid-February 2025, over 650 imported drivers have successfully obtained the driver license required and have been deployed to services at designated GMB routes. In our observation, the imported drivers provide high quality services, which can help alleviating manpower shortage of the trade, and enhancing the headways of the GMB services to help the trade to maintain quality and stable services.

18. On the other hand, through collaboration of the TD and the Employee Retraining Board (“ERB”), the ERB as well as PLB operators and third-party training organisations have jointly launched the placement-tied driving training scheme for PLB drivers in December 2024, with a view to encouraging local workers to join the PLB trade. We expect the first batch of the trainees to perform driving duties for designated GMB routes starting from the second quarter of 2025, after completion of the training course and obtaining relevant driver licenses. At the same time, the TD will continue to joint hands with relevant stakeholders (including the Labour Department, the ERB and PLB trade) to promote local recruitment through a multi-pronged approach.

19. We will continue to encourage PLB operators to improve the remuneration packages of their staff through various means, such as increasing salaries and paid leave, so as to create a more desirable working environment and attract more new blood to join the trade. Part-time drivers should also be deployed to meet the manpower demand for peak-hour services.

Way Forward

20. The Government will follow the well-established transport strategies and planning objectives in facilitating the complementarity of strengths among various public transport services, and continue to improve the efficiency of Hong Kong's overall transportation system for providing the public with quality and efficient public transport services. The Government will continue to maintain communication with the trade in a proactive manner and gather their views, for optimizing the existing measures and exploring different new proposals, with a view to improving the operating environment of PLB trade and further enhancing the quality of PLB services

21. Members are invited to note the report of the paper.

Transport and Logistics Bureau
Transport Department
March 2025

Patronage of PLBs from 2017 to 2024

Year	GMBs (a)		RMBs (b)		PLBs (a) + (b)		Average daily patronage of all public transport services ('000)
	Average daily patronage ('000)	Percentage share of public transport market	Average daily patronage ('000)	Percentage share of public transport market	Average daily patronage ('000)	Percentage share of public transport market	
2017	1 520	12%	295	2%	1 815	14%	12 691
2018	1 518	12%	288	2%	1 806	14%	12 868
2019	1 478	12%	283	2%	1 761	14%	12 440
2020	1 111	12%	183	2%	1 294	14%	8 928
2021	1 272	12%	209	2%	1 482	14%	10 552
2022	1 170	12%	160	2%	1 330	14%	9 669
2023	1 306	11%	158	1%	1 464	13%	11 479
2024#	1 325	11%	146	1%	1 471	13%	11 696

Provisional figures