

**INDEPENDENT REVIEW COMMITTEE ON HONG KONG'S  
FRANCHISED BUS SERVICE**

**INDEX OF BUNDLE FOR TRANSPORT AND HOUSING BUREAU (“THB”)  
THB-1 (SUBMISSIONS)**

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Independent Review Committee on  
Hong Kong's Franchised Bus Service

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The Hon Frank CHAN Fan, JP  
Secretary for Transport and Housing  
22/F, East Wing, Central Government Offices  
2 Tim Mei Avenue  
Tamar, Hong Kong

28 March 2018

Dear Hon Chan,

**Invitation for Written Submissions for Consideration by the  
Independent Review Committee on Hong Kong's Franchised Bus Service**

The Chief Executive announced on 13 March 2018 that an Independent Review Committee on Hong Kong's Franchised Bus Service (the Committee) had been set up, following the occurrence of the fatal incident on Tai Po Road on 10 February 2018 and other recent serious incidents involving franchised buses in Hong Kong. From the point of view of safety, the Committee is required to examine the operation and management of bus franchises and the related regulatory and monitoring system of franchised buses, so as to make recommendations to the Chief Executive of safety-related measures with a view to sustaining a safe and reliable franchised bus service. The terms of reference of the Committee are set out in Annex I to this letter.

The Committee commenced its work on 28 March 2018. The Committee will, from the point of safety, examine the operation and management of bus franchises under the current legislative, franchise and other contractual requirements, together with any guidelines and/or practices, and examine the present regulatory and monitoring system for franchised buses.

As instructed by the Chairman of the Committee, the Honourable Mr Justice Michael Lunn, I am writing to request your Bureau to provide a written submission to the Committee on the abovementioned matters. Specifically, your Bureau is invited to provide responses to address the issues and questions set out in Annex II to this letter, as well as any other issues and comments that your Bureau wishes to raise.

I should be grateful if the submission of your Bureau could reach the Secretariat of the Committee by 17 April 2018. Please send the submission by hard and soft copies to:

**By post:** Secretariat to the Independent Review Committee on Hong Kong's Franchised Bus Service, 21/F, Queensway Government Offices, 66 Queensway, Admiralty, Hong Kong (*with the envelope specifying that the written submission is enclosed*) and

**Via email:** [secretariat@irc-bus.gov.hk](mailto:secretariat@irc-bus.gov.hk) (*with the email heading specifying that the written submission is enclosed*)

The information provided in the written submission will be considered by the Committee in reviewing the matters it is directed to consider under the terms of reference of the Committee and in drawing up its recommendations. If necessary, the Committee may invite your bureau to provide supplementary written and/or oral submissions. Please also be advised that all submissions (including any annexes, appendices and attachments contained therein) will be treated as public information and, at the discretion of the Committee, may be published on the Committee's website.

Yours sincerely,



(CHAN Ping-fai, Peter)

Secretary, Independent Review Committee on  
Hong Kong's Franchised Bus Service

Encl.

**Independent Review Committee on Hong Kong's Franchised Bus Service  
Terms of Reference**

From the point of view of safety, in the light of the fatal accident on 10 February and other recent serious incidents involving franchised buses in Hong Kong:

- (a) to examine the operation and management of bus franchises under the current legislative, franchise and other contractual requirements;
- (b) to examine the present regulatory and monitoring system for franchised buses; and
- (c) in relation to the above, to make recommendations to the Chief Executive on safety-related measures with a view to sustaining a safe and reliable franchised bus service in Hong Kong.

**Note:**

Issues relating to the causes and liability of persons involved in the fatal accident on 10 February 2018 will be investigated by the Police and fall outside the Committee's terms of reference.



### **Specific Matters to be Addressed in the Submission**

*Note: Please provide relevant documents relevant to the issues and questions listed below. Where applicable, the documents should cover the period from 2012 to February 2018.*

#### **(1) Overall policy on franchised bus service**

- (a) Please provide a description of the Transport and Housing Bureau (THB)'s policy on franchised bus service, including the positioning of the service in the overall provision of land-based public transport service.
- (b) In formulating policies on the provision of transport services, what considerations have been given in the setting of objectives in relation to safety and reliability, in particular regard to the provision of franchised bus service?

#### **(2) Policy directives on the safety and operation of franchised bus service**

Does THB have a policy or has THB issued any policy directives to the Transport Department (TD) on matters relating to the safety and operation of franchised bus service, including aspects such as bus design and adoption of safety devices or technology in buses, design of roads on which franchised bus services are operated, employment (remuneration package, full-time or part-time employment modes) and working conditions of bus captains (work and rest hours, staff resting facilities)?

#### **(3) Regulating and monitoring of the operation and management of franchised bus service**

Does THB have any regulatory and monitoring role in the operation and management of franchised bus service, particularly where there are disagreements between TD and the franchised bus operators over specific requirements stipulated by TD in ensuring the provision of proper and efficient bus service? If yes, please set out the details.

**(4) Follow-up actions in response to fatal traffic accidents involving franchised buses in recent years**

Does THB have any role in the investigation of or taking other follow-up actions on traffic accidents involving franchised bus service? Has THB issued any instructions to TD or taken any other follow-up actions in response to the fatal traffic accidents in Tai Po on 10 February 2018 and any other accidents resulting in fatalities involving franchised bus services from 2012 to February 2018? If yes, what are they?

**(5) Follow-up actions in response to the report of the Audit Commission issued in March 2013**

In March 2013, the Audit Commission released its Director of Audit's Report No. 60, the second chapter of which looked into, among other things, road safety measures involving franchised bus service. Please set out the follow-up actions that have been undertaken by THB, TD and other relevant departments in response to the report.

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Mr CHAN Ping-fai, Peter  
Secretary, Independent Review Committee on  
Hong Kong's Franchised Bus Service  
21/F, Queensway Government Offices  
66 Queensway, Hong Kong

24 April 2018

Dear Mr Chan,

Thank you for your letter to Secretary for Transport and Housing dated 28 March 2018. Please find attached at **Annex** our submission on the issues listed in Annex II of your letter for consideration by the Independent Review Committee on Hong Kong's Franchised Bus Service.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Crystal Yip".

( Miss Crystal Yip )

for Secretary for Transport and Housing

c.c. Commissioner for Transport

**Submission from the Transport and Housing Bureau**

**Purpose**

This note provides the information requested by the Independent Review Committee on Hong Kong's Franchised Bus Service as stated in its letter of 28 March 2018.

**Part I: The Government Structure**

2. The executive arm of the Government of the Hong Kong Special Administration Region ("HKSAR") is organised into the Government Secretariat and departments. In general terms, Government Secretariat Bureaux formulate policies and initiate proposals. Departments implement policies, enforce laws and provide direct services to the community.

3. The Transport and Housing Bureau ("THB"), headed by the Secretary for Transport and Housing ("STH"), is one of the 13 Government Secretariat Bureaux of the Government of the HKSAR. It has policy responsibility for Hong Kong's transport and housing. In the area of transport, the THB is responsible for the formulation of policies on matters relating to Hong Kong's internal and external transportation, including air services, land transport, maritime transport and logistics. These policies aim to support Hong Kong as a premier transportation and logistics hub in Asia as well as an international maritime centre. The THB is supported by four departments, viz the Civil Aviation Department, the Highways Department, the Marine Department and the Transport Department ("TD") in carrying out its work in relation to transport.

4. The TD, headed by the Commissioner for Transport ("Commissioner"), is the authority for administering the Road Traffic Ordinance (Cap. 374) and legislation regulating public transport services. Its responsibilities cover transport planning, traffic management, management of roads, tunnels, transport infrastructure, car parks and parking meters; monitoring of land-based, railway and water-borne public transport;

issuing driving licences, processing of vehicle registration, issuing vehicle licences and conducting vehicle examinations, etc.

5. In relation to franchised bus service, **the THB is responsible for the formulation and coordination of policy and legislation concerning the provision of franchised bus services in Hong Kong**, whereas **the Transport Department is the regulator of franchised bus service, responsible for formulating and introducing measures to implement the policy concerning the provision of franchised bus services, as well as monitoring the day-to-day operation of the franchised bus services.**

## **Part II: The Policy Formulation Process**

6. Generally speaking, the THB sets new policies and reviews existing policies to respond to various evolving transport-related issues and problems affecting the development of our society by taking a high-level macro perspective. Executive departments, as the regulator and/or the front-line agencies responsible for the implementation of the laws and policies, are also heavily involved in the policy formulation process. They may, for example, be asked to examine the operational feasibility and effectiveness of a new policy idea or proposal at the initial policy formulation stage. Very often, new policy ideas or proposals are put forth by the executive departments in the first place given their day-to-day monitoring of the operation of the law and measures, as well as their liaison with the trade, other stakeholders and the public.

7. Stakeholders' participation and discussion is an important step during policy formulation. The THB and the TD will **go through due process to consult the stakeholders, including the public transport operators, the Transport Advisory Committee ("TAC")<sup>1</sup> and the Panel for Transport of the Legislative Council ("Transport Panel")<sup>2</sup> as**

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<sup>1</sup> The Transport Advisory Committee is entrusted to give advice to the Chief Executive-in-Council on all matters relating to transport policy, and to oversee and give steer on matters relating to provision of public transport services to the public.

<sup>2</sup> The Transport Panel monitors and scrutinises government policies and issues of public concern relating to transport matters and provides a forum for the exchange and dissemination of views on these policy matters. It also receives briefings and formulates views on any major legislative or financial proposals in respect of transport policies.

**appropriate, when putting forward proposals relating to public transport services, including the franchised bus ones, into operation.**

This consultation process helps collect views from various stakeholders, professionals and public, which will be taken into full account in deliberating the proposals concerned. Examples on how the Government formulated and implemented various safety-related measures in the aspect of franchised bus operation could be found in Part V of this paper. One can see that the THB, the TD and stakeholders interacted in putting forward initiatives, e.g. safety-related equipment and facilities (paragraphs 24-25), working conditions and employment package of bus captains (paragraphs 26-27) and fare increase applications (paragraphs 28-30). Similarly, the Government acted swiftly in responding to tragic traffic accidents involving franchised buses. See Part VI of this paper for more details.

8. To sum up, the **policy formulation process is an interactive process**, in which the THB needs to uphold public interest while balancing the views from the trade, public and other relevant stakeholders, with the TD actively providing inputs and feedback.

### **Part III: Overall Policy on the Provision of Franchised Bus Services in Hong Kong**

#### *General*

9. Hong Kong has a comprehensive public transport system comprising a variety of modes viz railways, franchised buses, public light buses, taxis, ferries, trams and non-franchised buses. **Ensuring the provision of safe, efficient, reliable and environmentally-friendly public transport services to meet the community needs has always been one of the key transport policy objectives of the Government.**

10. In this connection, the Government has been –

- (a) expanding and enhancing the transport infrastructure in a timely manner;

- (b) enhancing the coordination and, together with the operators, the quality of the services; and
- (c) managing road use to reduce congestion and to promote safety.

11. It is the Government's policy that **public transport services should be run under the Government's regulatory framework by the private sector in accordance with prudent commercial principles to increase operating efficiency.** Given the foregoing, the Government's fare policy for public transport is to balance, among all factors, public affordability and sustainability of the operation of the public transport services (i.e. ensuring the public transport operators have the capability and willingness so as to continue to invest in providing and enhancing their services and improving safety).

*Role and positioning of franchised bus services in Hong Kong*

12. Since 1976, the Government has conducted three comprehensive transport studies to map out the strategic plans for transport planning and overall development, as well as formulate development plans for infrastructures so as to cater for the socio-economic development of Hong Kong. The Third Comprehensive Transport Study ("CTS-3"), completed in 1999, has laid down a number of broad directions, including, inter alia, better use of railway as the backbone of our passenger transport system and provision of better public transport services and facilities. The CTS-3 also sets out a hierarchy of the roles and positioning of different public transport services having regard to their efficiency and functions. **At the top of the hierarchy is heavy rail, followed by franchised buses and light rail, while other public transport services basically play a supplementary role.**

13. In 2016, the Government completed the Public Transport Strategy Study ("PTSS") which is a systemic review on the respective roles and positioning of public transport services other than heavy rail. It confirms the hierarchy of roles and positioning of different public transport services having regard to their efficiency and functions as set out in the CTS-3 completed in 1999. **Franchised bus service, as road-based mass carriers among the public transport modes other than heavy rail, will continue to serve a pivotal role in the overall public transport system.** It has high



**capacity and can be deployed flexibly, with the service patterns capable of being adjusted within a relatively short period to meet changes in demand.** Franchised buses serve areas without direct railway access as well as provide feeder service connecting the railway network and inter-district service. As at December 2017, franchised buses account for around 31% of the public transport patronage. A copy of the PTSS report is at Appendix A while the average daily public transport passenger journeys of different public transport modes in December 2017 can be found at Appendix B.

14. It should be noted that Hong Kong is one of the very few cities/jurisdictions in the world where the franchised bus service is provided by private companies without direct government subsidies. As a matter of fact, the Kowloon Motor Bus Company (1933) Limited (“KMB”) is the world’s largest privately held bus company. Together with the other four franchised bus operators, the franchised bus network has been well-developed in Hong Kong with about 600 bus routes operated every day. By and large, the service performance of the six franchises is satisfactory, with the accident rate and lost trip rate maintained at a relatively low level in recent years. The Government also recognised the efforts made by the bus operators to enhance their operational and network efficiency through vigorous rationalisation of bus routes in partnership with the Government, as well as replacing their bus fleet with models meeting prevailing statutory emission standards. That notwithstanding, the THB and the TD continue to monitor the service performance of the franchised bus operators under its regulatory and monitoring regime, including the examinations and checks on the buses undertaken by the TD, monitoring of the records furnished by franchised bus operators to the TD, as well as the requirements imposed on franchised bus operators from time to time to enhance their safety and operation (such as the installation of “black boxes” and guidelines for bus captains on working hours). Details of the above regime are to be provided in the TD’s separate submission. Some information concerning black boxes and working hours guidelines are also set out in Part V below.

## **Part IV: The regulation and monitoring of the franchised bus services in Hong Kong**

15. As pointed out in Part I above, the THB is responsible for the formulation and coordination of policy and legislation concerning the provision of franchised bus services in Hong Kong, whereas the TD is the regulator of the franchised bus service, responsible for formulating and introducing measures to implement the policy concerning the provision of franchised bus services, as well as monitoring the day-to-day operation of the franchised bus services. **The relevant legislation, the franchise, as well as other commitments made by the franchised bus operators in the form of letters or guidelines put forward by the TD** which set out requirements for compliance by the franchised bus operators are the **tools for the regulation and monitoring of the franchised bus services** in Hong Kong. These tools **enshrine the policy objectives** concerning franchised bus services.

### *The legislation*

16. The Public Bus Services Ordinance (Cap. 230) (at Appendix C) and its subsidiary legislation, the Public Bus Services Regulation (Cap. 230A) (at Appendix D), are the key statutory tools for the regulation of franchised bus service operation in Hong Kong. **Our policy objective of ensuring proper and efficient franchised bus service is clearly reflected in the provisions of the Ordinance and the requirements in the Regulation.** Please find the powers and responsibilities of the STH under Cap. 230 summarised at Appendix E.

17. It should also be noted that section 9 of Cap. 230 provides that the Chief Executive may appoint not more than two persons to be additional directors of a franchise grantee, and **the person so appointed to be an additional director shall represent the Government** and for that purpose shall be entitled to participate at meetings of the franchised bus company and the board of the franchised bus company. The Government Directors shall also have access to all materials concerning the affairs of the franchised bus company which is available to any other director. In this regard, the Deputy Secretary for Transport and Housing (Transport) 2 and the Commissioner are appointed as the Government Directors of all six franchise grantees by the

Chief Executive. The role of the Government Directors is to reflect government policies and to safeguard public interest, as well as to monitor the operation of these franchised bus companies at the strategic level from the angle of protecting public interest. Over the years, the Government Directors have actively participated in the Board meetings of all franchised bus companies to achieve the above purpose.

### *The franchise*

18. **The THB oversees the granting of a new franchise for a bus operator**, including participating in the negotiations to ensure that the franchise terms and conditions will be line with the policy concerning franchised bus service, **while the TD is the chief negotiator with the bus operators to ensure that the services to be provided by the bus operator are operationally feasible and financially sound** (including the bus deployment, bus design and facilities, bus stops, bus information to passengers, handling public complaints, operational records to be supplied to the Commissioner, contract procurement, environmentally-friendly measures, fare concessions, etc.). Furthermore, the Commissioner monitors the performance of the franchise grantee, including having the authority to direct the grantee to fulfill various requirements under the franchise. A sample franchise is at Appendix F.

19. In making recommendations to the Chief Executive-in-Council in granting a franchise to a bus operator, the THB will take into account the bus operator's capability of providing a proper and efficient service and willingness to further invest in franchised bus operation, with the TD's assessments based on its day-to-day monitoring of the franchised bus operation. Performance in terms of safe and reliable operation, including the average number of buses involved in accidents per million vehicle-kilometre travelled, lost trip rates, and the installation of facilities to reduce fire hazards on buses, is one of the key aspects that both the THB and the TD will take into consideration. Furthermore, the Transport Panel and TAC will be consulted before a recommendation is made to the Chief Executive-in-Council. The TAC Chairman will set out its advice to the Chief Executive-in-Council in the form of a letter, which is then made public. Copies of the papers issued to the Transport Panel and the TAC Chairman's

letter to the Chief Executive-in-Council for the recent grant of the KMB franchise are at Appendix G.

### *Other measures*

20. The Commissioner may also from time to time specify requirements for compliance by the franchised bus operators by mutual agreement with the franchised bus operators in the form of letters or guidelines, etc. with a view to ensuring a proper and efficient public bus service to the satisfaction of the Commissioner in accordance with the legislation and the franchise. Examples include the installation of black boxes and review of guidelines for bus captains' working hours. More details are to be provided by the Transport Department in their submission to the Independent Review Committee.

### *Handling of disagreements with franchised bus operators*

21. It is natural that franchised bus operators and other stakeholders may hold different views from the TD, which is the regulator of the franchised bus services, from time to time on various issues. Where such cases are drawn to the THB's attention, the THB takes a broader high-level view of the issues involved with reference to the policy objectives and the ultimate goal of the provision of proper and efficient franchised bus services, and work with the TD and/or the franchised bus operators as appropriate (e.g. through meetings) to take the concerned matters forward. In practice, the differences can in general be resolved during such an interactive process. In extreme case and under the legislation, for situations where a franchise grantee is aggrieved by any decision, direction or requirement of, inter alia, the STH or the Commissioner, the grantee may appeal by petition to the Chief Executive-in-Council in accordance with section 33(1) of Cap. 230. There has not been any such appeal to the Chief Executive-in-Council in recent years.

22. In addition, in case of disagreement between the TD and franchised bus operator over the forward planning programme, the Commissioner shall forward the details of the point in disagreement to the STH in accordance with section 12A(4) of Cap. 230 and the STH shall decide on the point having regard to the submissions of the grantee and the

Commissioner. There has not been any such appeal to the STH in recent years.

## **Part V: Safety and Operation of Franchised Bus Service**

23. The work of regulating and monitoring the operation of franchised bus service is essentially the work of ensuring the safe and proper operation of franchised bus service. The way that the THB and the TD work on this aspect, including the bus design and adoption of safety devices on buses and guidelines for the working hours of bus captains, etc., is described as in paragraphs 6 to 9 and 15 above. It should also be noted that the THB has regular meetings with the TD on topics including public transport and franchised bus services, and the THB and the TD would hold ad hoc meetings on topical issues on a need basis. We set out some more concrete examples for illustrative purpose in the ensuing paragraphs.

### *Safety-related equipment and facilities*

24. The operational safety of franchised bus services has always been one of the focuses that the THB and the TD have particular concern. The THB requests the TD to formulate and/or examine proposals to enhance the safe operation of franchised bus services from time to time. Very often, the TD takes the initiative and maps out new safety-related enhancement measure having regard to their day-to-day monitoring work and liaison with the trade, the public and other stakeholders and submit to the THB for consideration.

25. In particular, the TD has been working closely with the franchised bus operators on the provision/installation of safety-related equipment and facilities onto the franchised buses. These include speed limiter, electronic tachograph (commonly known as “black box”), guard rail, protective film on windcreens, etc. Take the installation of black box as an example. The THB and the TD examined the need to require all franchised buses to install black box following the fatal bus accident at Tuen Mun Road in 2003. The TD provided technical advice on the feasibility and merits of installing black

box onto buses, with close communication with franchised bus operators in the process. The THB endorsed the TD's proposals. Both the Transport Panel and the TAC were consulted during the process. The TD followed up with the franchised bus companies, and all companies agreed to install black boxes onto new buses as well as retrofitting black boxes on the existing buses. At present, all franchised buses are equipped with black boxes to record the operation data of the vehicle. More details of these equipment/facilities are to be provided by the TD in their submission to the Independent Review Committee.

*Working conditions and employment package of bus captains*

26. In order to deliver the policy objective of providing safe franchised bus services, the TD promulgated the Guidelines on Bus Captain Working Hours, Rest Times, and Meal Breaks ("Guidelines") for full compliance by the franchised bus operators since 1998, with a view to ensuring that sufficient rest time is provided for bus captains while the operation of franchised bus services should not be undermined. The last comprehensive review started in October 2017 and was completed in February 2018 with improvements made in terms of working hours, driving hours and rest times, including shortening the maximum duty hours and driving hours in a shift from not exceeding 14 hours and 11 hours to not exceeding 12 hours and 10 hours; as well as lengthening the rest break for bus captains after six driving hours from 30 minutes to 40 minutes. The revised Guidelines can be found at Appendix H. Take the latest review as an example. The TD took the initiative to propose the enhancements to the guidelines having regard to the actual operation of the guidelines over the years and the possible impact of the proposed changes to the franchised bus operation. The TD also took the lead to discuss with the franchised bus companies and relevant staff organisations on the proposed revisions to the Guidelines. The THB has been overseeing the review process by meeting with the TD from time to time, with a view to ensuring that the revised guidelines would strike a balance among the provision of proper franchised bus services for passengers, the rest times and working hours of bus captains, the operational needs of the franchised bus operators as well as public expectation. The THB has also taken into account the possible implications of the revised guidelines on the fare level of the franchised bus services.

27. During the review process, both the THB and the TD noted that the public concerns on the remuneration package for bus captains. However, same as other trades, the remuneration packages of bus captains are subject to a host of factors including the private sector market and the overall economic conditions. An operator may flexibly determine the reasonable remuneration arrangement for bus captains according to its operating conditions. As such, the Government will not intervene direct in this respect, so long as the arrangements comply with the statutory labour requirements. The TD has in the process urged the franchised bus operators, as responsible enterprises, to bear in mind the remuneration arrangement for their bus captains in the intent of ensuring the provision of proper and efficient service. If the franchised bus operators consider it necessary to apply for fare increases because of the implications brought by the enhanced Guidelines or the enhanced remuneration package for their staff, the THB has been open-minded to process any such fare increase applications from the franchised bus operators in accordance with established practice.

#### *Fare increase applications*

28. According to Cap. 230, the Chief Executive in Council has the authority to determine the fare level for franchised buses. According to established practice, the THB and the TD will make recommendations to the Chief Executive in Council with regard to the Fare Adjustment Arrangement (“FAA”) for franchised buses. In fact, when processing fare increase applications, the THB and the TD attach great importance to the safety element. Take the fare increase application from KMB in 2013 as an example.

29. In processing KMB’s fare increase application at that time, it was noted that the increase in KMB’s revenue was not able to offset the rise in its operating costs. The increase in KMB’s operating costs was mainly due to the annual pay rise of 2012, as well as the increase in headcount of drivers to meet the then new meal break requirements arising from the updates of the guidelines for bus captains and increase in fuel consumption to meet the service schedules. Having regard to KMB’s service performance, including its accident rate, installation of black boxes on all buses and lost



trip rate being comparable with other franchised bus operators, as well as other considerations in the basket of factors under the FAA regime<sup>3</sup>, the THB and the TD recommended to the Chief Executive in Council that KMB's proposed fare increase should be supported but the level should be moderated to 4.9%. It is our fare policy to ensure that the operator, which is a private entity run on prudent commercial principles without government subsidy, will have the willingness to further invest in its public transport service operation, such that the operator will have some financial cushion to pursue its longer term measures to enhance its service (including the safety aspect). A copy of the Legislative Council Brief on KMB's fare increase application in 2013 is at Appendix I.

30. Upon the approval of an fare increase application by the Chief Executive in Council, the TD will follow up with the concerned franchised bus operator so as to ensure a smooth implementation of the fare increase.

## **Part VI: Follow-up Actions in response to Fatal Traffic Accidents**

31. Traffic accident investigation is undertaken by the Police, and the THB does not take part in the investigation. That said, the THB attaches great importance to ensuring safe operation of franchised bus services and oversees the follow-up actions taken by the TD in relation to fatal traffic accidents, including those involving franchised buses. Upon the occurrence of fatal traffic accidents, the THB will immediately closely liaise with the TD to grasp the key details of the cases (such as the number of deaths and injuries, number of vehicles involved, types of vehicle involved, whether the traffic has been seriously affected, alternative traffic plans activated by the TD, etc.), so as to assess the seriousness of the case and to ensure that the

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<sup>3</sup> Under the FAA approved by the Chief Executive in Council on 10 January 2006, the Government should take into account the following factors in assessing a bus fare increase application –

- (a) changes in operating costs and revenue;
- (b) forecast of future costs, revenue and return;
- (c) the need to provide the bus company with a reasonable rate of return. Reference should be made to the Weighted Average Cost of Capital of the franchised bus industry 1 in considering the reasonable rate of return, which is set at 9.7% rate of return on average net fixed assets;
- (d) public acceptability and affordability. Reference should be made to the changes in Median Monthly Household Income and in Composite Consumer Price Index;
- (e) the quality and quantity of service provided; and
- (f) the outcome of the formula for a supportable fare adjustment rate = 0.5 x Change in Wage Index for the Transportation Section + 0.5 x Change in CCPI – 0.5 x P

traffic flow can be smooth as far as practicable. The TD, as the regulator of the public transport services, will take an active role to work with the public transport operators concerned to identify the possible areas of problems causing the accidents and to formulate measures to address these issues from the operational and technical perspectives. The THB will request and/or examine proposals from the TD on the preventive measures concerned to ensure that the policy objectives of providing safe and reliable franchised bus services are met and the TD will keep the THB posted of the progress of its work. Very often, the TD takes immediate actions, including working out plans to respond to problems identified in causing the accidents, without the need of being prompted by the THB or others.

32. For the case in Tai Po in February 2018, the THB and the TD took follow-up actions in the manner as outlined in paragraph 31 above. Both the THB and the TD attended the inter-departmental meeting chaired by the Chief Executive immediately after the accident occurred. Indeed, the TD has taken swift actions and formulated work plans promptly, including conducting a comprehensive review on the traffic condition at the subject section of Tai Po Road, setting up a working group to study measures to enhance bus safety (relating to (a) enhancing bus captains' training; (b) whether all passenger seats should be installed with seat belts; and (c) the use of technology on vehicle device and installation), and following up with KMB on KMB's independent committee's report. The THB supported the TD's prompt actions taken. The THB, at the instruction of the Chief Executive, assisted in the setting up of the Independent Review Committee on Hong Kong's Franchised Bus Service to comprehensively review the operation and monitoring of franchised buses from the point of view of safety so as to ensure that public bus services of Hong Kong are safe and reliable. Furthermore, both the THB and the TD attended the special meeting of the Tai Po District Council on 11 February 2018, the special meeting of the LegCo Transport Panel on 15 February 2018 and the TAC meeting on 27 February 2018 to explain the actions that have taken in respect of enhancing the safe, proper and efficient franchised bus service.

33. So far, the TD has reviewed the road condition and relevant traffic management measures of the subject road section comprehensively. The TD proposed reducing the maximum speed of the road section between Chek Nai Ping and Yung Yi Road from 70km/hour to 50km/hour, installing fixed

speed enforcement camera near Chek Nai Ping in Tai Po Road, widening the lay-by of the bus stop concerned and installing guard barriers to separate the bus stop and the traffic lanes, etc. Details are to be provided by the TD in their submission to the Independent Review Committee.

34. For other fatal traffic accidents involving franchised buses in recent years, the THB and the TD have also worked together along the arrangement as set out in paragraph 31 above. The TD has been taking follow-up actions with franchised bus operators as necessary in the light of accidents involving franchised buses (e.g. enhancing the health check arrangements for bus drivers following a Chai Wan Road bus accident in 2012; installing additional guard bar on the exit door following three accidents in 2016 which caused the breaking of glasses on the exit doors of buses and injury of passengers; and reviewing the guidelines for bus captains on working hours and rest time following an accident in Sham Shui Po in September 2017).

## **Part VII: Follow-up Actions in response to Director of Audit's Report No. 60**

35. In March 2013, the Audit Commission released its Director of Audit's Report No. 60 on Administration of Road Safety Measures in view of the increasing traffic accident trends and part of the second chapter concerns the measures involving franchised bus service. Regarding the part of measures for franchised buses in the report, the Audit Commission recommended that the Commissioner for Transport should –

- (a) take into account the health check requirements on taxi and bus drivers adopted by the Mainland and other countries in the ongoing review of measures to ensure the road safety of franchised buses and other major road-based public transport modes; and
- (b) explore measures to address the problem of obtaining drivers' consent to access their medical records in case they are suspected to be suffering from impaired health.

36. The Government agreed with the Audit Commission's recommendations and took follow-up actions. For recommendation (a), following a bus accident on Chai Wan Road in November 2012, the TD conducted a review and actively discussed with the franchised bus operators to revise the health check arrangements for their drivers. Under such arrangement as currently in force, franchised bus operators require bus captains to declare their health conditions and pass a health check such that he/she is certified by a doctor to be physically fit to drive buses before joining the service. For serving bus captains, all franchised bus operators require bus captains aged 50 or above to undergo annual health checks. For bus captains at the age of 50, 54, 57 and 60 or above, they are also required to undergo an electrocardiogram in the annual health check. Moreover, for bus captains who have suffered a stroke or cardiovascular diseases, or are on medication due to diabetes mellitus or hypertension, they are required to declare such illness(es) to their employers and undergo an electrocardiogram in their annual health checks.

37. Recommendation (b) applies to all types of driving licence holders. As per the legal advice obtained, the TD will, having regard to the circumstances of each individual case, approach the medical practitioners concerned to request for medical records when there is a need to ascertain whether a suspected health-impaired driver is fit for driving and where consent from the driver for the TD to access his medical records is not forthcoming. It should be noted that none of the five cases detected by the Audit Commission back in 2013, in which the TD could not obtain the drivers' consent to access to the drivers' medical records, concern franchised bus drivers. Since then, while the TD did approach the medical practitioners concerned on occasions to obtain drivers' medical records, none of the cases concern franchised bus drivers. As far as franchised bus captains are concerned, apart from approaching the medical practitioners concerned to request for medical records whenever needed, the TD will also work with the franchised bus operators to ascertain that the suspected health-impaired driver is fit for driving through asking the franchised bus operators to review his/her health check records and/or conduct additional health check as appropriate with a view to ensuring the safe operation of franchised bus services. That said, the TD will continue to explore other effective measures to address the problem in this regard.

香港專營巴士服務  
獨立檢討委員會

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本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/1  
來函檔號 Your Ref.: TD BR 76/190-1C



Independent Review Committee on  
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,  
66 Queensway, Hong Kong

電話號碼 Tel No.: (852) 2867 5324  
傳真號碼 Fax No.: (852) 3104 0254

27 April 2018

Secretary for Transport and Housing  
Transport and Housing Bureau  
East Wing, Central Government Offices  
2 Tim Mei Avenue  
Tamar  
Hong Kong  
(Attn: Miss Crystal YIP)  
(Fax: 2104 7274)

Dear Miss Yip,

**Written Submissions for Consideration by the  
Independent Review Committee on Hong Kong's Franchised Bus Service**

The Committee thanks you for your helpful submissions together with the accompanying appendices and annexures received by the Committee on 24 April 2018 respectively. However, the Committee seeks further detailed information in respect of some of the matters addressed in those submissions and invites you to provide further written responses to the issues raised and questions posed in the Annex.

I should be grateful if that information could reach the Secretariat of the Committee by 4 May 2018.

Further, the Committee invites a representative(s) of the Transport and Housing Bureau to give oral evidence to the Committee. Arrangements have been made to secure the availability of the Auditorium, Central Government Offices, Tamar for the delivery of oral evidence first by the representative(s) of the Transport and Housing Bureau, then by representative(s) of the Transport Department. Those premises have been booked for 7 May 2018, with 8 May reserved, if necessary. It is proposed that the sessions will commence at 10:00 am on both 7 and 8 May 2018 and end at 4:30 pm, with a break from 1:00 pm to 2:30 pm. I shall write to you next week outlining the procedure by which the evidence will be received.

Please advise the Committee on or before 3 May 2018 if you accept the invitation to give evidence and, if so, please provide the names and post titles of those persons who will give evidence on behalf of the Transport and Housing Bureau.

Yours sincerely,



(CHAN Ping-fai, Peter)  
Secretary, Independent Review Committee on  
Hong Kong's Franchised Bus Service

cc Commissioner for Transport (Attn: Miss Rachel KWAN) (Fax: 2511 4158)

Encl

## Annex

- (1) Have any policies and/or policy directives on enhancing the safety of franchised buses been formulated?
- (2) Given the uniqueness of Hong Kong where the franchised bus service is provided by private companies without direct Government subsidies in accordance with prudent commercial principles to increase operational efficiency:-
  - (a) whether there is any policies in place to ensure that bus safety is given due consideration in the delivery of a proper and efficient service (including the setting of safety targets and their monitoring); and
  - (b) whether the safety performance of respective franchised bus operator constitutes a key component for policy consideration for franchise renewal?
- (3) In order to deliver the policy objective of providing safe franchised bus service, are there any policy framework/directives in place guiding the Transport Department, as the regulator of franchised bus service, on how the provision of franchised bus service should be regulated and monitored?
- (4) Please elaborate on the precise roles of the Government Directors (appointed by the Chief Executive in accordance with section 9 of the Public Bus Services Ordinance) serving on the board of directors of franchised bus companies, and advice that has been tendered to the board of directors of respective bus companies with regard to enhancement of safety of their bus fleet over the past five years.
- (5) It was repeatedly stated in the Traffic Report issued by the Traffic Branch Headquarters of the Hong Kong Police Force from 2004 to 2017 that on the accident rate per 1 000 licensed vehicles, the most accident-prone vehicle type was 'franchised public bus'. It was also noted that various serious traffic accidents causing fatalities and serious injuries involving franchised buses had occurred in recent years. Have any policy directives been given to TD to review the circumstances leading to the incidents and take remedial actions in a systemic and cohesive manner?
- (6) Are there any policy initiatives in place to develop/encourage the development of bus safety-related and new traffic management technologies with government funding to enhance bus safety which could be rolled out collectively to franchised bus operators, if proved successful?



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來函檔號 Your Ref. CSO/IRC-BUS/CR/7-45/1

電話 Tel No.: 3509 8171  
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3 May 2018

Mr CHAN Ping-fai, Peter  
Secretary, Independent Review Committee on  
Hong Kong's Franchised Bus Service  
21/F, Queensway Government Offices  
66 Queensway, Hong Kong

Dear Mr Chan,

Thank you for your letter dated 27 April 2018. We accept the invitation to attend the session on 7 May 2018 (and with 8 May 2018 reserved) to make oral submissions to the Committee.

As relayed to the Secretariat of the Committee earlier, it has always been the intention of the Secretary for Transport and Housing to personally attend before the Committee. Regrettably, however, he cannot join the session on 7 May due to his prior commitment to attend another meeting of the Legislative Council which cannot be rescheduled.

The following officers will represent the Transport and Housing Bureau to attend the session –

1. Mr Joseph LAI, Permanent Secretary for Transport and Housing (Transport)

2. Mr Kevin CHOI, Deputy Secretary for Transport and Housing  
(Transport) 2
3. Miss Crystal YIP, Principal Assistant Secretary for Transport and  
Housing (Transport) 1

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Crystal Yip', followed by a period. To the right of the signature is a small, empty circle.

( Miss Crystal Yip )  
for Secretary for Transport and Housing

c.c.      Commissioner for Transport

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4 May 2018

Mr CHAN Ping-fai, Peter  
Secretary, Independent Review Committee on  
Hong Kong's Franchised Bus Service  
21/F, Queensway Government Offices  
66 Queensway, Hong Kong

Dear Mr Chan,

Thank you for your letter dated 27 April 2018. Please find attached at Annex our submission on the issues listed in the Annex of your letter for consideration by the Independent Review Committee on Hong Kong's Franchised Bus Service.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Crystal Yip".

( Miss Crystal Yip )  
for Secretary for Transport and Housing

c.c. Commissioner for Transport

**Submission from the Transport and Housing Bureau**

**Purpose**

This note provides the information requested by the Independent Review Committee on Hong Kong's Franchised Bus Service as stated in its letter of 27 April 2018.

**Policy on Franchised Bus Service Safety**

2. As mentioned in Parts II, III, IV and V of the submission of the Transport and Housing Bureau ("THB") of 24 April 2018, it is the Government's policy that public transport services should be run under the Government's regulatory framework by the private sector in accordance with prudent commercial principles to increase operating efficiency. Ensuring the provision of safe, efficient, reliable and environmentally-friendly public transport services to meet the community needs has always been one of the key transport policy objectives of the Government. The policy objective of providing proper and efficient franchised bus service is enshrined in the relevant legislation, franchise, as well as other commitments made by the franchised bus operators in the form of letters or guidelines put forth by the Transport Department ("TD") which set out the requirements for compliance by the franchised bus operators.

3. Safety is always an important element when considering whether the franchised bus service is proper and efficient. Indeed, safety is of uppermost priority in our transport policy, and is publicly documented. For instance, the Hong Kong 2016 Yearbook states that "the Government aims to provide a safe, efficient, reliable and environment-friendly transport system" (see **Appendix A**). In the Controlling Officer's Report of the Transport and Housing Bureau (Transport Branch) 2018-19, it is stated that one of the aims of the Branch's work in relation to land and waterborne transport is to promote road safety (see **Appendix B**). The THB's website states that one of the policy objectives of the Bureau is to promote safety (see **Appendix C**). Furthermore, the Road Safety Council has been



established since 1973 to promote road safety in Hong Kong. Various promotion and publicity programmes have been launched by the Road Safety Council throughout the years. In particular, its signature event “Safe Driving and Health Campaign for Commercial Vehicle Drivers” is held on an annual basis with a view to enhancing the safe driving skills and health awareness of commercial vehicle drivers, including franchised bus drivers. The Campaign includes a wide range of activities, including radio programmes, health checks and advice provided for commercial vehicle drivers, as well as community promotion by ambassadors (see **Appendix D**).

4. Besides, in considering whether to grant a new franchise to a franchised bus operator, as well as processing the fare increase applications from franchised bus operators, safety is a key component in evaluating the service performance of the bus operators. This can be seen, for example, from paragraph 6 of the Legislative Council Brief on granting a new franchise to the Kowloon Motor Bus Company (1933) Limited (“KMB”) (provided in TD’s submission of 25 April 2018) and paragraph 8 of the Legislative Council Brief on the fare increase application from KMB (provided in Appendix I of THB’s submission of 24 April 2018). Extracts of the relevant paragraphs are attached again for ease of reference (see **Appendix E**).

5. TD has also set the performance indicator that they have to conduct daily spot checks on franchised buses in service to ensure the safety of buses on the road and the target is 14 buses per day (see page 884 of TD’s Controlling Officer’s Report of 2018-19 at **Appendix F**). In proposing performance indicators in the Controlling Officer’s Report, TD will consult THB as part of the Government’s annual Draft Estimates.).

6. The policy concerning safety has been reflected in all of the above efforts.

### **Safety Performance of Franchised Bus Operators**

7. It is noted that on the accident rate per 1 000 licensed vehicles, the rate for franchised public bus was the highest, as stated in the Traffic Report issued by the Transport Branch Headquarters of the Hong Kong

Police Force from 2004 to 2017. However, the indicator should be read in context. About 6 000 franchised buses operate on the road every day. On average, franchised buses run over 1.4 million kilometres every day. Because of the huge number and because of the sheer distance they travel day in day out, their accident rate, measured on the basis of “per 1 000 vehicles”, tend to be high. Another, perhaps more relevant indicator, is the involvement rate per million vehicle-kilometres<sup>1</sup>. For comparison purpose, this indicator is generally considered more reliable as it takes into account the actual distance travelled by vehicles on the road<sup>2</sup>. It can be noted from TD’s submission (see Appendix A to TD\_Paper\_09), the involvement rate per million vehicle-kilometres of franchised bus was lower than that of public light bus, and the rate did not fluctuate or deteriorate over the past few years.

8. Apart from taking into account the involvement rate and accident trend when monitoring the franchised bus operation, THB and TD will also try to identify if there are any systemic issues, such as whether similar accidents occur on the same type of bus model or at a particular location so as to map out appropriate measures. Over the years, the regulatory and monitoring regime has been evolving in such a way to ensure proper and efficient franchised bus service. Enhancement measures such as health check arrangement for franchised bus drivers, working hours guidelines for franchised bus drivers, and installing additional devices on buses (e.g. black boxes) have been put in place to meet the rising public expectations and the need to strengthen the bus safety level, and these have been clearly set out in THB’s submission of 24 April 2018.

### **Role of Government Directors serving the Board of Franchised Bus Company**

9. As stated in paragraph 17 of THB’s submission of 24 April 2018, the person appointed by the Chief Executive to be a director at the board of the franchised bus company shall represent the Government. The role of a Government Director sitting on the board of the franchisee is to reflect

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<sup>1</sup> It refers to the number of vehicles involved in accidents per one million vehicle-kilometres travelled by vehicles of the same vehicle class.

<sup>2</sup> See the Government’s response to a previous Legislative Council question in 1998 in this regard at Appendix G.



Government policies and safeguard public interest, as well as to monitor the operation of the franchised bus companies at the strategic level as one of the board directors. One of the major duties of the Government Directors is to attend the board meetings of the franchised bus operators. The agenda items can generally be grouped into three major categories, namely

- (a) Financial matters: These usually include the financial performance of the company, whether dividend should be declared, and banking arrangement (e.g. opening bank accounts or re-financing arrangement);
- (b) Operational matters: These usually cover purchase of new buses/tyres/other parts, introduction of new concession scheme (e.g. monthly pass), company's five-year plan and proposal to bid new route packages from TD;
- (c) Staff matters: These usually include staff retirement fund schemes/dental schemes, and wage adjustment.

10. The Government Directors in general will tender advice on most of the above matters from the perspective of public interest, so as to facilitate the Board's consideration. However, for items which solely concern the company's commercial interest (e.g. whether dividends should be declared) and for those items that may affect the Government's consideration of the bus companies proposal (e.g. bidding new route packages from TD or five-year plan), the Government Directors will abstain from voting to avoid possible conflict of interest. Also, for items such as consideration of the acceptance of the franchise granted by the Chief Executive-in-Council, the Government Directors will refrain from joining the discussion and will abstain from voting.

11. When important safety issues are identified or when serious accidents occur, these will be discussed at the Board meeting. Examples include –

- (a) Broken glass doors on buses – In 2016, there were a series of incidents relating to broken glass doors on buses. THB instructed TD to work with the bus operators to formulate measures to tackle the problem, including adding a guard bar onto the door. At the

Board meeting of the Kowloon Motor Bus Company (1933) Limited (“KMB”) in March and August 2016, the proposed safety measures (including educating bus drivers to drive slowly when making turns, adding safety guard bars onto the doors and ensuring the strength of the glass) were discussed. Apart from providing views on these measures, the Government Directors supplemented information regarding the durability of the glasses to facilitate the discussion<sup>3</sup>. The Government Directors also proposed to the Board that elderly passengers should be educated on passengers’ safety given the trend of ageing population.

(b) Sham Shui Po accident in September 2017 – Following the bus accident, the Government Directors raised the issue of reviewing the working hours guidelines with the Board of the Citybus Limited (“CTB”) in October 2017, highlighting the importance of the review which should be completed as soon as practicable given the public concerns. The Government Directors also explained clearly that the review should strike a balance among the operational needs of bus companies, the work arrangements for bus captains and the safety of the general public.

(c) Tai Po accident in February 2018 – The matter was discussed at the Board meeting in March 2018, in which the Government Directors urged KMB to draw up action plans on the implementation of the recommendations concerning recruitment, training, enhancing working conditions and installation of seat belts, etc. mentioned in the investigation report made by the Independent Committee of KMB on the accident.

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<sup>3</sup> TD obtained the documentary proof which showed that the durability of the glass used on the buses met the European standards but the glass could not be unbreakable as it would pose rescue problems. The certification obtained by the manufacturer provided assurance that the durability of glass installed on buses would not deteriorate over time.



## **Development of New Bus Safety-related or Traffic Management Technologies to Enhance Bus Safety**

12. As mentioned in paragraph 24 of THB's submission of 24 April 2018, the operational safety of franchised bus services has always been one THB's and TD's focuses. From time to time, THB and TD formulate and/or examine proposals to enhance the safe operation of franchised bus services. For instance, installation of speed limiters and black boxes onto franchised buses are recent examples of introducing new safety-related technologies to the franchised bus service.

13. At present, TD has set up a working group with representatives from all franchised bus companies and bus manufacturers in mid-March, having regard to the Tai Po accident in February 2018, to review the technical feasibility and desirability of installing the following new safety devices into franchised buses for enhancing protection to bus passengers –

- (a) installing seat belts for all passenger seats;
- (b) installing electronic stability control and roll stability control;
- (c) capping the maximum speed at 70km/hour on downhill by a speed limiter;
- (d) having speed control by global positioning service or geo-fencing;
- (e) installing speed display unit in passenger compartment;
- (f) installing collision prevention and lane-keeping devices; and
- (g) installing driver monitoring devices.

14. From our experience regarding the installation of new safety-related devices or the introduction of new safety-related technology so far, the operators were forthcoming to install such devices or introduce such new technology at their own costs. For example, for the case of installation of black boxes and speed limiters, the operators installed the devices without the need of government subsidies. As to whether government funding will be provided for installing the new safety-related devices which are under study by the working group as set out in paragraph 13 above, if it is agreed by the working group that the introduction of these new devices is to be pursued, we will discuss with the bus operators when implementing the measures. During the process, the

financial implications to the franchised bus operators will be taken into account.

15. It should also be noted that the Government has various funding schemes to encourage the development of new technologies. For example, the Enterprise Support Scheme is designed to encourage the private sector to invest in research and development. The Enterprise Support Scheme is open for application by bus operators if they so wish, to develop any new bus-related technologies for enhancing the bus industry. Details of the Scheme is at **Appendix H**.

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**Fw: IRC : Hearing on 7 May for THB**

25/05/2018 19:14

From: Peter PF CHAN/IRC-BUS/HKSARG  
To: Anna SM AU/IRC-BUS/HKSARG@CSO,

----- Forwarded by Peter PF CHAN/IRC-BUS/HKSARG on 25/05/2018 19:16 -----

From: Peter PF CHAN/IRC-BUS/HKSARG  
To: Crystal SC YIP/THB/HKSARG@THB,  
Cc: Nick CK CHOI/THB/HKSARG@THB, Justin YT TO/IRC-BUS/HKSARG@CSO, Haddy PY LEE/IRC-BUS/HKSARG@CSO  
Date: 11/05/2018 09:51  
Subject: IRC : Hearing on 7 May for THB

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Dear Crystal,

We would like to thank the Permanent Secretary for Transport & Housing (Transport) and representatives of your Bureau to give oral evidence to the Committee at the hearing on 7 May 2018. As you have noted at the hearing, the Committee has requested your Bureau to provide further information on those matters as set out attached. I should be grateful if you could let us have the requested information by 18 May. Thanks.



Day 1 - Matters for THB to follow up on.docx

Best regards  
Peter Chan  
Secretary, Independent Review Committee on Hong Kong's Franchised Bus Service

**Further Information to be Provided by THB**

**Arising from hearing on 7 May 2018**

1. Why were the Guidelines on Bus Captains Working Hours, Rest Times and Meal Breaks made only as “guidelines”, and not made the subject of regulations pursuant to s.35(1)(j) of the Public Bus Services Ordinance Cap 230? (Transcript, 7 May 2018, p.27-28)
  
2. Whether any of the franchise grantees have made by-laws under s.36 of Cap 230? (Transcript, 7 May 2018, p.33-34)

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18 May 2018

Mr CHAN Ping-fai, Peter  
Secretary, Independent Review Committee on  
Hong Kong's Franchised Bus Service  
21/F, Queensway Government Offices  
66 Queensway, Hong Kong

Dear Mr Chan,

Thank you for your email of 11 May 2018 requesting further information following the oral session arranged by the Independent Review Committee on Hong Kong's Franchised Bus Service with the Transport and Housing Bureau. Please find the requested information as follows.

***1. Why were the Guidelines on Bus Captains Working Hours, Rest Times and Meal Breaks made only as "guidelines", and not made the subject of regulations pursuant to s.35(1)(j) of the Public Bus Services Ordinance Cap 230?***

The Transport Department ("TD") first formulated a set of voluntary guidelines on bus captains working hours and rest times in 1983. As far as we could ascertain from file records, the Government announced in November 1982 that the Transport Department had proposed to each of the franchised bus companies in early September 1982 that they should voluntarily adopt standards aimed at eliminating the small proportion of extreme working pattern in response to criticism of a franchised bus company permitting excess working hours for bus drivers. In the announcement, the Government also stated that experience in operating a period of voluntary standards would indicate whether legislation was necessary to place statutory limits on driver's working hours.



The above forms the background of setting out the working hours requirements in the form of guidelines in the first place.

As we have always highlighted, providing proper and efficient franchised bus service is one of our key policy objectives. Safety is always a crucial element when considering whether the service is proper and efficient. In our regulatory regime for the franchised bus service, there are various means to achieve this policy objective, including statutory requirements, the franchise, other measures and requirements specified by the Commissioner for Transport through exchange of letters and issuance of guidelines. While legislation could be a possible means to put in place the working hours requirements, the current arrangement of Guidelines on working hours has been observed by the franchised bus operators to avoid long working and driving hours of franchised bus captains. Indeed, repeated failure to comply with the Guidelines without reasonable justifications and without appropriate actions being taken by the franchised bus operators will put the franchised bus operators' ability to provide proper and efficient service as required under section 12 of the Public Bus Services Ordinance (Cap. 230) ("PBSO") into doubt. This might result in section 22 of the PBSO (i.e. a financial penalty may be imposed in respect of any failure by the grantee to comply with the Ordinance) or even section 24 of the PBSO (i.e. revoking the operating right if the grantee has failed or is likely to fail to maintain a proper and efficient public bus service without good cause) being invoked, although this scenario has not been tested so far.

Over the years, the TD has been monitoring the compliance of the Guidelines by the franchised bus operators. At present, the TD monitors the compliance of the Guidelines through monthly reports submitted by the franchised bus operators as well as annual independent surveys commissioned by the TD. So far, the franchised bus operators have been complying with the Guidelines well and the overall compliance rate is over 96% in the past three years.

2. *Whether any of the franchise grantees have made by-laws under s.36 of Cap 230?*

We have trawled through our records. No by-laws have been made under section 36 of the Public Bus Services Ordinance (Cap. 230) by franchised bus operators. The franchised bus operators, on the other hand, have published their own Notes to Passengers or Passengers Information which were made with reference to the Public Bus Services Regulations (Cap. 230A) and other relevant legislation. The details can be found at the following links to their websites -

KMB: [http://www.kmb.hk/en/services/friend\\_note.html](http://www.kmb.hk/en/services/friend_note.html)

LWB: <http://www.lwb.hk/en/notestopassengers.html>

CTB / NWFB:

[http://www.nwstbus.com.hk/\\_common/images/photo/PXinfo\\_eng.jpg](http://www.nwstbus.com.hk/_common/images/photo/PXinfo_eng.jpg)

NLB: <http://www.newlantaobus.com/info/passenger>

Yours sincerely,



( Miss Crystal Yip )  
for Secretary for Transport and Housing

c.c. Commissioner for Transport