

CHAPTER 5

Labour and Welfare Bureau Transport Department

Provision and monitoring of Rehabus services

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Report No. 82 of the Director of Audit contains 8 Chapters which are available on our website (<https://www.aud.gov.hk>).



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PROVISION AND MONITORING OF REHABUS SERVICES

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PROVISION AND MONITORING OF REHABUS SERVICES

Executive Summary

1. The objective of the Government's rehabilitation policy is to provide suitable support and necessary facilities to persons with disabilities (PWDs) to help them develop their potentials so that they can participate in various activities on an equal basis with others, thereby facilitating their full integration into society. To meet the transport needs of PWDs, Rehabus services are provided for those who are unable to use public transport services. Since 1980, Rehabus services have been subvented by the Government. There are three main types of Rehabus services, i.e. scheduled route service (SRS), dial-a-ride service (DAR) and feeder service. Since 1978, Rehabus services have been operated by Operator A. In June 2019, to allow Operator A to concentrate their resources on SRS and DAR, Operator B was engaged as the operator for feeder service. The Labour and Welfare Bureau is responsible for overseeing the overall policy of Rehabus services and the Transport Department (TD) is responsible for administering the Government subvention and monitoring of the provision of Rehabus services. A Memorandum of Understanding (MOU) was signed between TD and each of the two operators setting out the general principles and guidelines governing the role of the operators and the administrative arrangements for the Government. In 2022-23, the amounts of subvention provided to Operator A and Operator B were \$112 million and \$13 million respectively. As of December 2023, Operator A had 59 office staff and 243 bus captains, while Operator B had 6 office staff and 32 bus drivers. The Audit Commission (Audit) has recently conducted a review to examine the provision and monitoring of Rehabus services.

Monitoring of Rehabus operators and procurement of vehicles

2. *Need to ensure compliance with frequency of meetings.* According to MOUs and/or TD's Internal Guideline, each operator has to set up a Rehabus Management Committee (RMC) and a Users' Liaison Group (ULG). RMCs shall meet at least once every quarter whereas ULG of Operator A and Operator B shall meet every four and six months respectively. Audit examined the relevant records from 2021 to 2023 and found that both RMC and ULG of Operator B had only held one meeting during the period (paras. 2.4 and 2.5).

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3. ***Room for improvement in submitting financial documents.*** According to MOUs, the operators shall submit to TD an annual budget at least four months before the commencement date of the next financial year and a set of annual audited accounts not later than 31 July following the end of the financial year. Audit examination of the financial documents submitted by the operators in 2021-22 to 2023-24 revealed that:

- (a) there were delays by Operator B in submitting the annual budgets for 2022-23 and 2023-24 by 164 and 115 days respectively, as well as delays in submitting the annual audited accounts for 2020-21 and 2021-22 by 12.3 and 2 months respectively; and
- (b) not all the reporting details (e.g. salary scale of staff of Rehabus services) had been included in the annual budgets submitted by Operator A and Operator B (paras. 2.7 and 2.8).

4. ***Need to strengthen monitoring of Operator B.*** According to the Internal Guideline, TD and the senior management of the operators shall meet on a regular basis to discuss financial and operational issues of the Rehabus services. Audit noted that while Operator B was a relatively new non-governmental organisation established in April 2019, TD had held fewer regular meetings with Operator B than Operator A (i.e. 15 regular meetings with Operator B from 2021 to 2023 in comparison with 32 regular meetings with Operator A during the period) (para. 2.10).

5. ***Setting performance pledge.*** As stipulated in MOUs with Operator A (MOU A) and Operator B (MOU B), there were two performance pledges, namely the number of passenger trips for Rehabus services and the number of vehicles allocated for Rehabus services. The two performance pledges were reported in TD's Controlling Officer's Reports as performance indicators. According to the Guidelines issued by the Financial Services and the Treasury Bureau, when developing performance measures, performance targets should preferably be measured in terms of intended outcome (instead of output or input). To enhance transparency and accountability, TD needs to consider setting additional performance pledges (e.g. outcome targets) other than the two performance pledges (para. 2.11).

6. ***Room for improvement in vetting procurement proposals of vehicles.*** TD is responsible for arranging the procurement of vehicles with Rehabus operators for

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replacement and meeting additional passenger demand. From 2018-19 to 2022-23, 124 vehicles amounting to \$135.3 million were procured. According to the Internal Guideline, TD shall critically assess the justification and cost-effectiveness of procurement proposals submitted by the operators. Audit examination on the proposals submitted by the operators from 2021 to 2023 found that some relevant information, such as the utilisation of existing vehicles, had not been included in the proposals (paras. 2.14 and 2.16).

7. ***Need to ensure compliance with Procurement Guidelines.*** Audit examined the 6 procurement exercises conducted for 2020-21 to 2022-23 (4 related to Operator A and 2 related to Operator B) and found non-compliances with the Procurement Guidelines, for example:

- (a) for Operator A, while staff of its managerial grade were required as members of the Tender Opening Committee, one member of the Tender Opening Committee was a staff below managerial grade in 1 exercise. In addition, there was no documentary evidence showing that the tender reports of all the 4 procurement exercises had been endorsed by TD; and
- (b) for Operator B, the Tender Opening Committee only comprised 2 members instead of the requirement of 3 members in both exercises (para. 2.17).

Provision of scheduled route service and dial-a-ride service

8. ***Need to strengthen vetting of registration and renewal of Rehabus customers.*** Only a registered Rehabus customer can use Operator A's Rehabus services. To vet the eligibility of using Rehabus services, Operator A will review the relevant supporting documents when an application for registration as a Rehabus customer is received and upon renewal. However, Operator A has not laid down written guidelines setting out the vetting procedures. According to the requirement stipulated in MOU A, Operator A shall keep proper supporting documents up to seven years for inspection by the Government. Despite this, in view of privacy concern, Operator A would dispose of the supporting documents immediately after vetting was completed (paras. 3.2 and 3.3).

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9. ***Need to review the routings of existing SRS routes.*** SRS is a regular commuting service for work, school, training or rehabilitation operated on weekday morning and evening peak hours (para. 1.3). Audit analysed the patronage records from 2019 to 2023 and found that:

- (a) ***Decrease in numbers of SRS users and passenger trips.*** While the average monthly number of scheduled routes increased by 14% from 106 in 2019 to 121 in 2023, the average monthly number of enlisted SRS users decreased by 9% from 1,409 to 1,283 and the actual annual average passenger trips per route decreased by 30% from 4,139 to 2,912 during the period. Audit analysis revealed that of the 121 routes as of September 2023 (including 2 routes introduced in March 2023), 22 (18%) had a monthly average of 6 or less enlisted passengers from January to September 2023; and
- (b) ***Increase in number of applicants on SRS waiting list.*** As at 30 September 2023, there were 98 applicants (including carers) on SRS waiting list, of which 8 (8%) applicants (including 6 PWDs and 2 carers) had been on the waiting list for more than one year, whereas the longest waiting time was 22.7 months. Although three new routes had been introduced from August 2022 to December 2023, no service arrangements were offered to them (para. 3.7).

10. ***Need to take follow-up actions on enlisted SRS users not meeting trip usage requirements.*** An SRS user has to take at least five trips per week. According to Operator A, if the number of trips taken by a user is less than half of the trips arranged per week for 2 consecutive months without a reasonable explanation, Operator A will follow up with the relevant user. Audit analysed the summary of attendance records of the 1,279 SRS users as of September 2023 for the three-month period from September to November 2023 and found that:

- (a) there were 192 users taking less than half of the arranged trips in September and October 2023, of which 154 users had also taken less than half of the arranged trips in November 2023. However, there was no documentation showing that Operator A had duly followed up with them; and
- (b) there were 17 users not taking any trips for 3 consecutive months from September to November 2023. However, there were no documentation

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showing that Operator A had duly followed up with 7 of the 17 users (paras. 3.9 and 3.11).

11. ***Need to improve utilisation of vehicles deployed for providing point-to-point DAR.*** Point-to-point DAR is a pre-booked service provided to meet the irregular transport needs of PWDs. Audit analysis found that from 2019 to 2023, while the number of total orders received increased by 28% from 136,151 to 174,668, the number of rejected orders increased by 102% from 10,632 to 21,425. Notwithstanding the increase in number of rejected orders, Audit noted that the average number of spare vehicles on weekdays (except public holidays) (i.e. when the passenger demand was often concentrated) ranged from 9 to 42 from 2019 to 2023 (paras. 1.3, 3.15 and 3.16).

12. ***Need to investigate “Large group” passenger bookings for point-to-point DAR with actual number of passengers not meeting the required number for making the bookings.*** Point-to-point DAR is provided on a first-come-first-served basis. According to the booking procedures of Operator A, “Large group” (5 or more) passengers can make bookings up to 12 months in advance while “Small group” (4 or less) passengers can only make bookings up to 3 months in advance. Audit analysed point-to-point DAR orders completed from 1 January to 30 September 2023 and found that 6,976 (25%) (involving 233 users) of the 27,807 “Large group” passenger bookings turned out to be with only 4 or less passengers. Furthermore, in 2,088 (30%) of the 6,976 bookings (involving 110 users), only 1 to 2 passengers took the trip. According to Operator A, despite that there was a handling mechanism for following up with users of which the actual number of passengers not meeting the required number for making “Large group” passenger bookings, it was not in force due to insufficient manpower (paras. 3.20 to 3.22).

13. ***Need to review the practicability of setting limit on the maximum number of carers in point-to-point DAR bookings.*** There is no limit set on the maximum number of accompanying carers to a PWD for a point-to-point DAR booking. Audit analysis on the records of completed point-to-point DAR orders from 1 January to 30 September 2023 found that 2,201 (2%) of the 88,852 orders were with at least 3 carers accompanying each PWD. In particular, in 338 (0.4% of 88,852) orders, there were 5 or more carers accompanying each PWD. In three extreme cases, a PWD was accompanied by 12 carers in each case (para. 3.23).

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14. *Need to review pooled dial-a-ride service (PDAR) routes with low patronage.* PDAR is a shared-ride return trip service provided on a weekly basis for taking PWDs (especially those living in boarding facilities and hostels) to and from schools or hostels. A minimum of 4 PWDs is required for each PDAR route. Audit analysed the number of enlisted PWDs of the 40 PDAR routes as of December 2023 and found that 18 (45%) were enlisted with less than 4 PWDs, with 7 of the 18 routes enlisted with only 1 or 2 PWDs. Audit examined the passenger records for 2023 of the 7 PDAR routes and found that 6 routes had less than 4 PWDs enlisted for more than 3 consecutive months. However, there was no documentary evidence showing the justifications for retaining the routes (paras. 1.3, 3.25 and 3.26).

15. *Need to expedite the implementation of new integrated computer system.* According to Operator A, the systems and programmes to handle different functions and tasks are not fully integrated and cannot be modified to cater for the needs of operations. In order to improve the efficiency and convenience to users, in 2017, Operator A proposed to develop a new integrated computer system to replace its Rehabus services operating systems and programmes. The contract for the new system was awarded at about \$9 million in 2019 and the system was originally scheduled to be completed by January 2023. However, there was delay (2.5 years behind the original schedule according to the latest schedule) in system implementation (paras. 3.31 to 3.33).

Provision of feeder service

16. *Need to expedite service performance review on hospital routes with low patronage.* Hospital routes of the feeder service operate to and from hospitals, clinics and railway stations, normally from Monday to Friday (except public holidays). Audit analysed the number of vehicle trips and passenger trips served by hospital routes and found that in 2023, the average passenger trips per vehicle trip for 3 of the 12 routes were less than 1. In particular, 80% or more of the vehicle trips of these 3 routes were without passengers (paras. 4.2 and 4.3).

17. *Low patronage of some recreational routes.* Recreational routes of the feeder service operate at weekends and on public holidays to and from local tourist attractions. Advance booking is required. Audit analysed the number of bookings, vehicle trips and passenger trips served by the 5 recreational routes in 2023 and found that of the total 195 bookings served, while 141 bookings (72%) had been served for

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Lantau Island Route (with 906 passenger trips), only 54 bookings (28%) had been served in total for the remaining 4 routes (with 196 passenger trips in total) (paras. 4.2 and 4.5).

18. *Need to expedite the implementation of improvement measures included in MOU B.* In response to TD's Invitation for Proposal exercise, in December 2021, Operator B had submitted in its proposal some service improvement measures, which were also included in MOU B. Audit noted that some of the improvement measures, including the analysis and forecasting of demand and travelling needs of passengers, revamping of the mobile application and development of multi-purpose bus, had not been implemented as of December 2023 (para. 4.9).

19. *Need to separately account for costs incurred in self-financing activities and subvented activities by Operator B.* Apart from the subvented Rehabus feeder service, Operator B operates other self-financing activities providing customised accessible transportation services for non-profit making purpose. Before June 2023, pending cost apportionment, costs incurred in self-financing activities would firstly be charged to the subvented account and reimbursed from the self-financing account afterwards. In July 2023, TD commented that the situation was improper from auditing and monitoring points of view and requested Operator B to cease the cost reimbursement arrangement immediately. Audit notes that while the accounting and payment arrangements of direct costs incurred (including drivers' salary, fuel expense and tunnel toll) in the self-financing activities and the provision of feeder service have been agreed between TD and Operator B, the arrangements of indirect costs incurred, such as office rental, office staff costs have not been discussed (paras. 4.11 and 4.12).

20. *Need to set up separate bank account for keeping accumulated reserve.* According to MOU B, Operator B is required to place surpluses into a reserve and the accumulated reserve must be kept in a separate interest-bearing account with a licensed bank. However, up to December 2023, no designated bank account had been set up for keeping the accumulated reserve separately (para. 4.14).

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Audit recommendations

21. Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Commissioner for Transport should:

Monitoring of Rehabus operators and procurement of vehicles

- (a) take measures to ensure that the meeting frequencies of RMC and ULG comply with the stipulated requirements (para. 2.12(a));
- (b) take measures to ensure that the annual budgets and annual audited accounts with reporting details set out in MOUs are timely submitted by Rehabus operators (para. 2.12(b));
- (c) strengthen TD's monitoring on the performance of Operator B, for example, by increasing the frequency of regular meetings (para. 2.12(c));
- (d) consider setting additional performance pledges in MOUs for enhancing TD's monitoring on the operators' performance (para. 2.12(d));
- (e) in arranging the procurement of vehicles for Rehabus services, require the Rehabus operators to provide additional relevant information in the procurement proposals for TD's assessment and take measures to ensure that the Procurement Guidelines are complied with (para. 2.19(a));

Provision of SRS and DAR

- (f) step up the oversight of Operator A in strengthening the vetting of the registration and renewal of Rehabus customers (e.g. laying down written guidelines on the vetting procedures and reviewing the retention periods of the supporting documents) (para. 3.5);
- (g) closely monitor the operation of SRS and require Operator A to review the routings of its existing routes and take follow-up actions on the

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enlisted SRS users not meeting the trip usage requirements (para. 3.12(a) and (b));

- (h) closely monitor the operation of DAR and require Operator A to take the following improvement measures:**
 - (i) addressing the increasing demand for point-to-point DAR through enhancing the utilisation of vehicles (para. 3.27(a)(i));**
 - (ii) investigating “Large group” passenger bookings for point-to-point DAR with actual number of passengers not meeting the required number for making the bookings and taking measures to address the irregularities (para. 3.27(b));**
 - (iii) reviewing the practicability of setting a limit on the maximum number of carers allowed to accompany a PWD in using point-to-point DAR taking into account the views of stakeholders (para. 3.27(c)); and**
 - (iv) reviewing PDAR routes with low patronage (para. 3.27(d));**
- (i) closely monitor the progress of the new integrated computer system under development by Operator A with its contractor (para. 3.34(b)); and**

Provision of feeder service

- (j) require Operator B to:**
 - (i) expeditiously complete the service performance review on hospital routes with low patronage and draw up improvement measures as appropriate (para. 4.7(a));**
 - (ii) take measures to improve the patronage of recreational routes with low utilisation (para. 4.7(b));**

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- (iii) **expedite the implementation of the service improvement measures included in MOU B as far as practicable (para. 4.15(a));**
- (iv) **strengthen measures to ensure that the costs (direct or indirect) of subvented activities and self-financing activities are separately accounted for and paid under different bank accounts as far as practicable (para. 4.15(c)); and**
- (v) **set up a designated interest-bearing bank account for keeping the accumulated reserve separately (para. 4.15(d)).**

Response from the Government

22. The Commissioner for Transport agrees with the audit recommendations.

PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

Background

1.2 The objective of the Government's rehabilitation policy is to provide suitable support and necessary facilities to persons with disabilities (PWDs) to help them develop their potentials so that they can participate in various activities on an equal basis with others, thereby facilitating their full integration into society. To meet the transport needs of PWDs, according to the Transport Department (TD), public transport operators are encouraged to make their vehicles accessible as far as practicable. Besides, a range of concessions are provided for drivers with a disability who drive their own vehicles (e.g. holders of a disabled person's parking permit are exempted from payment of parking charges for using on-street metered parking space). In addition, Rehabus services are special transport services (Note 1) provided for those who are unable to use public transport services that are provided for use by the general public. Rehabus services are territory-wide transport services which enable people with mobility difficulties to travel to work, school, training and rehabilitation centres, clinics and hospital, or participate in activities. Accessible buses, i.e. specially-fitted out vehicles equipped with equipment such as an automatic wheelchair lift, wheelchair restraint systems and all ages three-point seat belts, are used to provide Rehabus services.

1.3 ***Scope of Rehabus services.*** There are three main types of Rehabus services:

- (a) ***Scheduled route service (SRS).*** It is a regular commuting service for work, school, training or rehabilitation operated on weekday morning and evening

Note 1: *Other than Rehabus services, some welfare service units subvented by the Social Welfare Department (e.g. residential care homes, sheltered workshops, etc.) are provided with vehicles for meeting operational needs for conveying service users and goods, which are not included in this review.*

Introduction

peak hours (Note 2). In order to be eligible for using SRS, a user has to take at least five trips per week. Each user has fixed schedule as well as boarding and alighting points. Each vehicle has a fixed route, subject to change if there is a new applicant whose request can be catered for by the existing route/schedule. Fare is charged on a monthly basis based on the route nature (e.g. whether it is a cross-harbour route) and the number of trips requested;

(b) ***Dial-a-ride service (DAR).*** DAR is classified as follows:

- (i) ***Point-to-point DAR.*** It is a pre-booked service provided to meet the irregular transport needs of PWDs, such as attending medical appointments or participating in social activities (Note 3). Fare is based on the number of passengers, half-hourly charge (minimum 30 minutes) and mileage; and
- (ii) ***Pooled dial-a-ride service (PDAR).*** PDAR is a shared-ride return trip service provided on a weekly basis for taking PWDs (especially those living in boarding facilities and hostels) to and from schools or hostels. Normally, PDAR takes PWDs home on Fridays or Saturdays, and take them back to schools, workshops or care homes on Sundays or Mondays (Note 4). Users must have fixed schedules as well as boarding and alighting points. PDAR is charged at a flat rate on a monthly basis; and

Note 2: *The operating hours of SRS are:*

(a) *from 6:30 a.m. to 10 a.m. and from 3 p.m. to 7 p.m. from Mondays to Fridays (except public holidays); and*

(b) *from 6:30 a.m. to 10 a.m., from 12 noon to 2 p.m. and from 3 p.m. to 7 p.m. on Saturdays (except public holidays).*

Note 3: *Point-to-point DAR normally operates from 8:30 a.m. to 11 p.m. from Mondays to Sundays.*

Note 4: *PDAR mainly caters for PWDs who have transport needs to regular locations but are not eligible to use SRS due to inadequate number of trips to be taken (i.e. at least five trips per week).*

- (c) **Feeder service.** It is a service operating mainly on weekdays with fixed routes and timetables for serving areas where there are high and frequent transport demands, e.g. hospitals, clinics and railway stations (Note 5). No advance booking is required and it is operated on a first-come-first-served basis. Passengers can take the service at any designated stopping point if seating capacity permits. Apart from designated stops, the vehicles may, upon passengers' request, stop at any locations along the routes which are safe for boarding and alighting. Recreational service is also provided at weekends and on public holidays to and from some local tourist attractions. Advance booking of the service is required. Since 1 June 2020, the fare is charged at \$2 per passenger trip (Note 6).

1.4 **Monitoring of Rehabus services.** Since 1980, Rehabus services have been subvented by the Government. The Labour and Welfare Bureau (LWB) is responsible for overseeing the overall policy of Rehabus services and deciding the level of Government subvention for the development of the services. The administration of the Government subvention and monitoring of the provision of Rehabus services were initially undertaken by the Social Welfare Department. Since 1987, the responsibility has been taken over by TD.

1.5 **Operators of Rehabus services.** Since 1978, Rehabus services have been operated by Operator A (see Photograph 1). In order to allow Operator A to concentrate their resources on SRS and DAR, as well as to reduce the risks of having a sole operator for operating the expanding Rehabus services, with steers from LWB, TD first invited interested parties to submit proposals for operating the Rehabus feeder service (including weekend recreational service) in December 2018. Operator B was selected and engaged as the operator for Rehabus feeder service (see Photograph 2) commencing from 1 June 2019 for two years (and subsequently extended for one year to 31 May 2022). In December 2021, TD conducted another round of Invitation for Proposal exercise for operating the Rehabus feeder service. Operator B was

Note 5: *Feeder service normally operates from 7:30 a.m. to 7:35 p.m. from Mondays to Fridays; from 9:30 a.m. to 5:55 p.m. on Saturdays; and from 8:15 a.m. to 5:10 p.m. on Sundays.*

Note 6: *It is a promotional flat fare approved by TD until 31 May 2027.*

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selected for operating the feeder service for a period of five years until 31 May 2027 (Note 7).

Photograph 1

Rehabus of Operator A



Source: Photograph taken by Audit Commission staff on 13 December 2023

Note 7: *Subject to the performance of the operator, operating needs and other circumstances, TD may extend the service period for up to five years in aggregate by giving not less than two months' prior notice in writing from the date of the expiry of the service period.*

Photograph 2

Rehabus of Operator B



Source: Photograph taken by Audit Commission staff on 8 January 2024

1.6 In 2022-23, the amounts of subvention provided by LWB to Operator A and Operator B were \$112 million and \$13 million respectively. As of December 2023, Operator A had 59 office staff and 243 bus captains (including 9 part-time office staff and 44 part-time bus captains) for providing SRS and DAR, while Operator B had 6 office staff (including 1 part-time office staff) and 32 full-time bus drivers for providing feeder service.

1.7 Subject to the availability of resources and the need for provision of additional Rehabus services, the Government may provide funding to cover the capital expenditure for the approved procurement plans for vehicles for the purposes of replacement and operation of additional services. TD is responsible for arranging the procurement of vehicles with the operators. In 2022-23, 35 new vehicles were procured at a cost of \$39 million.

Introduction

1.8 **Memorandum of Understanding (MOU).** An MOU (Note 8) was signed between TD and each of the two operators setting out the general principles and guidelines governing the role of the operators and the administrative arrangements (Note 9) for the Government. Matters relating to provision of Rehabus services, subvention arrangement and performance target are also stipulated in MOUs. According to MOUs:

- (a) **Target group.** The operators will provide services to the following target groups in descending order of priority:
 - (i) the wheelchair users;
 - (ii) those requiring the use of crutches or calipers;
 - (iii) the multiple handicapped;
 - (iv) the mentally retarded (with proven mobility problems only); and
 - (v) the blind;
- (b) **Purpose of use.** The operators will provide services for the following purposes of use in descending order of priority:
 - (i) employment;

Note 8: *Operator A and Operator B are subvented organisations which receive grants from the Government on a recurrent basis. According to Financial Circular No. 9/2004 “Guidelines on the Management and Control of Government Funding for Subvented Organisations”, as a matter of good management, Directors of Bureaux or the relevant Controlling Officers should preferably enter into a Memorandum of Administrative Arrangements or a similar instrument with each organisation receiving recurrent funding. Such tailor-made instruments should set out the responsibilities of all parties in the delivery and monitoring of government-funded services and capital projects. Directors of Bureaux and Controlling Officers are expected to review the Memorandum of Administrative Arrangements or a similar instrument periodically.*

Note 9: *An MOU is administrative in nature and does not create any legally enforceable rights or impose any legally binding obligations.*

- (ii) education/training (Note 10);
 - (iii) medical treatment; and
 - (iv) leisure, recreational and sport activities; and
- (c) ***Termination of service.*** On termination of the Rehabus services (Note 11), the operators shall renounce all parking areas and facilities (including but not limited to all equipment and the bus fleet funded under subvention) acquired for the operation of the Rehabus services, and to repay any net balance of income over expenditure.

1.9 According to MOUs, a Rehabus Management Committee (RMC), with representative(s) from the Government, shall be set up by each operator, which shall meet at least once every quarter to oversee and monitor the management and operation of Rehabus services. The terms of reference and membership of the Committee shall be determined by the operators in consultation with the Government. The operators are also required to provide, among others, financial and operating statistics regularly for review and assessment by TD.

1.10 Table 1 shows the performance indicators of the operation of Rehabus services reported in TD's Controlling Officer's Reports (CORs) for the period from 2018 to 2022.

Note 10: *Students or trainees who already have alternative means of transport provided by concerned schools or institutions, albeit at a higher charge than the Rehabus at the time of registration, should not be accepted.*

Note 11: *In case of a failure or refusal of the operators to comply fully with the provisions of MOUs, the Government may, in its absolute discretion, take any action it considers necessary or desirable in the public interest and may exercise its powers as it deems necessary. The Government may unilaterally terminate MOUs by giving not less than one month's written notice (which shall include the reason or reasons for such termination) to the operators.*

Table 1
Performance indicators reported in TD's CORs
(2018 to 2022)

Indicators	2018	2019	2020	2021	2022
Vehicles for					
- SRS	103	109	109	117	127
- full-day DAR	45	46	46	50	52
- feeder service	7	10	10	17	17
Total	155	165	165	184	196
Passenger trips for (Note 1)					
- SRS	436,000	439,000	153,400	309,100	243,300
- DAR	480,000	476,000	200,100	346,900	319,800
- feeder service	42,300	45,600	25,200	40,200	40,500
Total	958,300	960,600	378,700	696,200	603,600
Number of persons waiting for SRS (including carers) (Note 2)	30	30	77	30	43

Source: CORs of TD

Note 1: Passenger trips included trips taken by PWDs as well as their carers. According to TD, between 2020 and 2022, the lower numbers of passenger trips were due to the suspension of school classes/rehabilitation centres and non-emergency services of public hospitals amid the coronavirus disease (COVID-19) epidemic.

Note 2: According to TD, in 2020 and 2022, the delivery of additional vehicles was behind the original schedule and no additional SRS routes could be introduced for the passengers on the waiting list due to the COVID-19 epidemic.

1.11 Headed by a Chief Transport Officer, the Disabled Transport Section under the Ferry and Paratransit Division of TD is responsible for administering the Government subvention and monitoring the efficient operation of Rehabus services. As at 31 December 2023, there were 6 staff (including 4 civil servants and 2 contract

staff) in the Disabled Transport Section (Note 12). An extract of the organisation chart of TD as at 31 December 2023 is at Appendix A.

Audit review

1.12 In November 2023, the Audit Commission (Audit) commenced a review to examine the provision and monitoring of Rehabus services. This review focuses on the following areas:

- (a) monitoring of Rehabus operators and procurement of vehicles (PART 2);
- (b) provision of SRS and DAR (PART 3); and
- (c) provision of feeder service (PART 4).

Audit has found room for improvement in the above areas and has made a number of recommendations to address the issues.

Acknowledgement

1.13 Audit would like to acknowledge with gratitude the full cooperation of the staff of LWB and TD during the course of the audit review.

Note 12: *According to TD, besides administering the Government subvention and monitoring the efficient operation of Rehabus services, the Disabled Transport Section is also responsible for coordinating the implementation of various projects under the “Transport for All” vision and the “5-Betters Strategy”, and administering the issue of Parking Certificates for Drivers Who Carry People with Mobility Disabilities. The two contract staff are designated for handling issues relating to the Parking Certificates for Drivers Who Carry People with Mobility Disabilities only.*

PART 2: MONITORING OF REHABUS OPERATORS AND PROCUREMENT OF VEHICLES

2.1 This PART examines the work of TD in the monitoring of Rehabus operators and procurement of vehicles, focusing on:

- (a) monitoring of Rehabus operators (paras. 2.2 to 2.13); and
- (b) procurement of vehicles (paras. 2.14 to 2.20).

Monitoring of Rehabus operators

2.2 TD is responsible for monitoring the service provided by the Rehabus operators. Apart from MOUs signed between TD and each of the two operators, TD has promulgated a guideline, namely the Internal Guideline on Administering the Government Subvention for Rehabus and Monitoring the Efficient Operation of Rehabus service (hereinafter referred as the Internal Guideline), setting out the administering and monitoring framework on Rehabus services.

2.3 **Updating of MOUs.** In January 2004, in response to the implementation of subvention arrangement (Note 13), an MOU was signed between TD and Operator A (MOU A) setting out the monitoring framework of Rehabus services provided by Operator A. In April 2019, an MOU with Operator B (MOU B) was signed (before Operator B's commencement of service on 1 June 2019) and updated in May 2022 (before Operator B's commencement of the current service period) for monitoring the Rehabus services provided by Operator B. According to Financial Circular No. 9/2004, TD shall review MOUs periodically (see Note 8 to para. 1.8). Audit noted that:

- (a) in 2019, in order to reflect the operation requirements of Rehabus services and to align with the requirement of MOU B, TD suggested to include additional clauses and revise some of the existing clauses of MOU A (for

Note 13: *From 2003-04 onwards, Operator A received government subvention under the arrangement which provided flexibility and autonomy to deploy funding between different expenditure items within the approved total amount of subvention and to deploy approved savings for future service improvements.*

Monitoring of Rehabus operators and procurement of vehicles

example, termination terms, calculation and handling of reserve and reserve level, etc.). However, as of December 2023, the proposed updates had not been incorporated in MOU A. According to TD:

- (i) apart from setting out the monitoring framework on Operator A for Rehabus services in MOU A, TD will also review and update the relevant guidelines, additional monitoring measures, and additional operation requirements from time to time to ensure efficient provision of Rehabus services by Operator A to PWDs. This necessitated longer time than expected in considering the review of MOU A; and
 - (ii) the update of MOU A involved consultation with Operator A and relevant bureaux and departments including LWB, the Department of Justice, and the Financial Services and the Treasury Bureau; and
- (b) the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region was implemented on 30 June 2020. In this connection, the Government of the Hong Kong Special Administrative Region shall take necessary measures to strengthen public communication, guidance, supervision and regulation over matters concerning national security, including those relating to schools, social organisations, the media, and the Internet. TD would incorporate safeguarding measures over matters concerning national security into MOUs between TD and the two Rehabus operators.

In March 2024, in response to Audit's enquiry, TD said that it had been working closely with Operators A and B on signing the new MOU A (including adding the clause for safeguarding national security and updating other relevant clauses in MOU A), and adding the clause for safeguarding national security in MOU B respectively, which would be completed by early April 2024.

Need to ensure compliance with frequency of meetings

2.4 According to MOUs and/or the Internal Guideline, the following Committee and Group are formed:

Monitoring of Rehabus operators and procurement of vehicles

- (a) **RMC.** To oversee and monitor the management and operation of the Rehabus services, each operator has to set up an RMC (Note 14), with representative(s) from the Government. RMC shall meet at least once every quarter; and
 - (b) **Users' Liaison Group (ULG).** To gauge the views of passengers on the Rehabus services, each operator has to set up a ULG with representatives from users of Rehabus services to discuss the daily and routine operational matters. TD officers shall attend ULG meetings as observers. According to their terms of reference, ULG of Operator A and Operator B shall meet every four and six months respectively.
- 2.5 Audit examined the relevant records from 2021 to 2023 and found that:
- (a) while RMC of Operator A had held 12 meetings (i.e. held quarterly), RMC of Operator B had only held 1 meeting in November 2023; and
 - (b) while ULG of Operator A had held 9 meetings (i.e. held every four months), ULG of Operator B had only held 1 meeting in May 2023.
- 2.6 In February 2024, TD informed Audit that:
- (a) the Rehabus feeder service operated by Operator B was first introduced in June 2019. As the set-up of RMC and ULG would require participation of representatives from disabled groups and individual users, owing to limited connection with the rehabilitation sector at the beginning of service introduction, Operator B needed time and encountered difficulties,

Note 14: *According to the terms of reference, RMC achieves its roles and functions to ensure that the needs of those who seek for the Rehabus services are met through:*

- (a) *ensuring an effective management of the Rehabus services;*
- (b) *overseeing the mission of the Rehabus services;*
- (c) *setting policy for the Rehabus services; and*
- (d) *supporting and promoting Rehabus services.*

particularly amid the COVID-19 epidemic, in recruiting necessary representatives from disabled groups and individual users for joining RMC and ULG during the period from mid-2019 to mid-2022. As such, RMC and ULG of Operator B were not formed in the first service period from June 2019 to May 2022; and

- (b) upon commissioning of the second service period from 1 June 2022, at TD's requests, Operator B had recruited necessary members from disabled groups and individual users to form ULG and RMC in May and November 2023 respectively.

Audit considers that TD needs to take measures to ensure that the meeting frequencies of RMC and ULG comply with the stipulated requirements.

Room for improvement in submitting financial documents

2.7 According to MOUs, the operators shall submit the following financial documents to TD:

- (a) ***Annual budget.*** Each operator shall submit the annual budget at least four months before the commencement date of the next financial year, with the detailed breakdown of, including but not limited to the following:
 - (i) scale of fares;
 - (ii) staff establishment;
 - (iii) salary scale of staff of the Rehabus services;
 - (iv) income and expenditure budget for running the Rehabus services; and
 - (v) Statement of Financial Position; and
- (b) ***Annual audited accounts.*** Each operator shall submit a set of annual audited accounts, not later than 31 July following the end of the financial year, i.e. 31 March, including:

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- (i) annual audited financial statements;
- (ii) an annual auditor's report, which shall contain an audit statement as to whether the operator has, during the period under audit, complied with the provisions set out in MOUs. Any non-compliance should be fully disclosed; and
- (iii) an auditor's management letter, showing the weaknesses of the operator's internal controls discovered during the course of audit together with recommendations for improvement.

2.8 Audit examination of the financial documents submitted by the operators in 2021-22 to 2023-24 revealed that:

- (a) there were delays in submitting the annual budgets by Operator B for 2022-23 and 2023-24 by 164 and 115 days respectively;
- (b) there were delays in submitting the annual audited accounts by Operator B for 2020-21 and 2021-22 by 12.3 and 2 months respectively; and
- (c) not all the reporting details had been included in the annual budgets submitted by Operator A and Operator B (see Table 2).

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Table 2

Submission of detailed breakdown in annual budgets to TD by the operators (2021-22 to 2023-24)

Detailed breakdown	Operator A			Operator B		
	2021-22	2022-23	2023-24	2021-22	2022-23	2023-24
1. Scale of fares	Yes	Yes	Yes	N/A (Note)	Yes	Yes
2. Staff establishment	Yes	Yes	Yes		No	No
3. Salary scale of staff of the Rehabus services	No	No	No		No	No
4. Income and expenditure budget for running the Rehabus services	Yes	Yes	Yes		Yes	Yes
5. Statement of Financial Position	Yes	Yes	Yes		No	No

Source: Audit analysis of TD records

Note: When Operator B was first selected and engaged as the operator for Rehabus feeder service, the original service period was from 1 June 2019 to 31 May 2021. According to TD, it did not request Operator B to submit the annual budget for 2021-22 with a view to avoiding unnecessary expectation of Operator B on renewing the operating rights beyond the original service period, i.e. 31 May 2021.

2.9 In February 2024, TD informed Audit that:

- (a) Operator B was a non-governmental organisation newly established in April 2019 and lacked experience in submitting financial documents to TD. Operator B submitted part of the first draft audited accounts for 2020-21 on 5 November 2021 (i.e. around 3 months late). However, due to the need to conform to the form of reporting and to seek clarification for a number of issues, it took time to follow up with the auditor and eventually submitted the whole set of the audited accounts around 12.3 months late; and
- (b) TD brought up the issue of the late submission of the annual audited accounts in the regular meeting with the senior management of Operator B held on 8 September 2022. TD had also enhanced the monitoring work

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since September 2022 to issue reminder to Operator B for timely submission and ask Operator B to provide written explanation on any late submission. It was observed that Operator B could meet the deadline and submitted the annual audited accounts for 2022-23 on 31 July 2023.

Audit considers that TD needs to take measures to ensure that the annual budgets and annual audited accounts with reporting details set out in MOUs are timely submitted by Rehabus operators.

Room for improvement in performance management and reporting

2.10 ***Need to strengthen monitoring of Operator B.*** According to the Internal Guideline, TD and the senior management of the operators shall meet on a regular basis to discuss financial and operational issues of the Rehabus services. Audit noted that TD had held 15 regular meetings with Operator B from 2021 to 2023, as compared to 32 regular meetings with Operator A during the period. Taking into consideration that Operator B was a relatively new non-governmental organisation established in April 2019, Audit considers that TD needs to strengthen its monitoring on the performance of Operator B, for example, by increasing the frequency of regular meetings, so as to ensure compliance with MOUs and Internal Guideline.

2.11 ***Setting performance pledge.*** According to MOUs, the operators shall submit a Performance Pledge on the management and operations of Rehabus services for approval by the Government. The operators shall, in consultation with the Government, review and publish the performance pledge annually. There were two performance pledges stipulated in both MOU A and MOU B and they were reported in TD's CORs as performance indicators (see Table 1 in para. 1.10):

- (a) number of passenger trips for Rehabus services; and
- (b) number of vehicles allocated for Rehabus services.

According to the Guidelines for preparing COR issued by the Financial Services and the Treasury Bureau, when developing performance measures, performance targets should preferably be measured in terms of intended outcome (instead of output or input). In this connection, Audit notes that TD has been reviewing the performance

of other public bus operators regularly through other parameters in addition to patronage. These include, for example, the number of complaints lodged per million passenger journeys, average number of accidents per million vehicle-kilometre, etc. In Audit's view, to enhance transparency and accountability, TD needs to consider setting additional performance pledges (e.g. outcome targets) other than patronage and allocation of vehicles in MOUs for enhancing its monitoring on the operators' performance.

Audit recommendations

2.12 Audit has *recommended* that the Commissioner for Transport should:

- (a) take measures to ensure that the meeting frequencies of RMC and ULG comply with the stipulated requirements;**
- (b) take measures to ensure that the annual budgets and annual audited accounts with reporting details set out in MOUs are timely submitted by Rehabus operators;**
- (c) strengthen TD's monitoring on the performance of Operator B, for example, by increasing the frequency of regular meetings; and**
- (d) consider setting additional performance pledges other than patronage and allocation of vehicles in MOUs for enhancing TD's monitoring on the operators' performance.**

Response from the Government

2.13 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will:

- (a) monitor and follow up with Rehabus operators to ensure that their meeting frequencies of RMC and ULG comply with the stipulated requirements;**
- (b) continue to follow up with Rehabus operators to ensure that the annual budgets and annual audited accounts set out in MOUs are timely submitted;**

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- (c) strengthen its monitoring on the performance of Rehabus operators; and
- (d) work with Rehabus operators to review and set additional performance pledges as appropriate in MOUs.

Procurement of vehicles

2.14 TD is responsible for arranging the procurement of vehicles with Rehabus operators for replacement and meeting additional passenger demand. From 2018-19 to 2022-23, 124 vehicles amounting to \$135.3 million were procured (see Table 3). Each vehicle has a maximum capacity of 12 passengers (including 5 wheelchair users), 13 passengers (including 7 wheelchair users) or 14 passengers (including 6 wheelchair users).

Table 3

**Vehicles procured for Rehabus services
(2018-19 to 2022-23)**

	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Number of vehicles procured for						
- replacement	15	15	5	10	26	71
- meeting additional passenger demand	12	—	20	12	9	53
Total	27	15	25	22	35	124
Expenditure (\$'000)	28,609	16,794	26,632	24,113	39,158	135,306

Source: Audit analysis of TD records

2.15 According to the Internal Guideline, operators may submit proposals to TD for procurement of Rehabuses, including replacement of aged vehicles (with assessment conducted by the Electrical and Mechanical Services Department —

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Note 15) and additional vehicles to meet estimated additional demand. If the proposals are approved, TD and the operators will undertake the following procurement process:

- (a) the operators will prepare draft tender documents (which include the specifications of the vehicles) for TD's vetting, with a view to conducting open tender exercises for the procurement of vehicles the soonest possible;
- (b) when funding is approved, the operators will proceed to procure the new vehicles in accordance with the "Guidelines for Procurement of Rehabus Vehicles" (hereinafter referred to as the Procurement Guidelines — Note 16), including the forming of the following:
 - (i) a Tender Opening Committee for opening and handling classified correspondence relating to tenders and contracts on a need-to-know basis;
 - (ii) a Tender Assessment Panel for conducting tender evaluation and preparation of tender reports with tender recommendations; and
 - (iii) a Tender Board for endorsing the tender reports prepared by the Tender Assessment Panel;
- (c) the tender reports endorsed by the Tender Board will be submitted for TD's approval;

Note 15: *Based on the operating mileages and ages of the vehicles, and subject to user request, the Electrical and Mechanical Services Department will conduct comprehensive inspections on certain vehicles, and will recommend them for replacement if the vehicles will not be maintainable/serviceable and beyond their design/economical life in the coming year.*

Note 16: *The Guidelines were set out with reference to the Stores and Procurement Regulations issued by the Government and agreed between TD and the Rehabus operators.*

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- (d) the operators will award the procurement contract and arrange the new vehicles for inspections by TD and licensing with TD upon receiving the new vehicles (Note 17);
- (e) upon confirmation of receipt of and licensing formalities for the new vehicles, the operators will send invoices from suppliers together with other supporting documents to TD for arranging payments; and
- (f) TD will vet the invoices and supporting documents, and arrange payments after vehicle delivery and completion of licensing formalities.

Room for improvement in vetting procurement proposals

2.16 According to the Internal Guideline, TD shall critically assess the justification and cost-effectiveness of procurement proposals submitted by the operators, including the auxiliary facilities such as depots and parking facilities for the new vehicles to be procured. Audit examination on the proposals submitted by the operators from 2021 to 2023 (for the procurement in 2022-23 to 2024-25) found that some relevant information, such as the utilisation of existing vehicles (see para. 3.16), had not been included in the proposals. Upon enquiry, in February 2024, TD informed Audit that:

- (a) against the background of ageing society, there was an imminent need for Rehabus services. TD considered that the major factors to determine vehicle procurement were demand driven, i.e. the anticipated demand for Rehabus services, existing service adequacy and users' waiting time; and
- (b) the information of availability of drivers/parking spaces (which could be addressed by recruitment measures/renting parking spaces) was not the major determining factors for procurement of vehicles.

Audit considers that TD needs to require the Rehabus operators to provide additional relevant information in the procurement proposals for TD's assessment.

Note 17: *New vehicles will be subject to building and modification works to be arranged by the suppliers before delivery to the operators.*

Need to ensure compliance with Procurement Guidelines

2.17 The Procurement Guidelines have stipulated requirements on the composition of the Tender Opening Committee, the Tender Assessment Panel and the Tender Board, such as the number and rank of members. Audit examined the 6 procurement exercises conducted for 2020-21 to 2022-23 (4 of Operator A and 2 of Operator B) and found non-compliances with the Procurement Guidelines:

- (a) for the 4 procurement exercises of Operator A:
 - (i) the representative from TD served as a member instead of the Chairman of the Tender Opening Committee in 1 exercise (Note 18);
 - (ii) while staff of managerial grade of Operator A were required as members of the Tender Opening Committee, one member of the Tender Opening Committee was a staff below managerial grade in 1 exercise; and
 - (iii) there was no documentary evidence showing that the tender reports of all the 4 procurement exercises had been endorsed by TD. According to TD, it closely monitored the progress of vehicle procurement of the two operators. The tender assessments had been discussed thoroughly in the regular meetings with steers given by TD as appropriate at the meetings; and
- (b) for the 2 procurement exercises of Operator B:
 - (i) in both exercises, the Tender Opening Committee only comprised 2 members instead of the requirement of 3 members (Note 19); and

Note 18: *According to the Procurement Guidelines of Operator A, the Tender Opening Committee shall include a representative from TD as Chairman.*

Note 19: *According to TD, as the post of Senior Operation Officer of Operator B (a representative of the Tender Opening Committee stipulated in the Procurement Guidelines of Operator B) was vacant at the time of the tendering exercise, the Tender Opening Committee only comprised 2 members.*

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- (ii) in 1 exercise, the members of the Tender Board did not include the Company Secretary as required.

In Audit's view, TD needs to take measures to ensure that the Procurement Guidelines are complied with.

Need to keep in view new vehicle specifications

2.18 As of 31 December 2023, the entire Rehabus fleet had 225 vehicles and were all operated by diesel. Most of the vehicles are equipped with a rear lift to facilitate the boarding and alighting by wheelchair users at the rear door. However, it takes time for the driver to operate the wheelchair lift and there may be sudden mechanical breakdown of the wheelchair lift. Moreover, boarding and alighting on the kerbside would be preferred for both the drivers and wheelchair bound service users if practicable. Audit notes that the operators have introduced/proposed new vehicle specifications to improve the operation:

- (a) ***Vehicles with kerbside wheelchair accessible capability.*** To improve the operation efficiency and user experience, Audit noted that in a procurement exercise for 2022-23, Operator A procured two units of a newly-developed model (with kerbside loading) for trial purposes. In September 2023, the two new vehicles with a kerbside lift were put into service (see Photograph 3). As more time was needed to fully test the suitability of this new mode of operation, Operator A had not proposed procuring additional vehicles of such design in the procurement exercise for 2023-24; and

Photograph 3

Rehabus with kerbside lift of Operator A



Source: Operator A records

- (b) **Electric vehicles.** According to the 2022 Policy Address, the Government will cease new registration of fuel-propelled and hybrid private cars in 2035 or earlier, and announce a roadmap for the promotion of electric public transport and commercial vehicles by 2025. In May 2023, Operator A submitted a proposal for procuring two electric vehicles in 2024-25 for a two-year on-road trial commencing from the third quarter of 2025 (Note 20). Operator A would also study the feasibility of charger installation at various parking sites.

With a view to enhancing the operational efficiency and user experience, Audit considers that TD needs to keep in view the development of the new vehicle specifications for improving Rehabus operation.

Note 20: *It is expected that the trial can test the technical viability and operational performance of electric vehicles under the local environment and provide useful information for further adoption of electric vehicles in Rehabus operation.*

Audit recommendations

- 2.19 **Audit has *recommended* that the Commissioner for Transport should:**
- (a) **in arranging the procurement of vehicles for Rehabus services:**
 - (i) **require the Rehabus operators to provide additional relevant information in the procurement proposals for TD's assessment; and**
 - (ii) **take measures to ensure that the Procurement Guidelines are complied with; and**
 - (b) **keep in view the development of the new vehicle specifications for improving Rehabus operation.**

Response from the Government

2.20 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will:

- (a) review the requirements on the information to be submitted by the Rehabus operators in their procurement proposals for TD's assessment;
- (b) issue an action checklist to the Rehabus operators to ensure that the relevant Procurement Guidelines are complied with; and
- (c) keep in view the development of the new vehicle specifications for improving Rehabus operation.

PART 3: PROVISION OF SCHEDULED ROUTE SERVICE AND DIAL-A-RIDE SERVICE

3.1 This PART examines the provision of SRS and DAR by Operator A, focusing on:

- (a) registration as Rehabus customer (paras. 3.2 to 3.6);
- (b) operation of SRS (paras. 3.7 to 3.13);
- (c) operation of DAR (paras. 3.14 to 3.28); and
- (d) other operational issues (paras. 3.29 to 3.35).

Registration as Rehabus customer

3.2 According to TD, Operator A is responsible for providing SRS and DAR. Only a registered Rehabus customer can use Operator A's Rehabus services. There are two types of customers:

- (a) ***Individual customer.*** To register as an individual customer, an applicant must hold a Hong Kong Identity Card (Note 21) and a valid Registration Card for People with Disabilities issued by LWB or a mobility impairment certificate issued by a doctor, an occupational therapist or a physiotherapist registered in Hong Kong. Subject to the professional advice, the Registration Card for People with Disabilities or the mobility impairment certificate is either "permanent" or "non-permanent" with a validity period. Individual customers can apply for SRS, point-to-point DAR and PDAR.

Note 21: *This refers to:*

- (a) *any person who holds a Hong Kong Identity Card issued under the Registration of Persons Ordinance (Cap. 177), except those who obtained their Hong Kong Identity Cards by virtue of a previous permission to land or remain in Hong Kong granted to them and for whom such permission has expired or ceased to be valid;*
- (b) *any child who is a Hong Kong resident and under 11 years of age; and*
- (c) *any person who holds a Certificate of Exemption.*

Provision of scheduled route service and dial-a-ride service

As at 31 December 2023, there were 7,120 registered individual customers, comprising 5,459 (77%) customers with permanent disabilities and 1,661 (23%) customers with non-permanent disabilities; and

- (b) **Organisation customer.** To register as an organisation customer, an organisation (e.g. tax-exempt charities) should provide a copy of its registration certificate in accordance with the relevant laws of Hong Kong. Organisation customers can only apply for point-to-point DAR and they should ensure that all passengers are persons with mobility difficulties who are eligible for Rehabus Services (see para. 1.8(a)). As at 31 December 2023, there were 714 registered organisation customers.

Need to strengthen vetting of registration and renewal of Rehabus customers

3.3 According to Operator A, in order to vet the eligibility of using Rehabus services, it will review the relevant supporting documents when an application for registration as a Rehabus customer is received and upon renewal when the validity period of the Registration Card for People with Disabilities or the mobility impairment certification is about to expire. Audit noted that:

- (a) as at 31 December 2023, of the 1,661 individual customers with non-permanent disabilities, the validity periods of the Registration Cards for People with Disabilities or mobility impairment certificates of 8 (0.5%) customers had expired. In this connection, Operator A had not laid down written guidelines setting out the vetting procedures (e.g. the required ranking of staff for approving and renewing the registration, the bring-up system for renewing applications and treatment for those cases which failed to provide valid supporting documents for renewal). According to Operator A, despite that there were no written guidelines, it had established practice to handle applications of PWDs with non-permanent disabilities; and
- (b) according to the requirement stipulated in MOU A, Operator A shall keep proper books and records of all receipts and payments and other supporting documents in connection with the Rehabus services up to seven years for inspection by the Government. However, Operator A considered that in view of privacy concern, after vetting was completed, the supporting documents for registration and renewal would be disposed of immediately.

Therefore, in the absence of relevant documents, Audit was unable to ascertain whether the vetting for the eligibility of customers in using Rehabus services has been properly conducted by Operator A.

3.4 In order to strengthen the vetting of the registration and renewal of Rehabus customers, Audit considers that there is a need to:

- (a) lay down written guidelines on the vetting procedures; and
- (b) review the retention periods of the supporting documents for registration and renewal for the Rehabus customers with a view to striking a balance of the genuine needs of records keeping and personal data protection.

Audit recommendations

3.5 **Audit has *recommended* that the Commissioner for Transport should step up the oversight of Operator A in strengthening the vetting of the registration and renewal of Rehabus customers, for example:**

- (a) **laying down written guidelines on the vetting procedures; and**
- (b) **reviewing the retention periods of the supporting documents for registration and renewal for the Rehabus customers.**

Response from the Government

3.6 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will:

- (a) issue written guidelines on the vetting procedures for the registration and renewal of Rehabus customers; and
- (b) review and set a reasonable retention period of the supporting documents for registration and renewal for the Rehabus customers, with due regard on personal data protection.

Operation of scheduled route service

Need to review the routings of existing SRS routes

3.7 ***Application of SRS.*** A registered Rehabus customer who wishes to use SRS can submit an application indicating the trip purpose, requested service time and locations, number of trips per week and number of carers (Note 22), if any. Operator A will process the applications by no later than the 10th of each month and will contact the applicants to offer a service arrangement if there is an available route. If the applicant agrees with the service arrangement, he/she can start using the service in the following month. Otherwise, the applicant will be put on SRS waiting list. The fares for SRS are shown in Appendix B. As at 31 December 2023, there were 122 scheduled routes serving 1,278 SRS users (including carers of PWDs). Audit analysed the patronage records of Operator A from 2019 to 2023 and found that:

- (a) ***Decrease in numbers of SRS users and passenger trips.*** While the average monthly number of scheduled routes increased by 14% from 106 in 2019 to 121 in 2023 (see Table 4):
 - (i) the actual annual total passenger trips fell short of target as set out in MOU A by 1% to 4% during the period from 2019 to 2022 and by 18% in 2023;
 - (ii) the average monthly number of enlisted SRS users decreased by 9% from 1,409 in 2019 to 1,283 in 2023; and
 - (iii) the actual annual average passenger trips per route decreased by 30% from 4,139 in 2019 to 2,912 in 2023.

Audit analysis of records for 2023 revealed that of the 121 routes as of September 2023 (including 2 routes introduced in March 2023), 22 (18%) had a monthly average of 6 or less enlisted passengers from January to September 2023 (Note 23); and

Note 22: *To attend to the special needs of PWDs, each SRS applicant can apply for up to two carers. Carers are also required to pay fares for using the service.*

Note 23: *For the remaining 99 (82%) routes, 74 (61%) routes and 25 (21%) routes were enlisted with monthly average of 10 or more users, and 7 to 9 users from January to September 2023 respectively.*

Provision of scheduled route service and dial-a-ride service

Table 4

Average passenger trips per SRS route (2019 to 2023)

Year	Average monthly number of SRS routes (a)	Average monthly number of SRS users	Target total passenger trips (b)	Actual total passenger trips (c)	Shortfall between target and actual total passenger trips (d) = (b) – (c)	Actual average passenger trips per route (e) = (c)/(a)
2019	106	1,409	446,000	438,775	7,225 (2%)	4,139
2020	109	1,367	159,900 (Note 1)	153,376	6,524 (4%)	1,407
2021	116	1,338	310,900 (Note 1)	309,069	1,831 (1%)	2,664
2022	119	1,312	254,300 (Note 1)	244,071	10,229 (4%)	2,051
2023	121	1,283	431,300 (Note 2)	352,410	78,890 (18%)	2,912

Source: Audit analysis of Operator A records

Note 1: The target had been revised downward by TD during the year to reflect the impact of the COVID-19 epidemic on ridership.

Note 2: The target had been revised upward in September 2023 from 388,700 to 431,300 in view of the gradual resumption of normalcy after the COVID-19 epidemic.

(b) ***Increase in number of applicants on SRS waiting list.*** As shown in Table 5, the average monthly number of applicants on SRS waiting list (including carers) from 2019 to 2023 ranged from 42 to 73. Audit conducted an ageing analysis of the applicants on the waiting list as at 30 September 2023 and noted that:

- (i) there were 98 applicants on the waiting list, of which 8 (8%) applicants (including 6 PWDs and 2 carers) had been on the waiting

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list for more than one year, whereas the longest waiting time was 22.7 months (see Table 6);

- (ii) of the 6 PWDs on the waiting list for more than one year, 4 were wheelchair users (i.e. top priority target group — see para. 1.8(a)) while the remaining 2 were having trip purpose of employment (i.e. top priority purpose of use — see para. 1.8(b)); and
- (iii) although three new routes had been introduced from August 2022 to December 2023, no service arrangements were offered to them.

Table 5

**Average monthly number of applicants on SRS waiting list
(2019 to 2023)**

Year	Average monthly number of applicants on SRS waiting list (including carers)
2019	59
2020	45
2021	56
2022	42
2023	73

Source: Audit analysis of Operator A records

Table 6

**Ageing analysis of the applicants on SRS waiting list
(30 September 2023)**

Waiting time (Month)	Number of applicants (including carers)	Percentage
≤ 3	74	76%
> 3 to ≤ 6	9	9%
> 6 to ≤ 12	7	7%
> 12 to ≤ 24 (Note)	8	8%
Total	98	100%

Source: Audit analysis of Operator A records

Note: The longest waiting time was 22.7 months.

3.8 In February 2024, TD informed Audit that:

- (a) the annual target total passenger trips for 2020 to 2022 had been adjusted downwards to reflect the adverse impact of the COVID-19 epidemic on travel demand. For 2023, the target figure was adjusted upwards due to the anticipated return to normalcy but the passenger trips had not rebounded as quickly as expected;
- (b) there had been some changes of travelling pattern of the frequent users groups. For example, there was a drastic decrease by 65.7% in the number of work-based users from 335 in December 2019 to 115 in December 2023. Reasons contributing to the decrease included some PWDs dropping out of the employment market due to the COVID-19 epidemic and some PWDs changing to work-from-home, etc.;
- (c) the nature of SRS was primarily a pooled service catering for users who took regular travels for work, school, training or rehabilitation at similar time periods and locations whereby a fixed schedule route could be designed for them. Every month, Operator A would review if there was any spare capacity of SRS routes available (e.g. due to users withdrawing

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from SRS) and assign available seating capacity to applicants on the waiting list with suitable schedule. 93 % of SRS users newly enlisted from January to September 2023 could be allocated with a route within six months;

- (d) most of the new vehicles were delivered from November each year to February the following year and hence the fleet size would remain unchanged for the remaining eight months in a year. For waiting applicants whose schedules did not match with the newly introduced SRS routes after delivery of the new vehicles, their waiting time would become longer; and
- (e) there were operation difficulties in assigning routes to applicants with special travel patterns in terms of timing and location as pooling of different passengers with similar patterns was not easy. If a route was introduced specifically for these less common demand, the utilisation of the vehicle(s) concerned was expected to be low (as it could not be pooled with other demand). It was necessary to strike a balance between the passenger demand and better utilisation of resources.

Audit considers that there is merit to review the routings of Operator A's existing routes with a view to enhancing efficiency in operating SRS.

Need to take follow-up actions on enlisted SRS users not meeting trip usage requirements

3.9 SRS is a regular commuting service for work, school, training or rehabilitation operated on weekday morning and evening peak hours. In order to be eligible for using SRS, a user has to take at least five trips (outward trip and return trip are counted as two trips) per week. Each vehicle has a fixed route and each route is enlisted with passengers having fixed schedule as well as boarding and alighting points (Note 24). Audit noted that the average number of trips taken per user per week decreased by 12 % from 6 in 2019 to 5.3 in 2023. Operator A has implemented the following measures to avoid wasting of resources:

Note 24: *As SRS is a shared-use service, users must agree to accept changes in schedule (including pick-up and drop-off time and point), routing, number of passengers, etc., in future if the commuting time of the proposed changes are reasonable and would not lead to late arrival for the outward trip and early departure for the return trip.*

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- (a) if a user has to suspend using SRS (e.g. on leave or take rest due to illness) or withdraw from the service, he/she should notify Operator A as soon as possible (Note 25). Operator A reserves the rights to arrange service for other applicants during the period when the user suspends using the service;
- (b) if the number of trips taken by a user is less than half of the trips arranged per week for 2 consecutive months without a reasonable explanation, Operator A will assume that the user is no longer in need of SRS and will follow up with the relevant user, including exercising the rights to terminate the use of the service and release resources to people who are more in need; and
- (c) if a user has to suspend or has already suspended using SRS for 3 months or more, such acts would be regarded as a withdrawal from SRS.

3.10 According to TD:

- (a) in the light of the gradual resumption of travel demand from PWDs in the aftermath of the COVID-19 epidemic and the service demand for SRS in 2023 would take more time to resume normalcy, Operator A considered it more appropriate to adopt a flexible approach in handling the prolonged non-usage cases; and
- (b) Operator A would ask for the reasons of non-usage and in respect of cases where the users indicated a diminishing need, it would urge them to withdraw from SRS.

3.11 As of September 2023, there were 1,279 SRS users. Audit analysed the summary of attendance records of these 1,279 SRS users for the three-month period from September to November 2023 and found that:

Note 25: *If a user has to temporarily suspend to use SRS due to illness or other health conditions, for operational expediency, he/she should notify Operator A of the period/dates for not using SRS so that drivers do not have to pick up the user on the specified dates.*

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- (a) there were 192 users taking less than half of the arranged trips in September and October 2023, of which 154 users had also taken less than half of the arranged trips in November 2023. However, there was no documentation showing that Operator A had duly followed up with them. As of December 2023, all of them were still enlisted on SRS despite having failed to meet the trip usage requirements as stated in paragraph 3.9(b); and
- (b) there were 17 users not taking any trips for 3 consecutive months from September to November 2023. Among these 17 users, 5 withdrew from SRS starting from December 2023, 3 were on sick leave, 1 claimed that he would withdraw in January 2024 and 1 claimed that he would resume using SRS in the following month. For the remaining 7 users, there was no documentation showing that Operator A had duly followed up with them.

Audit considers that there is a need to take follow-up actions on the enlisted SRS users not meeting the trip usage requirements.

Audit recommendations

3.12 **Audit has *recommended* that the Commissioner for Transport should closely monitor the operation of SRS and require Operator A to take improvement measures as follows:**

- (a) **reviewing the routings of its existing routes with a view to enhancing efficiency in operating SRS; and**
- (b) **taking follow-up actions on the enlisted SRS users not meeting the trip usage requirements.**

Response from the Government

3.13 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will take follow-up actions accordingly.

Operation of dial-a-ride service

3.14 In addition to SRS, DAR is provided to meet the irregular transport needs of PWDs, which are in strong demand. According to TD, DAR is classified into point-to-point DAR and PDAR. As shown in Table 7, the number of target total passenger trips and actual total passenger trips in 2023 have increased as compared with the previous years from 2020 to 2022.

Table 7

**Number of passenger trips for DAR
(2019 to 2023)**

Year	Target total passenger trips (a)	Actual total passenger trips (b)	Difference between target and actual total passenger trips (c) = (b) – (a)
2019	504,000	475,777	(28,223) (-6%)
2020	204,000 (Note 1)	200,061	(3,939) (-2%)
2021	331,100 (Note 1)	346,489	15,389 (+5%)
2022	301,900 (Note 1)	319,643	17,743 (+6%)
2023	474,100 (Note 2)	442,084	(32,016) (-7%)

Source: Audit analysis of Operator A records

Note 1: The target had been revised downward by TD during the year to reflect the impact of the COVID-19 epidemic on ridership.

Note 2: The target had been revised upward in September 2023 from 411,400 to 474,100 in view of the gradual resumption of normalcy after the COVID-19 epidemic.

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High percentage of rejected orders for point-to-point DAR

3.15 According to Operator A, it will carry out vehicle scheduling about one month before the service date. Cancelled orders are those cancelled by users before assignment being confirmed and rejected orders are those rejected by Operator A because vehicles could not be scheduled or deployed to meet the requested service. As shown in Table 8, from 2019 to 2023, while the numbers of total orders received and completed orders increased by 28% from 136,151 to 174,668 and by 20% from 101,109 to 121,274 respectively, the number of rejected orders increased by 102% from 10,632 to 21,425.

Table 8
Status of point-to-point DAR orders received
(2019 to 2023)

Status	2019	2020	2021	2022	2023
Number of passenger trips	457,622	194,697	343,822	317,825	434,743
<i>Number of completed orders</i>					
Completed	101,109 (74%)	63,497 (46%)	103,281 (68%)	99,208 (62%)	121,274 (70%)
<i>Number of uncompleted orders</i>					
(i) Cancelled	24,410 (18%)	72,461 (52%)	42,039 (28%)	53,087 (34%)	31,969 (18%)
(ii) Rejected	10,632 (8%)	2,941 (2%)	6,992 (4%)	6,633 (4%)	21,425 (12%)
Sub-total	35,042 (26%)	75,402 (54%)	49,031 (32%)	59,720 (38%)	53,394 (30%)
Number of total orders received	136,151 (100%)	138,899 (100%)	152,312 (100%)	158,928 (100%)	174,668 (100%)

Source: Audit analysis of Operator A records

3.16 ***Need to improve utilisation of vehicles deployed for providing point-to-point DAR.*** According to Operator A, as at 31 December 2023, 73 vehicles were deployed for full-day point-to-point DAR. PDAR shares the same pool of

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vehicles deployed for full-day point-to-point DAR while the vehicles deployed for SRS would also be deployed for point-to-point DAR during the non-peak hours between the scheduled routings (see Note 2 to para. 1.3(a)). According to TD, passenger demand for the Rehabus services often concentrated in peak hours on weekdays while there would be lower passenger demand on Saturdays and Sundays. Audit examined the fleet utilisation statistics reported to TD in the monthly reports for the period from 2019 to 2023 and found that the average number of spare vehicles (Note 26) on weekdays (except public holidays) ranged from 9 to 42 during the period (see Table 9).

Table 9

**Vehicle utilisation
(2019 to 2023)**

Deployment	2019	2020	2021	2022	2023
	(Average number of vehicles on weekdays)				
1. Vehicle deployed to service	145	116	156	154	162
2. Under maintenance	7	4	2	2	3
3. Others (Note)	3	1	2	2	0
4. Spare	9	42	13	29	30
Total	164	163	173	187	195

Source: Audit analysis of Operator A records

Note: Others refer to vehicles deployed for driving test, driver training and fleet shunting.

Remarks: The analysis on vehicle utilisation was based on weekdays (except public holidays).

Note 26: *According to Operator A, vehicles would be regarded as spare if they were not:*

(a) deployed for any job orders before 12:30 p.m.;

(b) under scheduled or non-scheduled maintenance; or

(c) deployed for driving test, driver training and fleet shunting.

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3.17 In February 2024, TD informed Audit that:

- (a) from 2020 to 2022, there was a higher number of spare vehicle due to less passenger demand for Rehabus services in view of the suspension of school classes/rehabilitation centres and non-emergency services of public hospitals amid the COVID-19 epidemic; and
- (b) in 2023, similar to the situation of other public transport operators, Operator A encountered difficulties in employing sufficient bus captains from the local labour market (Note 27) especially in the second and the third quarters, which led to a higher number of spare vehicle and the increase in the number of rejected orders.

Audit considers that there is a need to enhance the utilisation of vehicles deployed for providing point-to-point DAR.

3.18 *Need to achieve a wider adoption of shared-use arrangement for point-to-point DAR.* Point-to-point DAR is arranged according to “Large group” (5 or more passengers) and “Small group” (4 or less passengers). To optimise the use of resources, shared-use service will be arranged for two or more “Small group” passengers based on the number of passengers, trip times and places for boarding or alighting provided at the time of booking (Note 28). The fares for point-to-point DAR are shown in Appendix B. According to Operator A, a certain number of vehicles would be reserved for shared-use arrangement in order to increase the successful rate of “Small group” users’ service requests during peak hours.

Note 27: *The number of the bus captain shortfall increased from 5 in December 2022 to 22 in June 2023. Operator A implemented pay rise for bus captains by 4.65% from April 2023 and further enhanced its remuneration package for the Rehabus bus captains with effect from November 2023. As of December 2023, there was still a shortage of 9 bus captains.*

Note 28: *According to Operator A, if it is unsuitable or impossible for a user to accept shared-use arrangement due to special reasons (e.g. illness of the user or safety problems of the user and other passengers caused by the health, hygienic or mental conditions of the user), the user must submit a written request signed by an authorised professional (including registered doctor, registered nurse, registered physiotherapist, registered occupational therapist, principal or registered social worker), and the user’s condition and the reasons for using point-to-point DAR must be stated in the written request for consideration.*

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3.19 Audit analysed the records of completed orders and found that while the number of completed “Small group” orders increased by 35 % from 61,614 in 2019 to 83,072 in 2023, the percentage of orders arranged for shared-use of these orders had decreased by 2.1 percentage point from 8.2% in 2019 to 6.1% in 2023 (see Table 10). In Audit’s view, to make better use of resources, there is a need to achieve a wider adoption of shared-use arrangement of point-to-point DAR for “Small group” passenger bookings.

Table 10

**Analysis of point-to-point DAR “Small group” orders
with shared-use arrangement
(2019 to 2023)**

Year	Number of completed “Small group” orders (a)	Number of orders arranged for shared-use (b)	Percentage of orders arranged for shared-use (c) = (b)/(a) × 100%
2019	61,614	5,073	8.2 %
2020	50,197	2,319	4.6 %
2021	74,823	5,448	7.3 %
2022	73,451	4,000	5.4 %
2023	83,072	5,095	6.1 %

Source: Audit analysis of Operator A records

Room for improvement on booking arrangement of point-to-point DAR

3.20 ***Need to investigate “Large group” passenger bookings for point-to-point DAR with actual number of passengers not meeting the required number for making the bookings.*** A registered Rehabus customer who wishes to use point-to-point DAR can place a booking through hotline, online or mobile application indicating trip purpose, requested service time and locations, and number of carers. According to the booking procedures for point-to-point DAR users promulgated on Operator A’s website:

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- (a) ***“Large group” passenger category.*** “Large group” passengers (5 or more passengers no matter they are individual or organisation customers) can make bookings up to 12 months in advance. The service is provided on a first-come-first-served basis and the applicants will be notified of the results of the booking immediately; and
- (b) ***“Small group” passenger category.*** “Small group” passengers (4 or less passengers no matter they are individual or organisation customers) can make bookings up to 3 months in advance. The service is provided on a first-come-first-served basis but a higher priority will be given to bookings for medical treatment purpose (Note 29). The applicants will be notified of the results of the booking around one month before the service date.

3.21 Audit analysed point-to-point DAR orders completed from 1 January to 30 September 2023 and found that 6,976 (25%) (involving 233 users) of the 27,807 “Large group” passenger bookings turned out to be with only 4 or less passengers (which should be booked under “Small group” passenger category). Furthermore, in 2,088 (30%) of the 6,976 bookings (involving 110 users), only 1 to 2 passengers took the trip.

3.22 According to Operator A, there is a handling mechanism for following up with users of which the actual number of passengers not meeting the required number for making “Large group” passenger bookings (i.e. “Small group” passengers falsely claim themselves to be “Large group” passengers to have more advance booking period), as follows:

- (a) if a user commits the act for the first time, a warning will be issued; and
- (b) if the user commits the act for the second time within one year (starting from the first day of the month after the month in which the commit of the act first takes place), except for the bookings for medical

Note 29: *This was a recommendation from a consultancy report issued in April 2019, of which Operator A, under the steer of LWB and TD, had conducted a consultancy study to enhance the operation efficiency of the Rehabus services. Operator A adopts the principle of honest reporting by users. It will only require the users concerned to provide proofs for suspected cases if necessary.*

treatment, all other bookings will be given lowest priority in service arrangement within the one-year period.

In February and March 2024, in response to Audit's enquiry on the irregularities found in paragraph 3.21, Operator A said that the handling mechanism was not in force due to insufficient manpower and it would be implemented with the launch of the new integrated computer system (see paras. 3.32 and 3.33). Audit considers that there is a need to investigate "Large group" passenger bookings for point-to-point DAR with actual number of passengers not meeting the required number for making the bookings and take measures to address the irregularities in order to ensure that every eligible user has a fair chance of using the service.

3.23 *Need to review the practicability of setting limit on the maximum number of carers in point-to-point DAR bookings.* Unlike SRS and PDAR, which allow a maximum of 2 accompanying carers for each PWD, there is no limit set on the maximum number of accompanying carers to a PWD for a point-to-point DAR booking. Audit analysis on the records of completed point-to-point DAR orders from 1 January to 30 September 2023 found that 2,201 (2%) of the 88,852 orders were with at least 3 carers accompanying each PWD. In particular, in 338 (0.4% of 88,852) orders, there were 5 or more carers accompanying each PWD. In three extreme cases, a PWD was accompanied by 12 carers in each case.

3.24 According to TD and Operator A, due to the different service nature from SRS and PDAR, more flexible handling on the maximum number of carers in point-to-point DAR bookings (setting a limit) has been given to the trips with the purpose of recreational purpose, attending of annual events of disabled organisations, or special events to facilitate participations of PWDs in society and enjoyment of time with their family members and friends in view of the policy objective of facilitating PWD's integration into the society. Audit considers that there is a need to review the practicability of setting a limit on the maximum number of carers allowed to accompany a PWD in using point-to-point DAR taking into account the views of stakeholders.

Need to review PDAR routes with low patronage

3.25 A registered Rehabus customer who wishes to use PDAR can submit an application (with a referral letter from the school or hostel) indicating trip purpose,

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requested service time and locations, and number of carers, if any (Note 30). The fare for PDAR is shown in Appendix B. A minimum of 4 PWDs is required for each PDAR route. As at 31 December 2023, there were 40 PDAR routes serving a total of 159 PWDs. Audit analysed the usage of PDAR from 2019 to 2023 (see Table 11) and found that:

- (a) the average number of enlisted PWDs per PDAR route decreased by 2.2 (33%) from 6.6 in 2019 to 4.4 in 2023; and
- (b) the number of total passenger trips had decreased significantly by 10,814 (60%) from 18,155 to 7,341 during the period.

According to TD and Operator A, the decreasing number of passenger trips of PDAR during the period from 2020 to 2022 reflected the impact of anti-epidemic measures of resident homes, which restricted users from returning to their homes/resident homes. Moreover, the need for PDAR also reduced during the outbreak of the COVID-19 epidemic.

Table 11

**Average passenger trips per PDAR route
(2019 to 2023)**

Year	Number of total passenger trips (a)	Average monthly number of PDAR routes (b)	Average monthly number of enlisted PWDs (c)	Average number of enlisted PWDs per route (d) = (c)/(b)
2019	18,155	38	251	6.6
2020	5,364	40	252	6.3
2021	2,667	40	238	6.0
2022	1,818	40	226	5.7
2023	7,341	40	176	4.4

Source: Audit analysis of Operator A records

Note 30: *To attend to the special needs of PWDs, each PDAR applicant can apply for up to two carers. The fare of the first carer for each user is waived, while fare will be charged for the second carer.*

3.26 Audit further analysed the number of enlisted PWDs per route as of December 2023 and found that 18 (45%) of 40 PDAR routes were enlisted with less than 4 PWDs, as follows:

- (a) in 3 routes, there was only 1 enlisted PWD;
- (b) in 4 routes, there were only 2 enlisted PWDs; and
- (c) in the remaining 11 routes, there were only 3 enlisted PWDs.

Audit examined the passenger records for 2023 of the 7 PDAR routes enlisted with only 1 or 2 PWDs and found that 6 routes had less than 4 PWDs enlisted for more than three consecutive months. According to Operator A, if the number of PWDs enlisted in a route is less than 4 for more than three consecutive months, the service for such route will be terminated. However, Audit noted that there was no documentary evidence showing the justifications for retaining the routes. In view of the sizeable number of PDAR routes not meeting the pooled requirement of 4 PWDs as at December 2023, as well as the significant drop in the actual annual total passenger trips from 2019 to 2023, there is a need to review PDAR routes with low patronage.

Audit recommendations

3.27 Audit has *recommended* that the Commissioner for Transport should closely monitor the operation of DAR and require Operator A to take improvement measures as follows:

- (a) addressing the increasing demand for point-to-point DAR through:
 - (i) enhancing the utilisation of vehicles deployed for providing point-to-point DAR; and
 - (ii) achieving a wider adoption of shared-use arrangement of point-to-point DAR for “Small group” passenger bookings;
- (b) investigating “Large group” passenger bookings for point-to-point DAR with actual number of passengers not meeting the required

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number for making the bookings and taking measures to address the irregularities;

- (c) reviewing the practicability of setting a limit on the maximum number of carers allowed to accompany a PWD in using point-to-point DAR taking into account the views of stakeholders; and
- (d) reviewing PDAR routes with low patronage.

Response from the Government

3.28 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will take follow-up actions accordingly.

Other operational issues

Provision of parking sites for longer term use for maintenance and vehicle servicing

3.29 Over the years, Operator A has been leasing government lands located in different districts as depots/parking sites through short-term tenancies (STTs — Note 31) at nominal rent (Note 32). The shortfall of parking spaces is met by renting parking spaces from private owners at market rent. Audit analysed the parking spaces of Operator A's fleet as at 31 March from 2019 to 2023 and as at 31 December 2023 (see Table 12) and noted that:

- (a) while the number of vehicles increased by 40 (24%) from 164 as at 31 March 2019 to 204 as at 31 December 2023, the number of vehicles

Note 31: *According to the Lands Department, it is responsible for handling request for a site for temporary uses. STTs by direct grant for parking sites are usually granted for a fixed term of a duration ranging from 1 to 3 years and thereafter on a periodic basis.*

Note 32: *Nominal rent of \$1 per annum is charged for each of the parking site in the first 1 or 3 years and thereafter \$1 per quarter, if demanded.*

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parked at sites under STTs only increased by 2 (2%) from 107 as at 31 March 2019 to 109 as at 31 December 2023; and

- (b) as a result, Operator A needed to park more of its vehicles at private parking spaces. The percentage of its fleet parking at private parking spaces increased by 15 percentage points from 28% as at 31 March 2019 to 43% as at 31 December 2023. The annual car park rental expenses increased by 91% from about \$1,653,000 in 2018-19 to about \$3,160,000 in 2022-23 (Note 33).

Table 12

Summary of parking sites (2019 to 2023)

Type of parking spaces	31 March					31 December 2023
	2019	2020	2021	2022	2023	
	Number of vehicles					
Rented private parking spaces	46 (28%)	47 (29%)	72 (41%)	81 (43%)	82 (42%)	87 (43%)
Under STTs	107 (65%)	107 (65%)	95 (54%)	97 (52%)	106 (54%)	109 (Note 1) (53%)
Others	11 (7%)	10 (6%)	9 (5%)	10 (5%)	8 (4%)	8 (Note 2) (4%)
Total fleet size	164 (100%)	164 (100%)	176 (100%)	188 (100%)	196 (100%)	204 (100%)

Source: Audit analysis of Operator A records

Note 1: As of December 2023, seven parking sites with a total of 109 vehicles parked were under seven STTs with the Government.

Note 2: As of December 2023, 1 free parking space was located at Operator A's office premise, 2 parking spaces were offered for free by a school located in Tuen Mun, and 5 parking spaces were offered for free by the vehicle maintenance contractor at the maintenance depots.

Note 33: *As of December 2023, the monthly rent of the private parking spaces rented by Operator A ranged from \$3,150 to \$4,030.*

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3.30 Given the temporary nature of STTs, Operator A considered that there was a need of providing parking sites for Rehabus services for a period longer than the term certain of three years under STTs (longer term use). According to a consultancy report (commissioned by Operator A) published in April 2019 (see Note 29 to para. 3.20(b)), the development of depot sites was identified as a development option to meet the projected continuous growth in the Rehabus fleet size for a longer term. In response to the consultancy report:

- (a) LWB, in view of the increasing fleet size and as recommended by the consultant, suggested TD and Operator A to look into the long-term development plan of a depot;
- (b) TD advised Operator A to submit a proposal for TD's consideration. According to TD, considerations may be given to smaller scale depot sites at various districts instead of one large scale depot site and the feasibility of charger installation for electric vehicles;
- (c) in September 2023, Operator A submitted a proposal for fleet parking and servicing for TD's consideration; and
- (d) in December 2023, TD had requested Operator A to submit further information on their proposal for fleet parking and servicing.

According to Operator A, it was in a continuous dialogue with TD to search for potential or available site suitable for development of a parking site for longer term use for maintenance and vehicle servicing for the Rehabus fleet. According to TD, in recent years, they had continued to communicate with the relevant departments for searching of suitable sites for parking and maintenance/servicing facilities for other public transport operators and Rehabus operators. Nevertheless, there are always competing needs for vacant lands, making the task difficult to proceed with. Audit considers that TD, in collaboration with Operator A, needs to examine the need and timeframe of providing sites for parking, maintenance and vehicle servicing of Rehabus services for longer term use.

***Need to expedite the implementation of
new integrated computer system***

3.31 To cope with the operational needs in terms of maintaining customer profile, handling booking, service delivery and billing, Operator A has developed systems and programmes to handle different functions and tasks over the years. However, these systems and programmes are not fully integrated and cannot be modified to cater for the needs of operations. A lot of manual processing procedures have been developed to fulfil the current operation requirements.

3.32 In order to improve the efficiency and convenience to users, in 2017, Operator A proposed to develop a new integrated computer system, namely the Integrated Customer and Operations Management System (ICOMS), to replace its Rehabus services operating systems and programmes. ICOMS is intended to facilitate all operation, management and analysis needs including ordering, scheduling, delivery, invoicing, reporting, analysis and interfacing between various modules. According to Operator A, the implementation of ICOMS shall bring the following benefits:

- (a) minimising the risks of system failure;
- (b) improving efficiency of work flows of different modules (i.e. Booking, Delivery and Reporting modules);
- (c) improving resources utilisation, for example, enabling more effective management of shared-use point-to-point DAR and regular rationalisation of SRS; and
- (d) improving customer and staff satisfaction, for example, shortening the lead time for confirmation of order acceptance and lowering the order rejections due to improved scheduling.

3.33 The contract for ICOMS was awarded at about \$9 million in 2019. The system would be launched by three Releases (Note 34) and was originally scheduled

Note 34: *The three Releases are: (a) Release 1 — front-end customer service and scheduling functions; (b) Release 2 — operations and finance; and (c) Release 3 — system interface and reporting.*

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to be completed by January 2023. However, Audit noted that there was delay in its implementation:

- (a) on 22 August 2022, the first phase of Release 1 was launched, with mobile application functionality and partial user and customer service functions. Users can use ICOMS for customer registration and apply for SRS, point-to-point DAR and PDAR;
- (b) on 10 July 2023, the second phase of Release 1 was rolled out with the full customer service functions and scheduling functions. However, due to technical problems, the implementation had been suspended since 1 August 2023; and
- (c) according to the latest schedule, the second phase of Release 1 is scheduled to be relaunched by the end of February 2024. Releases 2 and 3 were scheduled to be rolled out in the first quarter and third quarter of 2025 respectively, i.e. 2.5 years behind the original schedule.

In Audit's view, TD needs to closely monitor the progress of ICOMS under development by Operator A with its contractor, with a view to expediting the system implementation as far as practicable.

Audit recommendations

3.34 Audit has *recommended* that the Commissioner for Transport should:

- (a) **in collaboration with Operator A, examine the need and timeframe of providing sites for parking, maintenance and vehicle servicing of Rehabus services for longer term use; and**
- (b) **closely monitor the progress of ICOMS under development by Operator A with its contractor, with a view to expediting the system implementation as far as practicable.**

Response from the Government

3.35 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will take follow-up actions accordingly.

PART 4: PROVISION OF FEEDER SERVICE

4.1 This PART examines the provision of feeder service by Operator B, focusing on:

- (a) operation of feeder service (paras. 4.2 to 4.8); and
- (b) other related issues (paras. 4.9 to 4.16).

Operation of feeder service

4.2 Since 1 June 2019, Operator B has been operating feeder service (i.e. a service operating on fixed routes and timetables — Note 35). There are two kinds of feeder service routes:

- (a) ***Hospital routes.*** They operate to and from hospitals, clinics and railway stations, normally from Monday to Friday (except public holidays). Apart from designated stops, the vehicles may, upon passengers' requests, stop at any points along the routes which are safe for boarding or alighting. No advance booking is required except for on-demand stations (Note 36); and
- (b) ***Recreational routes.*** They operate at weekends and on public holidays to and from local tourist attractions. Passengers may place a booking through Operator B's hotline, instant messaging application or website. Advance booking of at least 12 working days (Note 37) (and up to two months) prior to the service date is required.

Note 35: *According to TD, the operator shall strictly adhere to the timetables for operating the feeder service routes as stipulated in MOU. Prior written approval from TD must be obtained for any deviation.*

Note 36: *A vehicle will only stop at the on-demand stations upon request. A passenger needs to call Operator B's customer services hotline to make a service request for boarding at an on-demand station.*

Note 37: *The advance booking of at least 12 working days was shortened to 7 working days with effect from 17 February 2024.*

Provision of feeder service

As at 31 December 2023, Operator B's fleet had 21 vehicles and it operated 17 routes, comprising 12 hospital routes and 5 recreational routes (see Appendices C and D respectively for details).

Need to expedite service performance review on hospital routes with low patronage

4.3 Audit analysed the number of vehicle trips and passenger trips served by hospital routes from 1 June 2019 (commencement of service) to 31 December 2023 and found that:

- (a) the average passenger trips per vehicle trip decreased from 3.06 in 2019 to 1.22 in 2022 before bouncing back to 1.77 in 2023 (see Table 13). According to Operator B, the decrease in 2020 to 2022 was due to the negative impact of the COVID-19 epidemic and the social distancing measures maintained by the Government; and
- (b) in 2023, there were 32,593 vehicle trips for the 12 hospital routes. The average passenger trips per vehicle trip for 3 routes (i.e. Hong Kong Children's Hospital Route, Pok Oi Hospital Route and Tuen Mun Hospital Route) were less than 1 (see Table 14). In particular, for these 3 routes, 80% or more of the vehicle trips were without passengers.

Table 13

**Average passenger trips per vehicle trip
served by hospital routes
(1 June 2019 to 31 December 2023)**

Year	Average number of routes (a)	Total vehicle trips (b)	Total passenger trips (c)	Average passenger trips per vehicle trip (d) = (c)/(b)
2019 (June to December)	10	8,944	27,391	3.06
2020	9	15,206	24,502	1.61
2021	11	29,482	39,319	1.33
2022	12	32,170	39,309	1.22
2023	12	32,593	57,640	1.77

Source: Audit analysis of Operator B records

Table 14

Analysis of patronage for hospital routes
(2023)

Hospital route	Total vehicle trips (a)	Total passenger trips (b)	Average passenger trips per vehicle trip (c) = (b)/(a)
1. Eastern Hospital	2,426	9,183	3.79
2. Princess Margaret Hospital	5,327	14,049	2.64
3. Queen Mary Hospital	2,896	6,189	2.14
4. United Christian Hospital	3,046	6,180	2.03
5. Queen Elizabeth Hospital	5,800	11,721	2.02
6. Sha Tin	1,718	2,928	1.70
7. Hong Kong Southern District	527	715	1.36
8. Tai Po	2,173	2,948	1.36
9. Tai Wai	1,452	1,905	1.31
10. Hong Kong Children's Hospital	1,694	833	0.49
11. Pok Oi Hospital	2,665	618	0.23
12. Tuen Mun Hospital	2,869	371	0.13
Overall	32,593	57,640	1.77

Source: Audit analysis of Operator B records

4.4 To address the apparently low average passenger trips per vehicle trip for Tuen Mun Hospital Route, Pok Oi Hospital Route and Hong Kong Children's Hospital Route, Audit noted that:

- (a) in October 2023, TD requested Operator B to conduct a review on the service performance of these routes and draw up improvement measures as appropriate;
- (b) Operator B submitted to TD initial rationalisation proposals for Tuen Mun Hospital Route and Hong Kong Children's Hospital Route in December 2023; and
- (c) TD had sought views from members of ULG on the proposed rationalisation of Tuen Mun Hospital Route, Pok Oi Hospital Route and Hong Kong Children's Hospital Route in the meeting held on 12 January 2024. Members of ULG showed no objection for Operator B to undertake service rationalisation for improving service performances of the concerned Rehabus feeder service.

Audit considers that TD needs to require Operator B to expeditiously complete the review on the service performance of hospital routes with low patronage and draw up improvement measures as appropriate.

Low patronage of some recreational routes

4.5 From 1 June 2019 (commencement of service) to 31 December 2023, the average passenger trips per vehicle trip of the 5 recreational routes ranged from 4 to 4.8. Audit analysed the number of bookings, vehicle trips and passenger trips served by the 5 recreational routes in 2023 and found that of the total 195 bookings served, while 141 bookings (72%) had been served for Lantau Island Route (with 906 passenger trips), only 54 bookings (28%) had been served in total for the remaining 4 routes (with 196 passenger trips in total — see Table 15). Audit considers that TD needs to require Operator B to take measures to improve the patronage of recreational routes with low utilisation.

Table 15

**Analysis of patronage for recreational routes
(2023)**

Recreational route	Number of booking served	Total vehicle trips	Total passenger trips
1. Lantau Island	141	175	906
2. Sai Kung Pak Tam Chung	20	20	59
3. The Peak	12	12	46
4. Tai Mei Tuk	10	12	41
5. Stanley	12	12	50
6. Temporary routes (Note)	5	48	353
Overall	200	279	1,455

Source: Audit analysis of Operator B records

Note: According to Operator B, in the period from May to December 2023, it had served temporary routes in 5 occasions (involving 48 vehicle trips and 353 passenger trips). The temporary routes deviated from the existing recreational routes (e.g. with different boarding or alighting points) and prior approvals from TD were obtained for all the occasions on a case-by-case basis.

Need to review the requirement on maximum number of carers in using recreational route service

4.6 According to Operator B's terms and conditions for booking recreational routes on its website, a maximum of 2 accompanying carers are allowed for each PWD in making reservation for the recreational route service. Audit examined Operator B's monthly patronage records for 2023 and noted that the average number of carers exceeded the stipulated limit of 2 for The Peak Route in May and October 2023. Audit further reviewed the booking details and found that 4 or 6 carers were accompanying a PWD in three bookings, exceeding the stipulated limit. According to Operator B, they would exercise discretion to allow PWD to take Rehabus feeder service with more than 2 accompanying carers to facilitate their journeys with their family members if spare seats are available. Audit considers that

there is a need to review the requirement on maximum number of carers accompanying a PWD in using recreational route service.

Audit recommendations

4.7 **Audit has *recommended* that the Commissioner for Transport should require Operator B to:**

- (a) **expeditiously complete the service performance review on hospital routes with low patronage and draw up improvement measures as appropriate;**
- (b) **take measures to improve the patronage of recreational routes with low utilisation; and**
- (c) **review the requirement on maximum number of carers accompanying a PWD in using recreational route service.**

Response from the Government

4.8 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will take follow-up actions accordingly.

Other related issues

Need to expedite the implementation of improvement measures included in MOU B

4.9 In response to TD's Invitation for Proposal exercise, in December 2021, Operator B had submitted in its proposal some service improvement measures, which were also included in MOU B. Audit noted that some of the improvement measures had not been implemented as of December 2023:

- (a) ***Analysis and forecasting of demand and travelling needs of passengers.***
According to Operator B, analysis and forecast of passenger demand is

Provision of feeder service

necessary to plan and efficiently make use of resource to provide a better quality of feeder service. Operator B had proposed to:

- (i) collect data of passenger travel pattern and customer profile on a regular basis (e.g. conduct survey to record boarding and alighting activities twice a year);
- (ii) interact with the Hospital Authority regularly to collect information related to origins and destinations of the patients on a territorial basis; and
- (iii) conduct a review of operations and present a Route Development Plan to TD on an annual basis.

However, as of December 2023, there was no documentary evidence showing that Operator B had implemented the above measures. According to TD and Operator B, the travel pattern of PWDs was severely distorted during the period from 2020 to 2022 due to the COVID-19 epidemic. The travel demand in 2023 gradually resumed but the resumption was slower than expected. Noting that the travel pattern has started to stabilise from 2024, in February 2024, Operator B approached different hospitals of the Hospital Authority to obtain the latest residential profile of their patients on a territorial basis (Note 38);

- (b) ***Mobile application.*** In October 2019, Operator B launched a mobile application to provide multiple route information and application function for passengers, such as route search, bus stop search with map location, estimated time of arrival and real-time bus location, etc. Operator B proposed to introduce additional functions, such as real-time seat availability, alighting reminder and traffic news from TD and mass media, to its mobile application. However, Audit noted that:
 - (i) there was a feedback from a passenger in Operator B's monthly customer service report in January 2023 that the mobile application

Note 38: *According to the Hospital Authority, it welcomes support from TD's Rehabus service and, with further liaison with TD, the Hospital Authority will facilitate necessary measures to better utilise the available Rehabus services, including supporting Operator B to arrange booths at clusters/hospitals to promote the feeder service.*

could not display the timetable of the Rehabus service. Audit also performed several trials on the mobile application in December 2023 and January 2024 and found that the information such as estimated time of arrival and real-time bus location could not be displayed and other proposed new functions such as real-time seat availability and traffic news were not available; and

- (ii) regarding the development progress of the mobile application, while TD requested Operator B to submit a draft of the tender specification for TD's assessment in December 2022, a draft proposal for revamping the mobile application including the development of the additional functions was only submitted to TD in December 2023 (i.e. a one-year lapse). In February 2024, TD had approved Operator B to undertake the revamping of the mobile application, including the development of the additional functions; and
- (c) ***Development of multi-purpose bus.*** According to Operator B, journey time of each trip was lengthened as the driver had to operate the wheelchair lift and there were sudden mechanical breakdown of wheelchair lift which caused service delay and made feeder service unstable. Operator B had been actively studying with a local motor engineer to develop an electric-powered multi-purpose bus for accessible transport. In the regular meeting held on 8 September 2022, noting that there was a pilot scheme of green Rehabus launched by another non-governmental organisation, TD encouraged Operator B to pursue the idea of deploying electric-powered multi-purpose bus for accessible transport, if situation warranted. As of December 2023, Operator B had not reported any progress to TD on this matter.

As of December 2023, over 30% of Operator B's five-year service period (from June 2022 to May 2027) had lapsed. Audit considers that TD needs to require Operator B to expedite the implementation of the service improvement measures included in MOU B as far as practicable.

Need to separately account for costs incurred in self-financing activities and subvented activities by Operator B

4.10 According to Financial Circular No. 9/2004 “Guidelines on the Management and Control of Government Funding for Subvented Organisations”, an organisation should keep a separate set of accounts for self-financing activities and ensure that there is no cross-subsidisation of self-financing activities by the subvented programmes in money or in kind. According to MOU B, Operator B is required to keep proper and separate books and records of all receipts and payments including receipts, counterfoils, vouchers and other supporting documents in connection with the Rehabus feeder service.

4.11 Apart from the subvented Rehabus feeder service, Operator B operates other self-financing activities providing customised accessible transportation services for non-profit making purpose. Audit noted that:

- (a) TD followed up on a complaint and found in March 2023 that Operator B had used seven subvented vehicles for providing self-financing service to a statutory body, an elderly day care centre and a non-governmental organisation without TD’s approval during different periods from 11 February to 31 May 2021 and from 20 April 2022 to 21 February 2023. In response, Operator B admitted that it had inadvertently overlooked the relevant requirements in MOU B. In the event, TD had:
 - (i) instructed Operator B to return all the related proceeds (before cost deduction) to TD;
 - (ii) issued a letter of serious warning to Operator B in March 2023;
 - (iii) issued a letter of reprimand to Operator B in September 2023; and
 - (iv) required Operator B to provide a progress report on the committed preventive measures by engaging a qualified auditor annually to certify that it had put in place relevant internal control systems and procedures.

According to Operator B, hitherto, it uses self-financed vehicles or vehicles rented from other vendors for self-financing activities and the incident of using subvented vehicles for self-financing activities will not recur;

- (b) before June 2023, pending cost apportionment between subvented account and self-financing account, costs incurred in self-financing activities would firstly be charged to the subvented account and reimbursed from the self-financing account afterwards (Note 39). In July 2023, TD commented that the situation was improper from auditing and monitoring points of view and requested Operator B to cease the cost reimbursement arrangement immediately. Operator B had paid drivers' salary, fuel expense and tunnel toll incurred for self-financing activities from self-financing account direct effective from June, July and August 2023 respectively (Note 40); and
- (c) with a view to enhancing TD's monitoring of Rehabus feeder service provided by Operator B, TD had implemented preventive measures to ensure that subvented vehicles would not be used for self-financing activities in future without TD's approval, e.g. conducting regular surveys and arranging random checks of driver records and the related drivers' monthly payment records.

4.12 Audit notes that while the accounting and payment arrangements of direct costs incurred in the self-financing activities and the provision of feeder service have been agreed between TD and Operator B, the arrangements of indirect costs incurred, such as office rental, office staff costs have not been discussed. TD needs to follow up with Operator B in this regard.

Note 39: *Agreed-upon procedure reports prepared by an independent auditor had confirmed that drivers' salary, fuel expense and tunnel toll had been reimbursed to the subvented account for the period from December 2020 to June 2023.*

Note 40: *TD had requested Operator B to pay back the possible interest cost arising from the delay in reimbursing the costs related to the self-financing activities. Operator B agreed to approach the bank where its subvented account was opened for the interest rate history for calculating the possible interest cost.*

Provision of feeder service

4.13 In Audit's view, TD needs to require Operator B to:

- (a) strengthen preventive measures to ensure that subvented vehicles will not be used for self-financing activities in future except with TD's approval; and
- (b) strengthen measures to ensure that the costs (direct or indirect) of subvented activities and self-financing activities are separately accounted for and paid under different bank accounts as far as practicable.

Need to set up separate bank account for keeping accumulated reserve

4.14 According to MOU B, Operator B has to open under its name and maintain an interest-bearing account with a licensed bank for the sole purpose of processing all receipts and payments relating to the Rehabus service. Operator B is also required to place surpluses into a reserve and the accumulated reserve must be kept in a separate interest-bearing account with a licensed bank. However, up to December 2023, Audit noted that no designated bank account had been set up for keeping the accumulated reserve separately, contrary to the requirements in MOU B.

Audit recommendations

4.15 **Audit has *recommended* that the Commissioner for Transport should require Operator B to:**

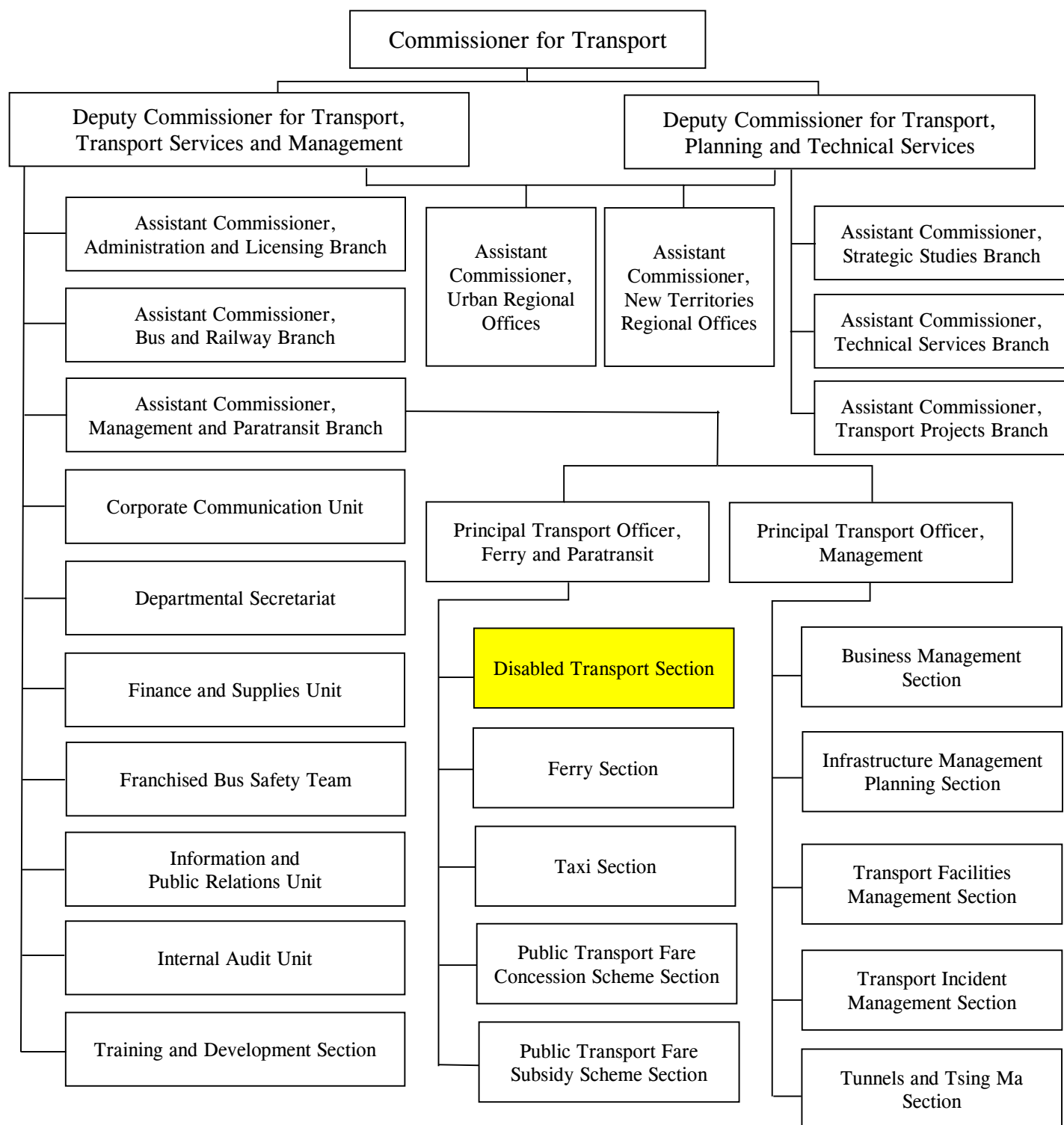
- (a) **expedite the implementation of the service improvement measures included in MOU B as far as practicable;**
- (b) **strengthen preventive measures to ensure that subvented vehicles will not be used for self-financing activities in future except with TD's approval;**
- (c) **strengthen measures to ensure that the costs (direct or indirect) of subvented activities and self-financing activities are separately accounted for and paid under different bank accounts as far as practicable; and**

- (d) **set up a designated interest-bearing bank account for keeping the accumulated reserve separately.**

Response from the Government

4.16 The Commissioner for Transport agrees with the audit recommendations. She has said that TD will take follow-up actions accordingly.

**Transport Department:
Organisation chart (extract)
(31 December 2023)**



Legend: Section covered in this Audit Report

Source: TD records

**Fares for Rehabus services provided by Operator A
(31 December 2023)**

1. SRS

Type	General (non cross-harbour) route	Cross-harbour (tolled road harbour crossing/ tolled road) route
Monthly pass (for more than 6 trips per week)	\$184	\$264
Half monthly pass (for 5 or 6 trips per week)	\$92	\$132

2. Point-to-point DAR

	Number of passengers		
	1 to 4	5 to 12	13 or above
Minimum 30 minutes	\$12.0	\$19.0	\$29.0
After 30 minutes, charge for every 3 minutes or part thereof	\$1.2	\$1.9	\$2.9
Charge for every kilometre or part thereof	\$1.2	\$1.9	\$2.9
Service charge per booking	\$5.0	\$5.0	\$5.0

Remarks: (a) *Parking charge and tunnel toll will be charged if applicable.*
(b) *Cancellation charge may be imposed in case of failing to provide notification within specific period and surcharge in case of changing schedules.*
(c) *Users who have been arranged shared-use service can enjoy 30% discount of the standard fare.*

3. PDAR

Type	Fare
Monthly pass	\$160

Source: Operator A records

**Operating details of hospital routes of Rehabus feeder service
(31 December 2023)**

No.	Name of route	Origin	Destination	Number of daily trips	Service period
1	Eastern Hospital	Eastern Hospital	Chai Wan and Siu Sai Wan (circular)	10	Monday to Friday
2	Princess Margaret Hospital	Princess Margaret Hospital	(a) Kwai Fong Mass Transit Railway (MTR) Station (circular) (b) Caritas Medical Centre (circular)	14 8	Monday to Friday Monday to Friday
3	Queen Mary Hospital	Kennedy Town MTR Station	Tung Wah Group of Hospitals Jockey Club Rehabilitation Complex (via Queen Mary Hospital, Grantham Hospital and Wong Chuk Hang Hospital)	12	Monday to Friday
4	United Christian Hospital: Route A Route B	United Christian Hospital On Tat Estate	Yau Tong MTR Station (circular) Laguna City (circular)	8 8	Monday to Friday Monday to Friday
5	Queen Elizabeth Hospital	Queen Elizabeth Hospital	2D Bus Terminus, Tung Lung Road (via Kwong Wah Hospital, Kowloon Hospital, St. Teresa's Hospital, Hong Kong Buddhist Hospital and Tung Wah Group of Hospitals Wong Tai Sin Hospital)	24	Monday to Friday

Appendix C
(Cont'd)
(para. 4.2 refers)

No.	Name of route	Origin	Destination	Number of daily trips	Service period
6	Sha Tin	Harmony Manor, The Neighbourhood Advice-Action Council	Sha Tin (via Prince of Wales Hospital and Sha Tin Hospital) (circular) (Sunday service to Ma On Shan)	6 (Monday to Friday) 5 (Sunday)	Monday to Friday and Sunday
7	Hong Kong Southern District	Tung Wah Group of Hospitals Jockey Club Rehabilitation Complex	Aberdeen and Ap Lei Chau (circular)	5	Friday (public holiday), Saturday and Sunday
8	Tai Po	Tai Po Hospital and Alice Ho Miu Ling Nethersole Hospital	Tai Po and Tai Wo (circular)	9	Monday to Friday
9	Tai Wai	Chun Shek Estate	Cheshire Home Sha Tin (via Sha Tin Hospital and Prince of Wales Hospital) (circular)	6	Monday to Friday
10	Hong Kong Children's Hospital	Lok Fu MTR Station	Hong Kong Children's Hospital (circular)	7	Monday to Friday
11	Pok Oi Hospital	Yuen Long MTR Station	Long Ping MTR Station (via Pok Oi Hospital) (circular)	11	Monday to Friday
12	Tuen Mun Hospital	Wu King Estate	Tuen Mun MTR Station (via Tuen Mun Hospital)	12	Monday to Friday

Source: Audit analysis of Operator B records

Remarks 1: The original Queen Elizabeth Hospital Route and Kowloon City Route had been amalgamated since June 2020, while Pok Oi Hospital Route, Tai Po Route and Tai Wai Route were introduced between March and April 2021.

Remarks 2: Except for Hong Kong Southern District Route, no service will be provided on public holidays.

Appendix D
(para. 4.2 refers)

**Operating details of recreational routes of Rehabus feeder service
(31 December 2023)**

No.	Name of route	Origin	Destination	Number of daily trips
1	Lantau Island	Kowloon Tong MTR Station	Tai O (via Ma Wan Park, Ngong Ping)	10
2	Sai Kung Pak Tam Chung	Kowloon Tong MTR Station	Pak Tam Chung Coach Parking Area (via Sha Tin MTR Station, Wu Kai Sha MTR Station)	4
3	The Peak	Hong Kong MTR Station	The Peak	10
4	Tai Mei Tuk	Hong Kong Wetland Park	Tai Mei Tuk Public Car Park (via Tin Shui Wai MTR Station, Tai Wo MTR Station)	4
5	Stanley	Hong Kong MTR Station	Stanley Plaza	8

Source: Audit analysis of Operator B records

Remarks: The Peak Route, Tai Mei Tuk Route and Sai Kung Pak Tam Chung Route were introduced between August and September 2019.

Acronyms and abbreviations

Audit	Audit Commission
COR	Controlling Officer's Report
DAR	Dial-a-ride service
ICOMS	Integrated Customer and Operations Management System
LWB	Labour and Welfare Bureau
MOU	Memorandum of Understanding
MTR	Mass Transit Railway
PDAR	Pooled dial-a-ride service
PWDs	Persons with disabilities
RMC	Rehabus Management Committee
SRS	Scheduled route service
STT	Short-term tenancy
TD	Transport Department
ULG	Users' Liaison Group