

For information
on 7 November 2011

**LEGISLATIVE COUNCIL
PANEL ON TRANSPORT**

**Franchises of New World First Bus Services Limited,
Long Win Bus Company Limited and Citybus Limited
(Franchise for Airport and North Lantau Bus Network)**

Purpose

This paper informs Members of the views received by the Administration during the public consultation period on the requirements of the proposed new franchises for New World First Bus Services Limited (“NWFB”), Long Win Bus Company Limited (“LW”) and Citybus Limited (“Citybus”) in respect of its franchise for the Airport and North Lantau bus network (“Franchise 2”).

Background

2. At the meeting of this Panel held on 11 July 2011, the Administration informed Members of the plan to renew the franchises of NWFB, LW and Citybus (Franchise 2), which are due to expire in 2013, and invited Members’ views on the requirements of the new franchises. The Panel noted that the Administration would also consult members of the public on the requirements of the new bus franchises, and requested the Administration to provide information regarding the financial performance of the concerned bus companies during their current franchises.

Public Consultation

3. To solicit views on the requirements of the new bus franchises for the three bus companies, the Administration uploaded a relevant document to the websites of the Transport and Housing Bureau and the Transport Department, as well as issued press releases on 18 July 2011. The Administration also wrote to the Traffic and Transport Committees of the 18 District Councils inviting their comments.

4. During the public consultation period which closed on 30 September 2011, the Administration received a total of 120 submissions, including 35 submissions from political parties, Legislative Council Members, District Council Members and various organisations. The other 85 submissions were from individual members of the public.

5. Most of the submissions relate to Government's regulatory role, fares, quality of service (in particular, facilities and information for passengers), environmental performance of buses, and driver-related matters. The three areas which attracted the largest number of comments are as follows –

- (a) Enhancement in facilities and information for passengers – The majority of the comments received relate to the provision of barrier-free facilities for the elderly and persons with disability, the use of information technology to enhance provision of information to passengers, and allowing carriage of bicycle on buses.
- (b) Fare concessions – Most of the comments relate to reduction of fares generally, fare concessions for persons with disability and the elderly, as well as more bus-bus interchange schemes and section fares on bus routes. There are also suggestions that the fare adjustment arrangement for franchised buses should be reviewed.
- (c) Environmental initiatives – The predominant view is that the bus companies should replace the old diesel buses with the most environment-friendly buses or buses with engines meeting the latest Euro emission standards.

Financial Performance of the relevant Bus Companies

6. Currently, all franchised bus operators are required to publish a booklet of “Fuller Disclosure” with their annual operational and financial information. Information on the financial performance of NWFB, LW and Citybus (Franchise 2) during their current franchise terms is tabulated at **Annex** for Members' reference.

Next Step

7. The Administration will receive further views at this meeting of the Panel. We shall draw up our requirements having regard to all the views

received and intend to commence negotiations with the three franchised bus companies by December this year.

Advice Sought

8. Members are invited to note the content of this paper.

**Transport and Housing Bureau
Transport Department
October 2011**

**Financial Performance of
NWFB, LW and Citybus (Franchise 2) during their current Franchises**

NWFB

Accounting Year (Note)	Average Daily Patronage (passenger trips)	Total Revenue (\$'M)	Total Cost (\$'M)	Profit (\$'M)
2003/04	505,000	1,181	1,060	121
2004/05	493,000	1,131	1,058	73
2005/06	493,000	1,135	1,065	70
2006/07	506,000	1,147	1,070	77
2007/08	494,000	1,147	1,125	22
2008/09	473,000	1,152	1,114	38
2009/10	470,000	1,157	1,077	80
2010/11	474,000	1,188	1,147	41

Note: The accounting year of NWFB ended on 30 June of each year.

LW

Accounting Year (Note)	Average Daily Patronage (passenger trips)	Total Revenue (\$'M)	Total Cost (\$'M)	Profit / (loss) (\$'M)
2003	53,000	223	226	(3)
2004	61,000	247	231	16
2005	67,000	273	254	19
2006	73,000	296	278	18
2007	76,000	305	287	18
2008	79,000	328	316	12
2009	77,000	326	298	28
2010	81,000	338	315	23

Note: The accounting year of LW ended on 31 December of each year.

Citybus (Franchise 2)

Accounting Year (Note)	Average Daily Patronage (passenger trips)	Total Revenue (\$'M)	Total Cost (\$'M)	Profit (\$'M)
2003/04	44,000	316	288	28
2004/05	50,000	311	282	29
2005/06	55,000	344	303	41
2006/07	59,000	366	321	45
2007/08	61,000	375	347	28
2008/09	60,000	368	338	30
2009/10	59,000	364	331	33
2010/11	64,000	388	359	29

Note: The accounting year of Citybus (Franchise 2) ended on 30 June of each year.