

For information

Legislative Council Panel on Transport

Bus Networks of Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New Lantao Bus Company (1973) Limited

Public Consultation on Requirements of New Franchises

Purpose

The Government invited the public to offer views on the requirements of the new franchises for the bus networks of Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) (“Citybus (Franchise 1)”) and New Lantao Bus Company (1973) Limited (“NLB”). This paper briefs Members the views received during public consultation.

Background

2. The current franchises of Citybus (Franchise 1) and NLB will expire on 1 June 2016 and 1 March 2017 respectively. At the meeting of this Panel held on 23 June 2014, the Government informed Members of the plan to engage the two grantees for discussion on granting of new franchises, and invited Members to offer views on the requirements of the new franchises. The Panel noted the Government’s plan to invite views from the public on the requirements of the new franchises.

Public Consultation

3. Public consultation took place between 25 June and 16 September 2014. The consultation document was uploaded to the websites of GovHK, the Transport and Housing Bureau, the Transport Department (“TD”) and the Public Affairs Forum of the Home Affairs Bureau. Press releases on the public consultation were issued on 24 June and 2 September 2014. Moreover, TD invited views from members of the Traffic and Transport Committees (“TTC”) of the 18 District Councils (“DCs”). Five DCs¹ discussed the matter at their TTC meetings. TD had sent representatives to those meetings to listen to members’ views.

¹ These are the Southern, Central and Western, Eastern, Islands and Sai Kung DCs.

4. A total of 47 submissions were received during public consultation. 18 of them were from political parties, members of the Legislative Council and DCs, as well as various organisations. The remaining 29 submissions were from individuals. Comments received during the exercise mainly fall under the following three areas:

- (a) **Service quality** – to suggest grantees to enhance the provision of passenger information improve passenger facilities and provide safe bus services. A greater number of comments are on the provision of real time bus arrival information.
- (b) **Fare concessions** – to suggest grantees to provide various fare concessions. Most of the comments are on the provision of bus-bus interchange schemes and various types of sectional fares.
- (c) **Government regulation** – to suggest the Government to strengthen the regulation on bus services. A greater number of comments are on the strengthening of the monitoring on service frequency.

5. The major comments received during public consultation are set out at **Annex**.

Next step

6. Now that public consultation has completed, we have started to prepare for the discussion with the two grantees on the new franchises. Owing to rising operating costs (a major proportion being staff costs), fluctuation of fuel prices and keen competition from other public transport services, the grantees must continue to actively rationalise their existing services so as to avoid wastage of resources. They also have to explore new service areas to keep their operation sustainable. In view of the above, we will not underestimate the difficulty of the discussion. While we would strive for the franchise terms that can meet the demand and expectation of the public as far as possible, we would also take into account the actual operating environment. We aim to conclude the discussion in the first half of 2015 and shall report the result to this Panel afterwards.

7. Members are invited to note this paper.

Transport and Housing Bureau
Transport Department
December 2014

Bus Networks of Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New Lantao Bus Company (1973) Limited

**Major Views on the Requirements of the New Franchises
Received During Public Consultation**

A. Service quality

1. Passenger information
 - (a) to provide real time bus arrival information and traffic information at bus stops as well as via the Internet and mobile devices;
 - (b) to provide more route information at bus stops and inside bus compartments; and
 - (c) to provide bus stop relocation notifications for persons with visual impairment.
2. Passenger facilities
 - (a) to use buses with higher capacity or newer buses;
 - (b) to allow carriage of bicycles on board, and provide parking space inside bus compartments and at bus stops;
 - (c) to provide barrier-free facilities and bus stop announcement system, and use low-floor buses;
 - (d) to provide free Wi-Fi service inside bus compartments;
 - (e) to improve the luggage racks inside compartments of the buses of New Lantao Bus; and
 - (f) to provide better passenger waiting environment.
3. Bus safety
 - (a) to introduce monitoring mechanism to strengthen monitoring on the driving attitude of bus captains;
 - (b) to improve on-board safety facilities (including handrails and seat belts); and
 - (c) to improve the management on, for example, safety equipment.
4. Bus operations
 - (a) to improve the environment at bus termini and deploy more bus regulators to adjust and manage bus services;
 - (b) cross-harbour bus routes jointly operated by two grantees to be operated by one grantee; and
 - (c) to give boarding priority to the elderly.

B. Fare concessions

1. to provide more bus-bus interchange (“BBI”) schemes, including inter-company BBI schemes;
2. to provide more or increase the types of sectional fares, including reducing the sectional fares of cross-harbour routes, providing two-way sectional fares or distance-based fares; and
3. to provide fare concessions for certain passenger groups (such as residents of Lantau Island and the elderly).

C. Government regulation

1. Enhancement of government regulation
 - (a) to strengthen the monitoring on service frequency and introduce a penalty system; and
 - (b) to conduct a mid-term review on the franchise.
2. Franchise arrangement
 - (a) to consider various franchise arrangements, including direct negotiation and open tendering, for healthy competition.

D. Environmental initiatives

1. to expedite bus fleet replacement and use more environmentally-friendly buses (such as hybrid or electric buses); and
2. to suitably adjust the temperature inside bus compartments to avoid energy wastage.

E. Bus captains

1. to enhance training for bus captains; and
2. to improve rest time arrangement for bus captains.

F. Public participation

1. to enhance public participation in franchise matters;
2. to provide more information on the bus operating plans to the public; and
3. to encourage grantees to further publicise their passenger liaison groups.