

Application for Fare Increase

Presentation to LegCo Panel on Transport

20 December 2019



Profile of Citybus

Hong Kong Island and cross-harbour bus network (“Citybus F1”)



- Operates 745 buses on a network of 89 franchised routes
- Employs 2,358 staff members
- Carries about 513,000 passengers daily

Profile of New World First Bus



- Operates 680 buses on a network of 93 franchised routes
- Employs 2,162 staff members
- Carries about 464,000 passengers daily

Protect Environment Reduce Emission

Highlights of Recent Service Improvement

- 102 new buses registered in the past 12 months



- 95% of bus fleet are of Euro 5 or above emission standard



Care for the Underprivileged

Highlights of Recent Service Improvement

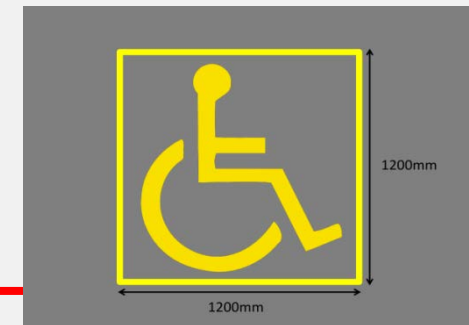
Seats

Installed at 260 sheltered bus stops



Wheelchair waiting area

Painted at 160 suitable bus stops



Care for the Underprivileged

Highlights of Recent Service Improvement

Two wheelchair parking spaces

30 buses with two wheelchair parking spaces



ETA Panel

Being installed at more than 200 sheltered bus stops

08:50 pm

路線 Route	分鐘 min
2 往筲箕灣 to Shau Kei W	<1
8X	6
102 九巴 KMB	7
948X	7
A11	15
N72	5

請讓座予有需要人士

平均月薪可達 \$24,350 投訴每宗 \$17,000 巴士牌照 \$10,000
 招聘 巴士車長 55622152

因應工程改道，路線XXX將不停此站。

Enhance Health and Safety of Staff

Highlights of Recent Service Improvement



- Fully implemented the “Practice Note on Training Framework for Franchised Bus Captains” and the revised “Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks” from March 2019
- Continues to improve the resting facilities for frontline staff

Enhance Safety - Passenger

Highlights of Recent Service Improvement

- Additional safety features on new buses procured from July 2018 onward
 - ✓ 3-point seat belt on all seats
 - ✓ Speed limiting retarder
 - ✓ Electronic stability control



- Made use of the Government's digital map to enhance the monitoring of driving performance by the data logger

Technology Application – Real-time Passenger Information

Highlights of Recent Service Improvement

- Extended the estimated time of arrival (“ETA”) to all routes
- Launched App 4.0

Display the ETA and approaching status of the next bus at landing page according to

1. Passengers’ current location
2. Routes bookmarked
3. Routes frequently checked

Personalized Real Time Bus Information now more prominent



Support the Government on “Smart City”

Highlights of Recent Service Improvement

- Provided the real-time arrival data to “Data.Gov.HK” for free use by the public on 1 August 2019



Technology Application - Enhance Reliability

Highlights of Recent Service Improvement

- Upgrade of on-board equipment
 - ✓ Automatic setting of section fare
 - ✓ Enables instant communication between Operation Control Centre and Bus Captains by text / voice messages



Why do we need a fare increase of 12%?

Citybus Franchise 1	2017/18 HK\$'000	2018/19 HK\$'000	Comparison
Income	1,302,804	1,389,572	+6.7%
Staff cost	725,917	842,474	+16.1%
Fuel and oil	118,882	155,641	+30.9%
Staff & fuel cost / Total cost	64.7%	66.7%	
Loss for the year	(2,607)	(88,832)	+3307.4%

NWFB	2017/18 HK\$'000	2018/19 HK\$'000	Comparison
Income	1,146,186	1,231,872	+7.5%
Staff cost	639,829	739,696	+15.6%
Fuel and oil	110,861	141,342	+27.5%
Staff & fuel cost / Total cost	65.1%	66.9%	
Loss for the year	(5,082)	(71,193)	+1300.9%

Why do we need a fare increase of 12%?

- After the fare adjustment in 2008, fare increase application of 12% was submitted in August 2017. This was approved in January 2019. The approved rate of increase (including the funding that can be drawn from the Franchised Bus Toll Exemption Fund) was 9.9%
- The approved increase was not sufficient to cover the unexpected significant increase in staff cost and fuel cost during the period.

Why do we need a fare increase of 12%?

- The current average monthly salary of a newly recruited bus captain is about HK\$24,350. This is about HK\$4,850 (25% ↑) higher than 2017
- The current diesel fuel price is about US\$76 per barrel. This is about US\$16 (27% ↑) higher than 2017
- Rising staff cost due to labour shortage and rising international fuel price are beyond our control

新創建築集團成員 Members of NWS Holdings

招 聘

全職 巴士車長

Grab An Opportunity To Grow Yourself

平均月薪 可達 **\$24,350**
(包括年度特別獎金及每天工作10小時計)

迎新獎 **\$17,000** 巴士牌獎 **\$10,000**

招聘熱線 **55622152**
WhatsApp/微信

員工福利

- 免費乘搭巴士
- 薪酬增薪點
- 意外保險
- 門診醫療
- 住院保險
- 人壽保險

城巴有限公司 Citybus Limited
新世界第一巴士服務有限公司 New World First Bus Services Limited (Incorporated in the British Virgin Islands with limited liability)

Why do we need a fare increase of 12%?

- Traffic congestion and railway competition have led to ridership loss and extra resources are needed to maintain the same level of service
- Resource savings from bus route rationalization did not commensurate with the scale of passenger loss
- There remains little scope for route development on Hong Kong Island due to stagnant population growth and limited change of road infrastructure



Why do we need a fare increase of 12%?

- Continuous investment is needed for sustaining the provision of safe and quality bus service
 - ✓ Carry out study for the introduction of Advanced Driver-Assisted System
 - ✓ Introduction of new electronic fare payment platforms
 - ✓ Enhancement of bus captain training
 - ✓ Purchase of new buses
 - ✓ Retrofitting of safety devices

442 buses	3-point seat belt on upper deck seats
900 buses	Speed limiting retarder
900 buses	Electronic stability control

- **Even with a fare increase of 12%, we will only be breakeven**

Thank You!



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