

**For Discussion
on 18 June 2021**

Legislative Council Panel on Transport

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

PURPOSE

This paper informs Members of the Government’s plan to engage Citybus Limited (Franchise for the Airport and North Lantau bus network) (“Citybus (Franchise 2)”), Long Win Bus Company Limited (“LW”) and New World First Bus Services Limited (“NWFB”) for discussion on the granting of new ten-year franchises upon expiry of the current ones. Members’ views are invited on the requirements of the new franchises.

BACKGROUND

2. At present, there are five franchised bus companies operating six bus franchises¹ in Hong Kong. The current franchises of Citybus (Franchise 2) and LW commenced on 1 May 2013 and will expire on 1 May 2023. NWFB’s current franchise commenced on 1 July 2013 and will expire on 1 July 2023. The three franchisees have indicated interests to apply for new ten-year franchises and for them to take effect immediately upon expiry of the current ones.

3. Under section 5 of the Public Bus Services Ordinance (“the Ordinance”) (Cap. 230), the Chief Executive in Council may grant to a company a franchise conferring the right to operate a public bus service. Under section 6 of the Ordinance, a franchise may be granted for a period not exceeding ten years². Section 12 of the Ordinance prescribes that a franchisee is required to maintain a proper and efficient public bus service to the satisfaction of the Commissioner for Transport at all times during the franchise period.

¹ The five franchised bus companies are The Kowloon Motor Bus Company (1933) Limited, Citybus Limited, NWFB, LW and New Lantau Bus Company (1973) Limited. Citybus Limited is operating two franchises, one for the Hong Kong Island and cross-harbour bus network and the other for the Airport and North Lantau bus network.

² The Ordinance also provides that the Chief Executive in Council may extend an existing franchise for a further period not exceeding two years as a buffer. Meanwhile, a franchisee may request and the Chief Executive in Council may extend an existing franchise for a further period not exceeding five years.

4. According to the established practice, an incumbent operator which is able to prove its ability to provide a proper and efficient service, and is willing to further invest in franchised bus operation may be considered for being granted a new franchise for a period of ten years. As franchised bus operation is capital and investment intensive, a longer franchise period (say, ten years) would facilitate a franchisee's long-term planning and service development. These include –

- (a) operating certain loss-making but socially desirable routes on broader considerations over the long term;
- (b) securing more favourable terms on financing to reduce operating costs and hence pressure to increase fare;
- (c) being more resilient to business risks brought about by short-term market volatility; and
- (d) providing a more stable working environment for its staff as bus industry is also labour intensive.

The aforesaid factors are conducive to ensuring the provision of a proper and efficient public bus service to passengers.

5. To evaluate whether a franchisee is providing a proper and efficient service, the Transport Department (“TD”) has all along been reviewing the franchisee's performance regularly through passenger satisfaction surveys, site surveys, vehicle inspections, examination of regular returns and feedback from the public, etc. A summary of the assessment on the performance of Citybus (Franchise 2), LW and NWFB is set out in paragraphs 6 to 23 below.

ASSESSMENT

(A) Service Performance and Operational Efficiency

Citybus (Franchise 2)

6. As at end 2020, Citybus (Franchise 2) was operating 30 bus routes. The average daily patronage of Citybus (Franchise 2) increased from about 71 100 passenger journeys in 2013 (commencement of its existing franchise) to about 105 200 passenger journeys in 2019³ (an increase of about 48%). The growth in passenger demand was mainly attributable to the continuous growth in passenger demand to and from the airport (with the introduction of eight new airbus routes since 2015) and Tung Chung as well as the commissioning of the Hong Kong Port

³ In 2020, the average daily patronage of Citybus (Franchise 2) decreased to about 56 800 and the fleet size was 223 as at end of the year. The significant drop in service demand was due to the impact of the COVID-19 pandemic and corresponding social distancing and boundary control measures and therefore did not reflect the normal situation.

of Hong Kong-Zhuhai-Macao Bridge (“HZMB”) in 2018. In tandem with the increase in patronage, the fleet size of Citybus (Franchise 2) increased by about 38%, from 175 to 241 buses during the same period³.

7. Under the Ordinance, a franchisee has to submit its five-year Forward Planning Programme (“FPP”) on an annual basis. FPP includes proposals for service improvement and rationalisation, as well as vehicle purchase and replacement programme. Since 2013, Citybus (Franchise 2) has implemented 51 service improvement items⁴ and 20 service rationalisation items⁵ to enhance its service and network efficiency. According to its latest FPP (covering the period from 2020 to 2025), Citybus (Franchise 2) plans to add a total of 60 new buses (amounting to about 27% of its bus fleet in 2020) mainly to further improve its services and facilitate new route development.

8. The annual average lost trip rate⁶ of Citybus (Franchise 2) was 1.2% between 2013 and 2019. Its lost trip rate rose to 2.2% in the first half of 2020 in the face of a significant drop in patronage of franchised bus services, particularly during the early stage of the COVID-19 outbreak. With the sharp and abrupt decreases in patronage, Citybus (Franchise 2) adjusted its services accordingly, and the lost trip rate was generally higher during non-peak hours. TD had then taken immediate actions to ask Citybus (Franchise 2) to rectify the situation, and its lost trip rate gradually improved to about 1.9% in the second half of 2020. In the first four months of 2021, the situation had further improved and the lost trip rate was 0.2%.

9. Between 2013 and 2020, the annual average number of complaints lodged against Citybus (Franchise 2) per million passengers received by the Transport Complaints Unit (“TCU”) under the Transport Advisory Committee was 7.03. During the same period, the average number of Citybus (Franchise 2) buses involved in accidents per million vehicle-kilometre was 1.90, lower than the overall industry average of 3.24 during the same period.

⁴ Service improvement items mainly include introduction of new routes, frequency enhancement and extension of service hours.

⁵ Service rationalisation items mainly include route cancellation, frequency reduction, route truncation and re-routeing.

⁶ This refers to the percentage of trips not meeting the number as agreed with TD over the total number of trips.

LW

10. As at end 2020, LW was operating 38 bus routes. The average daily patronage of LW increased from about 90 900 passenger journeys in 2013 (commencement of its existing franchise) to 125 500 passenger journeys in 2019⁷ (an increase of about 38%). The growth in passenger demand was mainly driven by continuous developments on the Airport Island, population increase in LW's catchment areas in the New Territories (including Tung Chung) and the commissioning of the Hong Kong Port of HZMB in 2018. In tandem with the increase in patronage, the fleet size of LW increased by about 62%, from 172 to 279 during the same period⁷.

11. Since 2013, LW has implemented 107 service improvement and 18 service rationalisation items to enhance its service and network efficiency. According to its latest FPP (covering the period from 2020 to 2025), LW plans to purchase a total of 199 new buses (amounting to about 84% of its bus fleet in 2020) to renew its fleet and further improve its services.

12. The annual average lost trip rate of LW was 1.2% between 2013 and 2019. Similar to Citybus (Franchise 2), its lost trip rate rose significantly in the first half of 2020, reaching about 8.2%, in the face of a significant drop in patronage of franchised bus services, particularly during the early stage of the COVID-19 outbreak. With the sharp and abrupt decreases in patronage, LW adjusted its services accordingly, and the lost trip rate was generally higher during non-peak hours. TD had then taken immediate actions to ask LW to rectify the situation, and its lost trip rate gradually improved to about 1.0% in the second half of 2020. In the first four months of 2021, the lost trip rate had maintained at 1.0%.

13. Between 2013 and 2020, the annual average number of complaints lodged against LW per million passengers received by the TCU was 6.46. During the same period, the average number of LW buses involved in accidents per million vehicle-kilometre was 1.32 per annum, lower than the overall industry average of 3.24 during the same period.

⁷ In 2020, the average daily patronage of LW decreased to about 76 900 and the fleet size was 238 as at end of the year. The significant drop in service demand was due to the impact of the COVID-19 pandemic and corresponding social distancing and boundary control measures and therefore did not reflect the normal situation.

NWFB

14. As at end 2020, NWFB was operating 94 bus routes. The average daily patronage of NWFB decreased from about 499 000 passenger journeys in 2013 (commencement of its existing franchise) to 458 000 passenger journeys in 2019⁸ (a decrease of about 8.2%), following the full commissioning of the West Island Line and South Island Line (East) in 2014 and 2016 respectively. In tandem with the decrease in patronage, the fleet size of NWFB reduced by about 4%, from 715 to 685 during the same period⁸.

15. Since 2013, NWFB has implemented 110 service improvement and 163 service rationalisation items to enhance its service and network efficiency. According to its latest FPP (covering the period from 2020 to 2025), NWFB plans to purchase a total of 62 buses (amounting to about 9% of its bus fleet in 2020) to replace its old buses and further improve its services.

16. The annual average lost trip rate of NWFB was 2.5% between 2013 and 2019. Similar to Citybus (Franchise 2) and LW, its lost trip rate rose significantly to about 11.1% in the first half of 2020 in the face of a significant drop in patronage of franchised bus services, particularly during the early stage of the COVID-19 outbreak. With the sharp and abrupt decreases in patronage, NWFB adjusted its services accordingly, and the lost trip rate was generally higher during non-peak hours and late nights. TD had then taken immediate actions to ask NWFB to rectify the situation, and its lost trip rate gradually improved to about 2.3% in the second half of 2020. In the first four months of 2021, the situation had further improved and the lost trip rate was 1.8%.

17. Between 2013 and 2020, the annual average number of complaints lodged against NWFB per million passengers received by the TCU was 3.75. During the same period, the average number of NWFB buses involved in accidents per million vehicle-kilometre was 5.95 per annum, higher than the overall industry average of 3.24 during the same period. The number of NWFB buses involved in accidents per million vehicle-km per annum was relatively higher since the majority of its bus routes were operating in urban areas, which were more congested and vulnerable to traffic accidents.

⁸ In 2020, the average daily patronage of NWFB decreased to about 347 800 and the fleet size was 690 as at end of the year. The significant drop in service demand was due to the impact of the COVID-19 pandemic and corresponding social distancing measures and therefore did not reflect the normal situation.

(B) Safety and Service Enhancement Measures

18. Citybus (Franchise 2), LW and NWFB have been taking measures to further enhance safety during the current franchise period. For example, –

- (a) *New institutional setup for bus safety* - Since 2019, the three franchisees have appointed their own Safety Directors to oversee franchised bus safety matters, enhance communications with overseas bus operators in well-respected overseas jurisdictions and implement safety measures;
- (b) *Installation of in-vehicle safety devices* - With a view to enhancing bus safety, all new double-deck buses procured by the three franchisees from July 2018 onwards are equipped with seat belt on all passenger seats, electronic stability control (“ESC”) which can improve vehicle stability and reduce the risk of rollover, as well as speed limiting retarder (i.e. speed limiter with slow-down function). In particular, to speed up the provision of seat belts on passenger seats for buses operating long-haul routes on expressways, LW purchased 146 new buses equipped with seat belts on all passenger seats and other safety devices in 2019 for replacing the same number of buses. Besides, the three franchisees have started to retrofit suitable existing buses with the above devices since the third quarter of 2020. The target is to complete the installation of seat belts for seats on the upper decks of 132, 116 and 276 existing double-deck buses of Citybus (Franchise 2), LW and NWFB respectively in three years (from the third quarter of 2020)⁹. Besides, ESC and speed limiting retarder will be installed on 216, 189 and 486 existing double-deck buses of Citybus (Franchise 2), LW and NWFB respectively in four years (from the third quarter of 2020)¹⁰. Moreover, Citybus (Franchise 2) and LW have installed the advanced driver assistance systems, including anti-collision and lane keeping warning systems, as well as driver monitoring system on all buses running the airport/North Lantau routes;
- (c) *Route risk assessment* - The three franchisees completed route risk assessment on all of their bus routes in 2020, which assessed the actual road conditions and environment, activities of other road users, etc., so as to provide appropriate and sufficient driving tips and guidance to bus captains on the specific driving environment on a route-by-route basis. The objective was to ensure that bus captains

⁹ Upon completion of the installation and taking into account the newly procured buses, the majority of double-deck buses of Citybus (Franchise 2), LW and NWFB registered in or after 2016 would be fitted with seat belts on the upper deck.

¹⁰ Upon completion of the installation and taking into account the newly procured buses, about 96.9%, 79.4% and 70.4% of the respective bus fleets of Citybus (Franchise 2), LW and NWFB would be equipped with ESC and speed limiting retarder.

would deliver safe bus services to the passengers and would not impose hazard to other road users;

- (d) Safety performance management - From 2020 onwards, the three franchisees have been compiling data in respect of a new set of 19 safety performance indicators required by TD to review their safety performances, including general safety issues, bus passenger safety, bus operation and network safety, bus engineering safety, safety of bus captains at work and safety management and assurance systems. Moreover, they have implemented since 2020 a set of tightened common thresholds for generating real-time alerts and exception reports on speeding and harsh deceleration of bus captains for better monitoring of the driving performance of bus captains; and
- (e) Enhancing working conditions and environment - The three franchisees fully implemented the latest Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks promulgated by TD in February 2018, with working hours and driving hours reduced and rest time increased to improve the working conditions for bus captains. Besides, rest facilities for bus captains were enhanced to improve their working environment. For example, new resting facilities were provided at the Hong Kong Port of HZMB by Citybus (Franchise 2), Pok Hong Bus Terminus by LW, and Chai Wan Depot by NWFB.

19. To further enhance service standards, Citybus (Franchise 2), LW and NWFB have implemented a number of measures for continuous improvement on service quality during the current franchise period. For example, –

- (a) provision of estimated time of arrival information of the next bus for all regular bus routes through mobile phone application and website;
- (b) provision of instant passenger information of affected bus services through mobile phone application and website;
- (c) provision of dynamic display panels inside bus compartments for displaying route and next stop information and passenger safety information¹¹;

¹¹ Except four electric buses of LW which are on trial.

- (d) provision of free Wi-Fi service on 156 Citybus (Franchise 2), 237 LW and 87 NWFB buses¹² and USB charging ports on 28 Citybus (Franchise 2), 106 LW and seven NWFB buses¹³;
- (e) promotion of the concept of “Transport for All” by the provision of wheelchair-accessible low-floor buses in their entire fleets, as compared with only 73% of their buses being wheelchair-accessible low-floor buses in 2013;
- (f) provision of double wheelchair parking spaces by Citybus (Franchise 2) on ten routes (involving 16 buses) and by NWFB on one hospital route (involving 13 buses);
- (g) provision of customer services centres¹⁴ with more customised services for their passengers, e.g. enquiry service, Octopus Card add-value service, sale of tickets and souvenirs, etc.;
- (h) provision of passenger seats by Citybus (Franchise 2), LW and NWFB at 18, 20 and 108 sheltered bus stops respectively under the Government's subsidy scheme¹⁵;
- (i) provision of estimated time of arrival information display panels by Citybus (Franchise 2), LW and NWFB at five, 11 and 42 sheltered stops with electricity supply respectively under the Government's subsidy scheme¹⁶; and
- (j) introduction of electronic payment systems by LW supporting QR code payment and contactless payment on its entire fleet, and QR code payment system by Citybus (Franchise 2) and NWFB on their entire fleets.

20. Furthermore, Citybus (Franchise 2), LW and NWFB have been offering a number of bus-bus interchange (“BBI”) schemes with fare concessions. As at end 2020, Citybus (Franchise 2), LW and NWFB provided 69, 38 and 136 BBI schemes respectively, either on their own or jointly with other companies. The three franchisees also offered fare concessions for children and elderly on all routes.

¹² Amounting to about 70%, 99.6% and 12.6% of respective bus fleets of Citybus (Franchise 2), LW and NWFB.

¹³ Amounting to about 12.6%, 44.5% and 1.0% of respective bus fleets of Citybus (Franchise 2), LW and NWFB.

¹⁴ Citybus (Franchise 2) and LW each operates one customer service centre at Airport Ground Transportation Centre, while NWFB operates one customer service centre at Admiralty.

¹⁵ The scheme on provision of passenger seats are fully subsidised by the Government.

¹⁶ The scheme on provision of display panels are subsidised by the Government on matching basis.

(C) Public Opinion on Bus Services

21. TD and the franchised bus operators conduct regular passenger satisfaction surveys to gauge passengers' opinions on their bus service. The findings of the passenger satisfaction surveys are used as the basis for TD and each operator to monitor service performance, keep track of passenger satisfaction and identify areas for improvements.

22. Further, given the current franchises of Citybus (Franchise 2), LW and NWFB will soon expire, TD commissioned an independent survey from March to April 2021 to collect passengers' overall opinions on their bus services. The results show that 94.4%, 92.4% and 90.4% of the respondents were satisfied with the overall quality of services provided by Citybus (Franchise 2), LW and NWFB respectively. Survey findings are summarised at **Annex A**.

(D) Financial Performance

23. According to the franchise requirements, all franchisees have to publish a booklet of "Fuller Disclosure" annually to present their operational and financial information over the past year. Information on the financial performance of Citybus (Franchise 2), LW and NWFB during their current franchise period is at **Annex B**.

NEW FRANCHISES

24. Based on the assessment in paragraphs 6 to 23 above, the Commissioner for Transport is of the view that Citybus (Franchise 2), LW and NWFB have been providing a proper and efficient bus services and are willing to continue to invest for further enhancement of the bus service. Meanwhile, the three franchisees have indicated an interest to apply for new ten-year franchises. Taking the above into account, the Government plans to commence the discussion with Citybus (Franchise 2), LW and NWFB for new ten-year franchises so that they can continue to operate their existing bus networks and provide the essential public bus service. The new franchises will take effect immediately upon expiry of the current ones in 2023.

25. Although the three franchisees have indicated an interest to continue to provide franchised bus service, the operating environment of the bus industry in the foreseeable future will continue to be rather difficult owing to the competition from other public transport modes and rising operating costs. Subject to the improving COVID-19 situation and consequential adjustment to the boundary control measures, Citybus (Franchise 2) and LW, which are operating the North Lantau and airport networks, should have generally better prospects, given that the most profitable routes are usually those long-haul routes serving the airport.

Meanwhile, NWFB has a less optimistic outlook because of the limited prospect for network expansion and revenue growth on Hong Kong Island, which is its major operating base. There is room for improvement in the efficiency of the bus networks in the area where there is duplication of routes operated by NWFB and the Citybus (Franchise for Hong Kong Island and cross-harbour bus network) (“Citybus (Franchise 1)”) as a result of the legacy of bus network development over the years. There are also further rationalisation opportunities with the West Island Line and South Island Line (East) already in operation. In this connection, we note that there have been different suggestions on how bus services can better meet passenger demand and travelling pattern on Hong Kong Island while improving the operational efficiency and long-term viability of the bus networks of the two franchises including network re-engineering and route re-organisation, merging of the two franchises, etc. We will continue to listen to views on this matter and work with NWFB and Citybus (Franchise 1) to explore options for their future development.

26. In the grant of new franchises, the Government would endeavour to further enhance the quality of bus service (e.g. upgrading ancillary facilities and passenger waiting environment) as well as bus safety (e.g. installing in-vehicle safety enhancement facilities and strengthening bus captain training), improve environmental performance (e.g. procuring electric buses or other environmentally friendly buses) and implement reasonable fare concessions (e.g. introducing more BBI schemes across franchisees). Upon concluding the discussion with Citybus (Franchise 2), LW and NWFB by mid-2022, we will brief this Panel on the outcome of the discussion and the new franchise clauses and commitments.

PUBLIC CONSULTATION

27. The Government plans to invite views from the public on the requirements of the new franchises for the bus network of Citybus (Franchise 2), LW and NWFB between 18 June and 10 September 2021. The relevant information will be uploaded to the websites of the Transport and Housing Bureau and TD for reference by and comments from the public.

ADVICE SOUGHT

28. Members are invited to note the Government’s plan to engage Citybus (Franchise 2), LW and NWFB for discussion on the granting of new franchises, and are welcome to offer views on the requirements of the new franchises.

**Transport and Housing Bureau
Transport Department
June 2021**

Passenger Opinion Survey for the New World First Bus Services Limited, Long Win Bus Company Limited and Citybus Limited (Franchise for Airport and North Lantau Bus Network)

- Executive Summary -

Prepared for

Transport Department



By

Consumer Search Hong Kong Limited (CSG)

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CSG is accredited with ISO 9001:2008 certification from 2003 to 2017 and ISO 20252:2012 certification since 2017. All research projects are conducted in accordance with the provisions of the ICC/ESOMAR International Code of Marketing and Social Research Practice.

Room 501-506, 5/F., Island Place Tower, 510 King's Rd., Hong Kong Tel: 852 2891 6687
Fax: 852 2833 6771 Email: general@csg-worldwide.com <http://www.csg-worldwide.com/>





1. INTRODUCTION

1.1 Survey Objectives

In order to collect views on the performance of the New World First Bus Services Limited (“NWFB”), Long Win Bus Company Limited (“LW”) and Citybus Limited (Franchise for Airport and North Lantau bus network) (“CTB(F2)”) as perceived by passengers, the Transport Department has commissioned the Consumer Search Hong Kong Limited (CSG) to conduct Passenger Opinion Surveys for the three franchised bus companies (“the Survey”).

1.2 The Survey

The survey methodology for each of the three franchised bus companies was as below:

1.2.1 Survey for the Opinion on NWFB

1.2.1.1. The Survey for the opinion on NWFB covered regular passengers aged 12 or above who take NWFB at least once a week. The required information was collected through telephone interviews with land-based households in Hong Kong installed with residential telephone lines and through telephone interviews with mobile phone users.

1.2.1.2. Dual sampling frames of residential telephone lines and mobile telephone numbers were used for selecting a representative sample of respondents.

- The residential telephone numbers were randomly drawn from the CSG Residential Telephone Database. One member in each selected household who fulfilled the respondent definition was selected by the “Last Birthday” method and interviewed.
- The mobile telephone numbers were generated from random digit dialling method. Individuals who fulfilled the respondent definition were interviewed.

1.2.1.3. The target number of 500 completed interviews was achieved in the fieldwork period between 30 March and 26 April 2021, with the response rate at 68.2%.

1.2.2 Survey for the Opinion on LW and CTB(F2)

1.2.2.1. The surveys for the opinion on LW and CTB(F2) covered passengers aged 12 or above who take LW and CTB(F2) respectively.



- 1.2.2.2. For both surveys, the required information were collected through face-to-face interviews on board of the target routes of the respective bus company.
- 1.2.2.3. For both surveys, the passengers on board were sampled at two stages, viz. sampling of trips and sampling of passengers on selected trips.
- Allocation of samples to each bus route was approximately proportional to ridership of each route in 2020.
 - The number of trips sampled on both bounds was about the same.
 - Passengers aged 12 or above travelling on the specified bus journeys were randomly selected on board with reference to the seating position and interviewed.
- 1.2.2.4. The target number of 500 completed interviews for each bus company was achieved in the fieldwork period between 30 March and 26 April 2021, with the response rate at 94.9% for LW and 88.7% for CTB(F2).

1.3 Questionnaire

- 1.3.1 The questionnaires included eight core questions covering the following aspects of the service performance:
- (i) Overall quality of services
 - (ii) Comfort of buses
 - (iii) Facilities on buses
 - (iv) Passenger information
 - (v) Reliability of bus services
 - (vi) Driving performance of bus drivers
 - (vii) Service attitude of bus drivers or staff
 - (viii) Performance of on environmental protection
- 1.3.2 The respondents were asked to rate their satisfaction level on the overall service and each service aspect on a four-point scale of (i) very satisfied (ii) satisfied (iii) dissatisfied (iv) very dissatisfied.

2. SURVEY FINDINGS

- 2.1 The majority of respondents were satisfied with the overall quality of services provided by the three bus companies, with the percentages of “very satisfied” or “satisfied” at 90.4% for NWFB, 92.4% for LW and 94.4% for CTB(F2). Only less than one in ten respondents expressed dissatisfaction (“very dissatisfied” or “dissatisfied”) on this aspect (9.2% for NWFB, 7.4% for LW and 5.6% for CTB(F2)).



- 2.2 Over nine in ten respondents were satisfied with the comfort of buses, with the percentages of “very satisfied” or “satisfied” at 91.8% for NWFB, 91.4% for LW and 96.2% for CTB(F2). The level of dissatisfaction (“very dissatisfied” or “dissatisfied”) was low at 6.8% for NWFB, 8.6% for LW and 3.8% for CTB(F2).
- 2.3 Over nine in ten respondents were satisfied with the facilities on the bus, with the percentages of “very satisfied” or “satisfied” at 94.4% for NWFB, 96.4% for LW and 96.6% for CTB(F2). The level of dissatisfaction (“very dissatisfied” or “dissatisfied”) was low at 4.4% for NWFB, 3.2% for LW and 3.0% for CTB(F2).
- 2.4 The majority of respondents were satisfied with the passenger information provided, with the level of “very satisfied” or “satisfied” was lower at 84.4% for NWFB, 92.2% for LW and 88.0% for CTB(F2). The level of dissatisfaction (“very dissatisfied” or “dissatisfied”) was 11.4% for NWFB, 6.2% for LW and 11.6% for CTB(F2).
- 2.5 The satisfaction levels of the reliability of bus services for the three bus companies were also lower compared to other aspects of bus services. The satisfaction level (“very satisfied” or “satisfied”) was 75.8% for NWFB, 82.2% for LW and 78.0% for CTB(F2). About two in ten respondents were dissatisfied with this aspect, with the dissatisfaction levels (“very dissatisfied” or “dissatisfied”) at 22.6% for NWFB, 17.4% for LW and 21.8% for CTB(F2).
- 2.6 About nine in ten respondents were satisfied with the driving performance of the bus drivers, with the percentages of “very satisfied” or “satisfied” at 89.8% for NWFB, 96.0% for LW and 94.8% for CTB(F2). Less than one in ten respondents were dissatisfied with this aspect, with the dissatisfaction level (“very dissatisfied” or “dissatisfied”) at 9.4% for NWFB, 3.4% for LW and 5.0% for CTB(F2).
- 2.7 The majority of respondents were satisfied (“very satisfied” or “satisfied”) with the service attitude of bus drivers or staff of LW (97.0%) and CTB(F2) (93.6%). NWFB attained a lower satisfaction level on this aspect at 88.0%. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) of LW and CTB(F2) were low at 1.2% and 5.2% respectively. The proportion of dissatisfied respondents was higher for NWFB at 10.8%.
- 2.8 Most of the respondents were satisfied (“very satisfied” or “satisfied”) with LW (83.6%) and CTB(F2) (83.2%) on the performance on environmental protection. NWFB received a lower satisfaction level on this aspect at 56.8%. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) were low at 3.8% for



LW and 4.8% for CTB(F2). NWFB, again, had a higher dissatisfaction level at 11.8%. It is noteworthy that the proportion of “no comment” was higher than that of other aspects, in particularly for NWFB (31.2%), reflecting the lower awareness of the respondents on this area comparing with other aspects.

**Financial Performance of
Citybus (Franchise 2), LW and NWFB under the Current Franchise Period**

Citybus (Franchise 2)

Accounting Year (Note)	Average Daily Patronage (passenger journeys)	Total Revenue (\$ million)	Total Cost (\$ million)	Profit after Tax (\$ million)
2013/14	73 300	460	390	70
2014/15	75 700	473	397	75
2015/16	79 200	510	398	112
2016/17	82 300	537	406	131
2017/18	87 200	563	460	103
2018/19	103 800	680	568	112
2019/20	81 200	548	542	6

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

LW

Accounting Year (Note)	Average Daily Patronage (passenger journeys)	Total Revenue (\$ million)	Total Cost (\$ million)	Profit after Tax (\$ million)
2013	90 900	397	358	39
2014	95 400	419	384	35
2015	100 400	447	384	63
2016	101 900	467	441	26
2017	107 100	517	483	34
2018	113 700	565	529	37
2019	125 500	659	599	59

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

NWFB

Accounting Year (Note)	Average Daily Patronage (passenger journeys)	Total Revenue (\$ million)	Total Cost (\$ million)	Profit after Tax (\$ million)
2013/14	502 000	1,283	1,163	120
2014/15	465 900	1,166	1,146	20
2015/16	459 500	1,197	1,127	70
2016/17	455 000	1,183	1,106	77
2017/18	449 800	1,146	1,151	-5
2018/19	462 600	1,232	1,303	-71
2019/20	398 600	1,300	1,350	-50

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