

立法會
Legislative Council

LC Paper No. CB(4)1087/20-21(04)

Ref. : CB4/PL/TP

Panel on Transport
Meeting on 18 June 2021

**Updated background brief on franchises of Citybus Limited
(Franchise for Airport and North Lantau Bus Network) (Franchise 2),
Long Win Bus Company Limited and
New World First Bus Services Limited**

Purpose

This paper provides updated background information on franchises of Citybus Limited (Franchise for Airport and North Lantau Bus Network) (Franchise 2) ("Citybus Franchise 2"), Long Win Bus Company Limited ("LW") and New World First Bus Services Limited ("NWFB") ("the three bus companies"). It also summarizes the major views and concerns expressed by members when discussing the grant of franchises to the three bus companies for operation from 2013 – 2023 and issues relating to franchised bus ("FB") service and safety.

Background

Bus franchises

2. Under section 5 of the Public Bus Services Ordinance (Cap. 230) ("the Ordinance"), the Chief Executive in Council ("CE-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 10 years. If the CE-in-Council thinks fit, the CE-in-Council may grant a new franchise to an existing grantee for a period not exceeding 10 years to begin immediately upon the expiry of the existing franchise. Section 6 also provides that an existing grantee may request an extension of its franchise for a further period not exceeding five years.

3. The Government's key consideration in awarding or extending a bus franchise is the provision of proper and efficient public bus service. Section 12 of

the Ordinance prescribes that a grantee of a bus franchise shall, at all times during the franchise period, maintain to the satisfaction of the Commissioner for Transport proper and efficient public bus service. To assess whether FB companies have been providing proper and efficient services, the Transport Department ("TD") would conduct regular reviews of their performance through passenger satisfaction surveys, site surveys, vehicle inspections, examination of regular returns and public feedback.

4. The CE-in-Council approved the granting of new ten-year franchise to Citybus (Franchise 2), LW and NWFB on 24 April 2012. The new franchises of Citybus (Franchise 2) and LW commenced on 1 May 2013 and that for NWFB commenced on 1 July 2013.

Franchised bus service and safety

5. Subsequent to a fatal traffic incident involving a FB on Tai Po Road which occurred on 10 February 2018, the Chief Executive set up an Independent Review Committee on Hong Kong Franchised Bus Service ("IRC") to comprehensively review the operation and management of FBs to ensure the safety and reliability of public bus services in Hong Kong. The IRC Report, submitted to the Chief Executive on 31 December 2018, put forward a total of 45 recommendations under 16 areas with a view to sustaining safe and reliable FB service. By end-2019, 43 of the 45 recommendations have been implemented or are being implemented.¹ A summary of the IRC recommendations and the latest progress on the follow-up actions can be found in Annex A of LC Paper No. CB(4)378/19-20(06).

Discussions by the Panel

Grant of franchises for operation from 2013 to 2023

6. The Administration briefed the Panel on Transport ("the Panel") on the grant of franchises to the three bus companies upon the expiry of their franchises in 2013 at a total of four meetings held between July 2011 and March 2012. At the meeting held on 11 November 2011, the Panel invited members of the public to give views on the new franchises.

7. At the meetings of the Panel, members stressed the need for improvements to facilities especially for the elderly and disabled passengers, say seating facilities at bus stop shelters to facilitate elderly passengers waiting for buses. Besides, members requested for provision of bus fare concessions and enhancement of

¹ According to the Administration, the remaining two recommendations involve legislative amendments or hinge on the implementation progress of the other initiatives before formulating the next step forward.

Bus-Bus Interchange ("BBI") schemes, in particular fare concessions for the elderly and the disabled. The Administration was also requested to play a co-ordinating role to ensure that bus companies would introduce more BBI schemes to facilitate the travelling public and incorporate the BBI schemes in the new franchises. The Administration was also urged to require the relevant bus companies to provide section fares which were calculated according to the actual travel distance in kilometers.

8. In addition, Panel members requested the Administration to require the bus companies concerned to expedite the replacement of FB with environmental-friendly or zero-emission buses. The Administration was requested to consider specifying in the new franchises the types of environment-friendly buses which the bus companies should switch to and their proportion and incorporating more environmental protection requirements in the new franchise to improve air quality in Hong Kong.

9. Regarding the monitoring of the performance of bus companies, members opined that requirements for the conduct of medium-term reviews should continue be included in the franchises, so as to enable the Administration to terminate the franchises if the bus companies concerned fail to meet the performance targets. Members also suggested that the Administration should consider including bus companies' performance in improving staff remuneration and welfare as one of the factors for assessing their overall performance and should consider including a benchmark for deviation from the Schedule of Service in the bus franchise to address the problem of lost bus trips.

10. Having regard to the views expressed by members and the public as well as the advice from the Transport Advisory Committee, the CE-in-Council approved the granting of new franchises to the three bus companies on 24 April 2012. According to the Government's established practice, new franchise will be granted about one year before the expiry of the existing one to ensure the smooth operation of FB services during the transition of the new and old franchises, and to allow the operators to make necessary preparations for the various new requirements under the new franchise. It will also alleviate the concerns of the staff of bus companies on their job prospects.

11. Having noted the new franchise terms, at the meeting on 24 May 2012, some members expressed concern about the lack of concrete measures to solve the problem of lost bus trips. Also, despite the offer of 60 new fare concession schemes, a member opined that BBIs should be implemented on all bus routes and that monthly tickets should be introduced to benefit passengers.

12. In response to the concern of lost bus trips, the Administration advised that TD, as the regulatory authority, would ensure the safety and service level of bus services. Under the current mechanism, FB companies were obliged to operate bus services according to the routing, timetable, frequency and bus allocation as stipulated in the Schedule of Service approved by TD. In case of non-compliance, the Administration could recommend the CE-in-Council to impose financial penalty on the FB company according to the Public Bus Service Ordinance (Cap. 230).

13. As regards the introduction of more BBIs and monthly tickets, the Administration said that they would make sustained efforts to discuss with the three bus companies in pursuing more BBIs to meet public demand. In addition, TD had thoroughly discussed with the three bus companies feasibility of introducing monthly tickets. Having considered the financial difficulties involved, the possible impact on the bus fares in general, and the concern that it might not be fair on all other passengers to subsidize a particular group of passengers using monthly tickets, it was considered that the provision of new BBIs, more section fares and concessions on suitable routes as a more pragmatic and practicable approach to benefit passengers.

Follow-up on the recommendations of IRC on FB safety

14. The Panel has been actively following up issues relating to the safety of FB operation. During previous discussions, concerns were raised by Panel members regarding the long working hours of bus captains, the provision of training on bus captains' driving skills and attitude, abuse and assaults on bus captains and retrofitting seat belts and safety devices on buses, among others. There was a suggestion that a beeping device should be installed so that alarm would be given when passengers did not wear seat belt properly.

15. In response, the Administration advised that TD has reviewed the implementation of "Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks" ("Guidelines") by FB operators, and would further study issues relating to fatigue identification and management. On the recommendation that the Guidelines should be stipulated in regulations, the subject matter would be followed up together with the study on identification and management on fatigue driving (recommendation ix of IRC Report).

16. Besides, FB operators have been providing various training for newly-recruited as well as serving bus captains to enhance or reinforce their driving skills and safety awareness as well as foster good driving behavior. "The Practice Note on Training Framework for Franchised Bus Captains" issued by TD have been implemented by FB operators since 2018. Training courses covering

topics like fatigue management and skills for dealing with abusive and angry passengers would also be provided (recommendation viii of IRC Report).

17. On measures to prevent abuse and assaults of bus captains, TD has stepped up publicity efforts to educate passengers that to abuse a bus captain performing his/her duties is not only unacceptable but also a criminal offence. TD is also reviewing the existing legislative provisions to see if they are adequate for making prosecutions against passengers who have made threatening, abusive or insulting communication towards a bus captain performing duties (recommendation xii of IRC Report).

18. It is noted that all new double-deck buses procured from July 2018 would be equipped with seat belt on all passenger seats, Electronic Stability Control ("ESC") which could improve vehicle stability and reduce the risk of rollover, as well as speed limiting retarder. FB operators would install ESC and speed limiting retarder on around 4 000 buses, and install seat belts on all seats on the upper deck of around 1 900 buses. It is targeted that installation of seat belts would complete in three years, and installation of ESC and speed limiting retarder would complete in four years from the third quarter of 2020. The Administration has set aside \$500 million to subsidize 80% of the relevant installation costs for FB operators. As at end 2020, the number of buses installed with seat belt, ESC and speed limiting retarder were 102, 125 and 125 respectively, involving a total government subsidy of around \$19.1 million.

19. Regarding the suggestion of installing a beeping device on passenger seat belts on the bus, TD is following up the suggestion with FB operators and would review whether it was technically feasible to do so.

Latest development

20. The Administration will brief the Panel on franchises of Citybus (Franchise 2), LW and NWFB at the meeting to be held on 18 June 2021.

21. A list of relevant papers is in **Appendix**.

Appendix

Franchises of Citybus Limited (Franchise for airport and North Lantau bus network), Long Win Bus Company Limited and New World First Bus Services Limited

List of relevant papers

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
<i>Papers on franchises of Citybus Limited (Franchise for airport and North Lantau bus network), Long Win Bus Company Limited and New World First Bus Services Limited</i>			
11.7.2011	Panel on Transport	Administration's paper on Franchises of New World First Bus Services Limited, Long Win Bus Company Limited and Citybus Limited (Franchise for airport and North Lantau bus network)	CB(1)2647/10-11(04)
		Minutes of meeting	CB(1)220/11-12
7.11.2011	Panel on Transport	Administration's paper on Franchises of New World First Bus Services Limited, Long Win Bus Company Limited and Citybus Limited (Franchise for airport and North Lantau bus network)	CB(1)227/11-12(03)
		Minutes of meeting	CB(1)1363/11-12
5.12.2011	Panel on Transport	Administration's paper on Franchises of New World First Bus Services Limited, Long Win Bus Company Limited and Citybus Limited (Franchise for airport and North Lantau bus network)	CB(1)464/11-12(04)

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
9.3.2012	Panel on Transport	Administration's paper on Franchises of New World First Bus Services Limited, Long Win Bus Company Limited and Citybus Limited (Franchise for airport and North Lantau bus network)	CB(1)1157/11-12(05)
		Minutes of meeting	CB(1)1481/11-12(01)
24.4.2012		Press Release issued by the Administration on "Grant of new franchises to three bus companies"	Press release
24.5.2012	Panel on Transport	Administration's paper on Franchises of New World First Bus Services Limited, Long Win Bus Company Limited and Citybus Limited (Franchise for airport and North Lantau bus network)	B(1)1923/11-12(07)
		Minutes of meeting	CB(1)2511/11-12
<i>Papers on franchised bus safety</i>			
28.6.2010	Panel on Transport	Administration's paper on working hour and rest time arrangements of franchised bus captains	CB(1)2316/09-10(03)
		Minutes of meeting	CB(1)105/10-11
27.11.2012	Panel on Transport	Administration's paper on the serious traffic accident in Chai Wan on 19 November 2012	CB(1)205/12-13(01)
		Administration's paper on occupational safety and health	CB(1)223/12-13(01)

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
		of professional drivers	
		Minutes of meeting 3	CB(1)1641/12-13
29.4.2015	Council meeting	Dr Hon KWOK Ka-ki raised a question on driving safety of New Lantao Bus	http://www.info.gov.hk/gia/general/201504/29/P201504280671.htm
--	Panel on Transport	Letter dated 17 February 2016 from Hon TANG Ka-piu on the safety of glass doors of franchised buses	CB(4)624/15-16(01)
		Administration's response	CB(4)730/15-16(01)
--		Letter dated 18 March 2016 from Hon Gary FAN Kwok-wai on the concern of the impact of employing a large pool of part-time bus drivers by The Kowloon Motor Bus Company. (1933) Limited	CB(4)779/15-16(01)
		Administration's response	CB(4)1015/15-16(01)
29.6.2016	Council meeting	Hon Frankie YICK Chi-ming raised a question on manpower in transport industry	http://www.info.gov.hk/gia/general/201606/29/P201606290525.htm
12.7.2017	Council meeting	Hon CHAN Han-pan raised a question on maintenance and repair of franchised buses	http://www.info.gov.hk/gia/general/201707/12/P2017071200371.htm
23.9.2017	--	Administration's press release on fatal traffic accident in Sham Shui Po	
--	--	Letter dated 26 September 2017 from Hon LAU	CB(4)1624/16-17(02)

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
		Kwok-fan on issues relating to the serious traffic accident in Sham Shui Po involving a franchised bus on 22 September 2017	
		Administration's response	CB(4)1652/16-17(01)
25.10.2017	Council meeting	Dr Hon CHIANG Lai-wan raised a question on bus captains' rest time, working hours and rest facilities	http://www.info.gov.hk/gia/general/201710/25/P2017102500474.htm
		Hon POON Siu-ping raised a question on working hours and remuneration of bus captains	http://www.info.gov.hk/gia/general/201710/25/P2017102400712.htm
11.2.2018	--	Administration's press release on fatal traffic accident in Tai Po	http://www.info.gov.hk/gia/general/201802/11/P2018021100157.htm
15.2.2018	Panel on Transport	Administration's paper on the bus accident in Tai Po on 10 February 2018	CB(4)617/17-18(01)
		Administration's supplementary information on issues relating to the serious traffic accident on Tai Po Road happened on 10 February 2018 involving a franchised bus (Chinese version only)	CB(4)922/17-18(02)
		Administration's response to the motions passed under the agenda item of "Issues relating to the serious traffic accident on Tai Po Road happened on	CB(4)922/17-18(01)

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
		10 February 2018 involving a franchised bus" at the special meeting on 15 February 2018 as set out in LC Paper Nos. CB(4)630/17-18(02) to (04)	
		Minutes of meeting	CB(4)1441/17-18
25.7.2018	Panel on Transport	Administration's paper on safety of franchised bus operation	CB(4)1407/17-18(03)
15.6.2018 & 25.7.2018	Panel on Transport	Administration's response to two motions passed under the agenda item on "Fare increase applications by Citybus Limited (franchise for the Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited" and one motion passed under the agenda item on "Enhancing taxi service quality"	CB(4)215/18-19(01)
12.12.2018	Council meeting	Hon WU Chi-wai raised a question on provision of ancillary facilities for staff of franchised bus companies	https://www.info.gov.hk/gia/general/201812/12/P2018121200225.htm
18.1.2019	Panel on Transport	Administration's paper on Report of Independent Review Committee on Hong Kong's Franchised Bus Service	CB(4)405/18-19(03)
		Letter dated 8 January 2019 from the Secretary of the Independent Review Committee on Hong Kong's Franchised Bus Service	CB(4)397/18-19(01)

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
		together with the Report of the Independent Review Committee on Hong Kong's Franchised Bus Service released on 8 January 2019	
		Administration's response to the five motions passed under the agenda item of "Report of Independent Review Committee on Hong Kong's Franchised Bus Service" at the meeting on 18 January 2019 as set out in LC Paper Nos. CB(4)444/18-19(01)-(05)	CB(4)542/18-19(01)
		Minutes of meeting	CB(4)1031/18-19
27.2.2019	Council meeting	Hon Jeremy TAM Man-ho raised a question on monitoring speeding of franchised buses	https://www.info.gov.hk/gia/general/201902/27/P2019022700326.htm?fontSize=1
15.3.2019	Panel on Transport	Administration's response to item 7 of the Panel's List of follow-up actions regarding "Fare increase application by New Lantao Bus Co. (1973) Limited" at the meeting on 15 March 2019	CB(4)857/18-19(01)
20 March 2020	Panel on Transport	Administration's paper on Enhancement of Safety of Franchised Buses and Creation of Directorate Posts in the Transport Department	CB(4)378/19-20(06)
		Minutes of meeting	CB(4)804/19-20