

中華人民共和國
香港特別行政區政府
The Government of the Hong Kong Special Administrative Region
of the People's Republic of China

政府總部
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3 February 2025

Ms Joanne MAK
Clerk to Legislative Council Panel on Transport
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Mak,

Legislative Council Panel on Transport
Follow up action to meetings

The Panel on Transport ("Panel") convened meetings on 29 October and 22 November 2024. In the meeting on 29 October, Members requested the Government to provide supplementary information on the passing rate and number of re-tests of public light bus ("PLB") driving tests taken by imported drivers under the Labour Importation Scheme for the Transport Sector – PLB/Coach Trade ("the Scheme"). Separately, Hon TSE Wai-chuen wrote to the Chairman of the Panel after the meeting on 22 November, asking the Government to respond to the issues raised in his letter, including the operation of Citybus Limited (Franchise for the Urban and New Territories bus network) ("CTB(U&NT)"). The consolidated reply of the Transport and Logistics Bureau is as follows.

(1) Participation of imported PLB drivers in PLB driving tests

2. In July 2023, the Government introduced the Labour Importation Scheme for the Transport Sector – PLB/Coach Trade to allow the trades to suitably import drivers on the premise of safeguarding the employment priority for local workers. The quota ceiling for the Scheme is 1 700, including 900 quotas for PLB drivers. Two rounds of applications and assessments have been completed, and all 900 quotas for PLB drivers have been approved. Imported drivers are arriving in Hong Kong in batches to undergo practical driving training, pre-service course and driving test.

3. As of end 2024, 726 imported drivers had taken 1 453 PLB driving tests (including 727 re-tests), with a passing rate of about 42%. Over 500 PLB drivers had obtained the driver license required and had been deployed to service after route familiarisation trainings, alleviating the acute manpower shortage in PLB trade.

4. As reference, in 2023, the Transport Department conducted 247 PLB driving tests (excluding the driving tests taken by imported PLB drivers) and the passing rate was 17%.

(2) Operation of CTB(U&NT)

5. With the gradual resumption of social and economic activities after the epidemic from early 2023, the patronage of CTB(U&NT) has gradually improved, but could only recover to about 90% of the level prior to the epidemic. Currently, the main sources of revenue of CTB(U&NT) are the local routes within Hong Kong Island and cross harbor routes. The ridership of these routes has dropped in recent years owing to railway network expansions as well as gradually declining population of the Hong Kong Island¹. While CTB(U&NT) has been awarded new routes (e.g. Kai Tak, Tuen Mun Area 54 and Shap Sze Heung) through the Operator Selection Exercises in past years, the growth in patronage of these routes was slower than expected and these routes are still loss-making. Despite the rise in demand for bus services connecting to boundary control points, these boundary services account for only a small proportion of CTB(U&NT)'s business and the increased ridership is insufficient to offset the decline in patronage on other routes.

¹ According to the Planning Department's "Projections of Population Distribution 2023-2031" published in March 2024, the population of Hong Kong Island is expected to decrease gradually from 1.2 million to 1.1 million between 2021 and 2031.

6. In terms of costs, salary expenses account for more than half of the operating expenses of the franchised bus operators ("FBOs"). Subsequent to the previous fare increase in June 2023, FBOs have each increased the salaries of their staff twice, at a total level ranging from 7.9% to 8.4%. This has a significant bearing on the costs of franchised bus. In view of the above factors, CTB(U&NT) recorded in 2023 a loss after tax and a negative return on average net fixed assets.

7. The Government has been assisting FBOs (including CTB) to explore more non-farebox revenue sources. Apart from displaying advertisements on bus bodies, bus compartments and bus shelters, approved non-farebox revenue items included installing customer service kiosks, vending machines, self-pickup smart lockers, etc. at public transport interchanges/terminals; leasing out unused space of bus depots; and providing repair and maintenance services to non-franchised bus at bus depots. Over the years, we have observed that FBOs in general have established more sources of non-farebox revenue. We will apply successful initiatives to more locations where viable. In addition, we will continue our work with FBOs to enhance efficiency and profitability of their bus networks having regard to the latest trends of travel pattern and passenger demand, and to redeploy buses spared from route rationalisation to provide new services or enhance existing services with good potential of business growth, with a view to reducing the cost pressure on FBOs.

Yours sincerely,



(Stanley WONG)
for Secretary for Transport and Logistics