

**INDEPENDENT REVIEW COMMITTEE ON HONG KONG'S
FRANCHISED BUS SERVICE**

**INDEX OF BUNDLE FOR CITYBUS LIMITED (“CTB”) AND NEW WORLD
FIRST BUS SERVICES LIMITED (“NWFB”)
CTB & NWFB -1 (SUBMISSIONS)**

| No | Document | Date | Page |
|--|---|-------------|-------------|
| Letter from IRC to CTB requesting for written submission | | | |
| 1. | Letters from the IRC to CTB | 28/03/2018 | 1 – 2 |
| 2. | Annex I to the Letter <i>“Terms of Reference”</i> | -- | 3 |
| 3. | Annex II to the Letter <i>“Specific Matters to be Addressed in the Submission”</i> | -- | 4 – 8 |
| Letter from IRC to NWFB requesting for written submission | | | |
| 4. | Letter from IRC to NWFB | 28/03/2018 | 9 – 10 |
| 5. | Annex I to the Letter <i>“Terms of Reference”</i> | -- | 11 |
| 6. | Annex II to the Letter <i>“Specific Matters to be Addressed in the Submission”</i> | -- | 12 – 16 |
| Reply Letter from CTB & NWFB to IRC | | | |
| 7. | Reply letter from CTB & NWFB to IRC | 27/04/2018 | 17 – 43 |
| Letter from IRC to CTB & NWFB requesting for further written submission | | | |
| 8. | Letter from IRC to CTB & NWFB | 04/05/2018 | 44 |
| 9. | Annex to the Letter | -- | 45 – 50 |
| Letter from IRC to CTB & NWFB | | | |
| 10. | Letter from IRC to CTB & NWFB | 11/05/2018 | 51 – 53 |
| Further Written Submission from CTB & NWFB | | | |
| 11. | Further Written Submission from CTB & NWFB | 18/05/2018 | 54 – 63 |
| Letter from IRC to CTB & NWFB requesting for further information after oral evidence hearing on 29 & 30 May 2018 | | | |
| 12. | Letter from IRC to CTB & NWFB | 31/05/2018 | 64 |
| 13. | Annex to the Letter | -- | 65 – 66 |
| Letter from CTB & NWFB to IRC providing further information after oral evidence hearing on 29 & 30 May 2018 | | | |
| 14. | Letter from CTB & NWFB to IRC | 08/06/2018 | 67 – 69 |

| Tab | Document | Date | Page |
|---|--|------------|-----------|
| Further letter from IRC to CTB & NWFB | | | |
| 15. | Further letter from IRC to CTB & NWFB | 29/06/2018 | 70 – 71 |
| Reply letter from CTB & NWFB to IRC | | | |
| 16. | Reply letter from CTB & NWFB to IRC | 05/07/2018 | 72 |
| 17. | Annex 1 to the Letter Extract of Forward Planning Programme ("FFP") (2019-2023) of CTB (F1) – Section on Bus Safety | -- | 73 – 79 |
| 18. | Annex 2 to the Letter Extract of FFP (2019-2023) of CTB (F2) – Section on Bus Safety | -- | 80 – 86 |
| 19. | Annex 3 to the Letter Extract of FFP (2019-2023) of NWFB – Section on Bus Safety | -- | 87 – 94 |
| Further letter from IRC to CTB & NWFB | | | |
| 20. | Further letter from IRC to CTB & NWFB | 09/10/2018 | 95 – 96 |
| Reply letter from CTB & NWFB to IRC | | | |
| 21. | Reply letter from CTB & NWFB to IRC | 15/10/2018 | 97 – 101 |
| Closing Submissions | | | |
| 22. | Letter from IRC to CTB & NWFB | 12/10/2018 | 102 |
| 23. | Closing Submissions of CTB & NWFB | 07/11/2018 | 103 – 108 |
| Survey of Speed of Franchised Buses at 20 Selected Road Sections in Hong Kong | | | |
| 24. | Letter from IRC to CTB & NWFB | 04/12/2018 | 109 |
| 25. | Letter from CTB & NWFB to IRC | 10/12/2018 | 110 – 111 |

[Blank Page]

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4

電話號碼 Tel No.: (852) 2867 5324

來函檔號 Your Ref.:

傳真號碼 Fax No.: (852) 3104 0254

The Hon Dr Henry CHENG Kar-shun, GBM, GBS
Chairman, Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong

28 March 2018

Dear Hon Cheng,

**Invitation for Written Submissions for Consideration by the
Independent Review Committee on Hong Kong's Franchised Bus Service**

The Chief Executive announced on 13 March 2018 that an Independent Review Committee on Hong Kong's Franchised Bus Service (the Committee) had been set up, following the occurrence of the fatal incident on Tai Po Road on 10 February 2018 and other recent serious incidents involving franchised buses in Hong Kong. From the point of view of safety, the Committee is required to examine the operation and management of bus franchises and the related regulatory and monitoring system of franchised buses, so as to make recommendations to the Chief Executive of safety-related measures with a view to sustaining a safe and reliable franchised bus service. The terms of reference of the Committee are set out in Annex I to this letter.

The Committee commenced its work on 28 March 2018. The Committee will, from the point of safety, examine the operation and management of bus franchises under the current legislative, franchise and other contractual requirements, together with any guidelines and/or practices, and examine the present regulatory and monitoring system for franchised buses.

As instructed by the Chairman of the Committee, the Honourable Mr Justice Michael Lunn, I am writing to request your company to provide a written submission to the Committee on the abovementioned matters. Specifically, your company is invited to provide responses to address the issues and questions set out in Annex II to this letter, as well as any other issues and comments that your company wishes to raise.

I should be grateful if the submission of your company could reach the Secretariat of the Committee by 17 April 2018. Please send the submission by hard and soft copies to:

By post: Secretariat to the Independent Review Committee on Hong Kong's Franchised Bus Service, 21/F, Queensway Government Offices, 66 Queensway, Admiralty, Hong Kong (*with the envelope specifying the written submission is enclosed*); and

Via email: secretariat@irc-bus.gov.hk (*with the email heading specifying the written submission is enclosed*)

The information provided in the written submission will be considered by the Committee in reviewing the matters it is directed to consider under the terms of reference of the Committee and in drawing up its recommendations. If necessary, the Committee may invite your company to provide supplementary written and/or oral submissions. Please also be advised that all submissions (including any annexes, appendices and attachments contained therein) will be treated as public information and, at the discretion of the Committee, may be published on the Committee's website.

Yours sincerely,



(CHAN Ping-fai, Peter)

Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service

Encl.

**Independent Review Committee on Hong Kong's Franchised Bus Service
Terms of Reference**

From the point of view of safety, in the light of the fatal accident on 10 February and other recent serious incidents involving franchised buses in Hong Kong:

- (a) to examine the operation and management of bus franchises under the current legislative, franchise and other contractual requirements;
- (b) to examine the present regulatory and monitoring system for franchised buses; and
- (c) in relation to the above, to make recommendations to the Chief Executive on safety-related measures with a view to sustaining a safe and reliable franchised bus service in Hong Kong.

Note:

Issues relating to the causes and liability of persons involved in the fatal accident on 10 February 2018 will be investigated by the Police and fall outside the Committee's terms of reference.

Specific Matters to be Addressed in the Submission

Note: Please provide documents relevant to the issues and questions listed below. Where applicable, the documents should cover the period from 2012 to February 2018.

(1) The regulation and monitoring of your company's service

- (a) Please identify and supply copies of:
 - (i) any guidelines, codes of practice and directions issued to your company by the Transport Department (TD);
 - (ii) any annual reports or similar documents setting out the corporate governance of the franchised bus operators (such as information on corporate structure, board directorship and organisational chart) as well as financial situation;
 - (iii) any codes of practice established by your company;
 - (iv) any codes of corporate and social responsibility published by your company.
- (b) Please indicate if your company has established a Passenger Liaison Group and, if so, please provide details of its rules and its composition and what, if any proposals it has made, indicating whether or not they have been implemented.
- (c) Please indicate if your company has conducted passenger opinion/satisfaction surveys and, if so, provide details of the results of those surveys, indicating whether or not any concerns expressed in those surveys have been addressed or proposals implemented.
- (d) Please identify all records of information that your company is required by TD to make/keep and make available for inspection and/or are submitted to TD by your company.
- (e) What are the ramifications on the earnings of bus drivers and on the finances of the franchised bus operators of the changes to the Guidelines on Bus Captain-Working Hours, Rest Times and Meal Breaks guidelines?

(2) Design, build and deployment of buses

- (a) How do the design and build of bus compartments, in respect of the following, conform to the stipulated safety requirements: driver's cabin, seats (including their anchoring and use of fire-resilient material), doors and windows, emergency exits, access to upper deck, seat belts (for both the driver and passengers) and seats located at vulnerable positions?
- (b) Are the design and build of buses required passing impact collision tests and tilting tests? If so, at what speeds?
- (c) Are electronic recording device e.g. tachographs/blackboxes and speed limiters installed on all buses? What information from these devices pertaining to monitoring the driving performance of bus captains is captured, and how is the collected information used to enhance driving safety? Are the buses equipped with forward-looking cameras that record and retain the progress of the vehicle?
- (d) Are there any plans to equip buses with new technological aids to enhance driving safety?
- (e) What are the criteria for determining the type(s) of vehicles (e.g. single-decked bus or double-decked bus) assigned to run a certain route? How are road and traffic conditions of such routes reflected in the consideration?

(3) Maintenance and inspection

- (a) What are the stipulated requirements (either by TD or by your company) for annual and periodic maintenance schedule and inspection? For example, are there any requirements or guidelines on the list of items covered in inspection/ maintenance, frequency of periodic inspection/maintenance, staff deployed for each inspection/maintenance, system of recording results of the inspection/maintenance, system/procedures of follow-up actions arising from inspection/maintenance, etc?
- (b) Have the above requirements been strictly and fully complied with?
- (c) Are buses required to return to depot for inspection daily?
- (d) Is there any inspection before a bus starts its service each day?
- (e) Are some buses required to park overnight at bus termini and cannot undergo any inspection at depot and if yes, their number and reasons for not requiring their return to depot after termination of service each day?

(4) Manpower and staff retention

- (a) Does your company have adequate full-time bus captains to provide proper and efficient service? Is there a need for your company to continuously employ bus captains on a part-time basis to make up for the manpower shortfall and/or to augment the core staff complement to cover special events and absences? Please also furnish the number of bus captains on different employment terms and the extent to which the current staff complement can meet your operational requirements?
- (b) What are the problems encountered in recruiting and retaining bus captains? What are the demands and aspirations of bus captains with regard to staff retention, such as remuneration, working hours, rest time, working environment, etc?

(5) Journey time

- (a) Has journey time for each route at different times of the day been stipulated? If yes, how and at what level is it determined and has regard been made to road traffic conditions especially during traffic rush hours?
- (b) Has frontline staff (e.g. bus captains, terminal supervisors, etc.) been involved in the stipulation, and if yes, how and if no, why?
- (c) Is there any mechanism to verify periodically that the journey time is still accurate and relevant/realistic?

(6) Rest time

- (a) What is the stipulated rest time between trips and on what the basis is it determined? Is there any mechanism to verify the accuracy and completeness of any records kept on the rest time?
- (b) Will there be any compensation for rest time if the bus takes a longer journey time than stipulated due to traffic congestion?

(7) Working hours

- (a) Please set out the current working hour requirements and shift arrangements for bus captains.
- (b) Have any fatigue management measures been put in place, e.g. rotating shifts, allowing adequate rest time between trips, providing rest place at bus terminal, etc? Is there any mechanism to verify the accuracy and completeness of any records kept on the working hours by all drivers?

(8) Performance management

- (a) What monitoring measures have been put in place to ensure proper driving behaviour of bus captains? Are there any systems/tools to monitor bus captains real time? For example, are black boxes or other systems/tools installed on buses feeding real time data on the speed of each bus back to bus headquarters? If yes, how are these data being monitored/handled?
- (b) Have the blackboxes, if installed, been checked at regular intervals? If yes, how frequent, by whom and whether any follow-up actions have been taken if irregularities are identified? If no, why not and does your company have any improvement measures in mind?
- (c) Are there inspectors on board (uniformed or non-uniformed) to check the performance of bus captains? If yes, how does this checking system work?

(9) Remuneration packages

- (a) Please set out the remuneration packages of different categories of bus captains, full-time, part-time, or contract (if any).
- (b) How is overtime worked compensated and at what rate?
- (c) Is there any reward system for bus captains with good performance (and/or with low accident records)?

(10) Training and counselling

- (a) What driving training is provided for newly recruited full-time and part-time bus captains before they are assigned to drive on a specific bus route? What are the details (e.g. duration, format, any assessment on the outcome of the training) and is there any difference between the training for full-time and part-time drivers?
- (b) Will driving enhancement training and safety awareness training be provided for in-service bus captains and those with high accident records and if yes, what are the details in terms of scope and frequency, and the effectiveness of the training?
- (c) Is there any customer services training provided to bus captains to equip them with relevant skills to handle difficult passengers?
- (d) Is there any counselling service provided to bus captains in need?

- (e) Is there any mechanism to identify bus routes that require more driving experience or training specific to that bus route? If yes, what are the details?

(11) Background checks and penalties for traffic convictions

- (a) Will background checks be conducted before hiring a bus captain? If yes, what is covered in these checks and how do these checks factor into the hiring or not of a bus captain?
- (b) What internal action (e.g. suspension of driving duties, warnings, dismissal, etc.) will be taken against bus captains convicted of contravention against traffic regulations (whether or not involving casualties)?

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4

來函檔號 Your Ref.:

電話號碼 Tel No.: (852) 2867 5324

傳真號碼 Fax No.: (852) 3104 0254

The Hon Dr Henry CHENG Kar-shun, GBM, GBS
Chairman, New World First Bus Services Ltd
8 Chong Fu Road
Chai Wan, Hong Kong

28 March 2018

Dear Hon Cheng,

**Invitation for Written Submissions for Consideration by the
Independent Review Committee on Hong Kong's Franchised Bus Service**

The Chief Executive announced on 13 March 2018 that an Independent Review Committee on Hong Kong's Franchised Bus Service (the Committee) had been set up, following the occurrence of the fatal incident on Tai Po Road on 10 February 2018 and other recent serious incidents involving franchised buses in Hong Kong. From the point of view of safety, the Committee is required to examine the operation and management of bus franchises and the related regulatory and monitoring system of franchised buses, so as to make recommendations to the Chief Executive of safety-related measures with a view to sustaining a safe and reliable franchised bus service. The terms of reference of the Committee are set out in Annex I to this letter.

The Committee commenced its work on 28 March 2018. The Committee will, from the point of safety, examine the operation and management of bus franchises under the current legislative, franchise and other contractual requirements, together with any guidelines and/or practices, and examine the present regulatory and monitoring system for franchised buses.

As instructed by the Chairman of the Committee, the Honourable Mr Justice Michael Lunn, I am writing to request your company to provide a written submission to the Committee on the abovementioned matters. Specifically, your company is invited to provide responses to address the issues and questions set out in Annex II to this letter, as well as any other issues and comments that your company wishes to raise.

I should be grateful if the submission of your company could reach the Secretariat of the Committee by 17 April 2018. Please send the submission by hard and soft copies to:

By post: Secretariat to the Independent Review Committee on Hong Kong's Franchised Bus Service, 21/F, Queensway Government Offices, 66 Queensway, Admiralty, Hong Kong (*with the envelope specifying the written submission is enclosed*); and

Via email: secretariat@irc-bus.gov.hk (*with the email heading specifying the written submission is enclosed*)

The information provided in the written submission will be considered by the Committee in reviewing the matters it is directed to consider under the terms of reference of the Committee and in drawing up its recommendations. If necessary, the Committee may invite your company to provide supplementary written and/or oral submissions. Please also be advised that all submissions (including any annexes, appendices and attachments contained therein) will be treated as public information and, at the discretion of the Committee, may be published on the Committee's website.

Yours sincerely,



(CHAN Ping-fai, Peter)

Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service

Encl.

**Independent Review Committee on Hong Kong's Franchised Bus Service
Terms of Reference**

From the point of view of safety, in the light of the fatal accident on 10 February and other recent serious incidents involving franchised buses in Hong Kong:

- (a) to examine the operation and management of bus franchises under the current legislative, franchise and other contractual requirements;
- (b) to examine the present regulatory and monitoring system for franchised buses; and
- (c) in relation to the above, to make recommendations to the Chief Executive on safety-related measures with a view to sustaining a safe and reliable franchised bus service in Hong Kong.

Note:

Issues relating to the causes and liability of persons involved in the fatal accident on 10 February 2018 will be investigated by the Police and fall outside the Committee's terms of reference.

Specific Matters to be Addressed in the Submission

Note: Please provide documents relevant to the issues and questions listed below. Where applicable, the documents should cover the period from 2012 to February 2018.

(1) The regulation and monitoring of your company's service

- (a) Please identify and supply copies of:
 - (i) any guidelines, codes of practice and directions issued to your company by the Transport Department (TD);
 - (ii) any annual reports or similar documents setting out the corporate governance of the franchised bus operators (such as information on corporate structure, board directorship and organisational chart) as well as financial situation;
 - (iii) any codes of practice established by your company;
 - (iv) any codes of corporate and social responsibility published by your company.
- (b) Please indicate if your company has established a Passenger Liaison Group and, if so, please provide details of its rules and its composition and what, if any proposals it has made, indicating whether or not they have been implemented.
- (c) Please indicate if your company has conducted passenger opinion/satisfaction surveys and, if so, provide details of the results of those surveys, indicating whether or not any concerns expressed in those surveys have been addressed or proposals implemented.
- (d) Please identify all records of information that your company is required by TD to make/keep and make available for inspection and/or are submitted to TD by your company.
- (e) What are the ramifications on the earnings of bus drivers and on the finances of the franchised bus operators of the changes to the Guidelines on Bus Captain-Working Hours, Rest Times and Meal Breaks guidelines?

(2) Design, build and deployment of buses

- (a) How do the design and build of bus compartments, in respect of the following, conform to the stipulated safety requirements: driver's cabin, seats (including their anchoring and use of fire-resilient material), doors and windows, emergency exits, access to upper deck, seat belts (for both the driver and passengers) and seats located at vulnerable positions?
- (b) Are the design and build of buses required passing impact collision tests and tilting tests? If so, at what speeds?
- (c) Are electronic recording device e.g. tachographs/blackboxes and speed limiters installed on all buses? What information from these devices pertaining to monitoring the driving performance of bus captains is captured, and how is the collected information used to enhance driving safety? Are the buses equipped with forward-looking cameras that record and retain the progress of the vehicle?
- (d) Are there any plans to equip buses with new technological aids to enhance driving safety?
- (e) What are the criteria for determining the type(s) of vehicles (e.g. single-decked bus or double-decked bus) assigned to run a certain route? How are road and traffic conditions of such routes reflected in the consideration?

(3) Maintenance and inspection

- (a) What are the stipulated requirements (either by TD or by your company) for annual and periodic maintenance schedule and inspection? For example, are there any requirements or guidelines on the list of items covered in inspection/ maintenance, frequency of periodic inspection/maintenance, staff deployed for each inspection/maintenance, system of recording results of the inspection/maintenance, system/procedures of follow-up actions arising from inspection/maintenance, etc?
- (b) Have the above requirements been strictly and fully complied with?
- (c) Are buses required to return to depot for inspection daily?
- (d) Is there any inspection before a bus starts its service each day?
- (e) Are some buses required to park overnight at bus termini and cannot undergo any inspection at depot and if yes, their number and reasons for not requiring their return to depot after termination of service each day?

(4) Manpower and staff retention

- (a) Does your company have adequate full-time bus captains to provide proper and efficient service? Is there a need for your company to continuously employ bus captains on a part-time basis to make up for the manpower shortfall and/or to augment the core staff complement to cover special events and absences? Please also furnish the number of bus captains on different employment terms and the extent to which the current staff complement can meet your operational requirements?
- (b) What are the problems encountered in recruiting and retaining bus captains? What are the demands and aspirations of bus captains with regard to staff retention, such as remuneration, working hours, rest time, working environment, etc?

(5) Journey time

- (a) Has journey time for each route at different times of the day been stipulated? If yes, how and at what level is it determined and has regard been made to road traffic conditions especially during traffic rush hours?
- (b) Has frontline staff (e.g. bus captains, terminal supervisors, etc.) been involved in the stipulation, and if yes, how and if no, why?
- (c) Is there any mechanism to verify periodically that the journey time is still accurate and relevant/realistic?

(6) Rest time

- (a) What is the stipulated rest time between trips and on what the basis is it determined? Is there any mechanism to verify the accuracy and completeness of any records kept on the rest time?
- (b) Will there be any compensation for rest time if the bus takes a longer journey time than stipulated due to traffic congestion?

(7) Working hours

- (a) Please set out the current working hour requirements and shift arrangements for bus captains.
- (b) Have any fatigue management measures been put in place, e.g. rotating shifts, allowing adequate rest time between trips, providing rest place at bus terminal, etc? Is there any mechanism to verify the accuracy and completeness of any records kept on the working hours by all drivers?

(8) Performance management

- (a) What monitoring measures have been put in place to ensure proper driving behaviour of bus captains? Are there any systems/tools to monitor bus captains real time? For example, are black boxes or other systems/tools installed on buses feeding real time data on the speed of each bus back to bus headquarters? If yes, how are these data being monitored/handled?
- (b) Have the blackboxes, if installed, been checked at regular intervals? If yes, how frequent, by whom and whether any follow-up actions have been taken if irregularities are identified? If no, why not and does your company have any improvement measures in mind?
- (c) Are there inspectors on board (uniformed or non-uniformed) to check the performance of bus captains? If yes, how does this checking system work?

(9) Remuneration packages

- (a) Please set out the remuneration packages of different categories of bus captains, full-time, part-time, or contract (if any).
- (b) How is overtime worked compensated and at what rate?
- (c) Is there any reward system for bus captains with good performance (and/or with low accident records)?

(10) Training and counselling

- (a) What driving training is provided for newly recruited full-time and part-time bus captains before they are assigned to drive on a specific bus route? What are the details (e.g. duration, format, any assessment on the outcome of the training) and is there any difference between the training for full-time and part-time drivers?
- (b) Will driving enhancement training and safety awareness training be provided for in-service bus captains and those with high accident records and if yes, what are the details in terms of scope and frequency, and the effectiveness of the training?
- (c) Is there any customer services training provided to bus captains to equip them with relevant skills to handle difficult passengers?
- (d) Is there any counselling service provided to bus captains in need?

- (e) Is there any mechanism to identify bus routes that require more driving experience or training specific to that bus route? If yes, what are the details?

(11) Background checks and penalties for traffic convictions

- (a) Will background checks be conducted before hiring a bus captain? If yes, what is covered in these checks and how do these checks factor into the hiring or not of a bus captain?
- (b) What internal action (e.g. suspension of driving duties, warnings, dismissal, etc.) will be taken against bus captains convicted of contravention against traffic regulations (whether or not involving casualties)?



周大福企業及新創建集團成員
Members of Chow Tai Fook Enterprises and NWS Holdings

Our ref: MD/0404/18
Your ref: CSO/IRC-BUS/CR/7-45/4

Tel No.: (852) 2136 2889
Fax No.: (852) 2579 1028

27 April 2018

Secretariat to the Independent Review Committee on
Hong Kong's Franchised Bus Service
21/F, Queensway Government Offices
66 Queensway
Admiralty
Hong Kong

Attn: Mr Chan Ping-fai, Peter

Dear Sirs

Re: Written Submissions to the Independent Review Committee on Hong Kong's Franchised Bus Service

We refer to your letters dated 28 March 2018 addressed to our Chairman concerning the Committee's request for information and written submissions on the operation and management of our bus franchises. In this regard, these submissions are made jointly by New World First Bus Services Limited ("NWFB") and Citybus Limited ("CTB").

Before we turn to deal with your request for information, we wish to affirm our commitment in putting safety as a top priority. In particular, we are committed to providing a safe working and travelling environment for our passengers and staff.

As such, we take a very serious view towards strict compliance with all applicable laws and regulations. We confirm we are in full compliance with our legal and regulatory obligations as well as our contractual obligations to the HKSAR Government ("Government") under the relevant franchises. We also have established processes in place to help us comply with the guidelines issued from time to time by the Transport Department ("TD").

As part of our mission to deliver premier services to our passengers, we use our best endeavours to go beyond meeting our minimum regulatory obligations. We strive to continue to improve the safety of our services. For instance, we have invested heavily in monitoring the safety of our services not only by conducting on-site breathalyser tests and spot checks on bus rides but also by installing advanced technology hardware, including the black-box on each bus to capture a full record of each bus captain's driving activities. To further enhance the safety of our bus services, we plan to update the black-box system with real-time capability

Page 1 of 27

城巴有限公司
Citybus Limited

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2963 4888 傳真 Fax (852) 2579 0202
網址 Website www.citybus.com.hk

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)
香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2136 2140 傳真 Fax (852) 2147 3611
網址 Website www.nwfb.com.hk

by the third quarter of 2018. We also plan to install new technological aids on our buses, including active speed limiters and electronic stability controls.

As we strive to provide better bus services to the public at reasonable fares, we welcome any feedback and recommendations from the Committee so that we can continue to upgrade our service standards.

With regard to the information requested in your letters, our submissions are set out below:

1. The regulation and monitoring of our Companies' services

(a) (i) Guidelines, codes of practice and directions issued to us by the TD are as follows:

- Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks issued by the TD in 2010 ("2010 Guidelines") (Annex 1.1) and Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks issued by the TD in 2018 ("New Guidelines") (Annex 1.2);
- Letter from the TD setting out the guidelines and requirements in preparation for the five-year Forward Planning Programme. The letter issued to the main franchise of CTB, which operates routes on Hong Kong Island and cross harbour routes ("CTB (F1)") is attached as Annex 1.3. A similar letter was issued to each of the airport franchise of CTB ("CTB (F2)") and NWFB;
- Letter from the TD on Carriage of Portable Oxygen Concentrator on Board the Franchised Buses. The letter issued to CTB is attached as Annex 1.4. A similar letter was issued to NWFB;
- Supplementary Conditions for C.O.F./C.O.R. Inspection on Franchised Buses (Annex 1.5); and
- Recommended Minimum Specification Requirements for Franchised Buses (Annex 1.6).

(ii) Copies of the Fuller Disclosure covering the financial year ended 30 June 2017 published by each of CTB and NWFB are attached as Annexes 2.1 & 2.2.

Our corporate structure, board directorship and organisation chart are attached as Annexes 2.3 to 2.5.

(iii) The codes of practice established by NWFB and CTB are:

- Code of Conduct (Annex 3.1)
 - Annual medical check / memo on the procedure for medical checks dated 2013 (Annex 3.2)
 - Equal Opportunities Policy dated 3 April 2017 (Annex 3.3)
 - Sexual Harassment Policy dated 1 September 2014 (Annex 3.4)
 - Environmental Protection Policy Statement dated 29 March 2018 (Annex 3.5)
 - Statement of Company Safety & Health Policy dated 29 March 2018 (Annex 3.6)
 - Bus Captain Handbook dated April 2018 (Annex 3.7)
- (iv) The Vision & Mission and Corporate Social Responsibility of the Companies are set out in the Fuller Disclosure attached as Annexes 2.1 & 2.2.
- (b) We have established Passenger Liaison Group (“PLG”) for each of NWFB and CTB.
- (i) Each of NWFB and CTB conducts PLG meetings once every two months, totalling 6 meetings per year for each company. For CTB, 4 meetings are conducted for CTB (F1) and 2 meetings are conducted for CTB (F2).
 - (ii) Each meeting lasts for about 1.5 hours and is usually held in the evening between 6:30 pm and 8:00 pm.
 - (iii) Members of the PLG are not fixed and the public is welcome to walk-in and attend the PLG meeting. No advance registration is required.
 - (iv) PLG meetings are held on a bus parked at different bus terminus, and they are publicised 2 weeks before the meeting to inform the public of the time and location of the meeting.
 - (v) Passengers’ opinions/suggestions and our response/follow-up actions for each meeting are recorded in the Notes of Meeting and a copy is sent to the TD. Samples of the Notes of Meeting are attached for your reference (Annexes 4.1 & 4.2).
- (c) Passenger Satisfaction Surveys (“PSS”) of NWFB and CTB (F1) are conducted on a quarterly basis by an external consultant. The Bus and Railway Branch of the TD acts as a co-ordinator in liaison with the consultant. PSS are conducted through random telephone surveys with regular bus passengers in Hong Kong. Four

quarterly reports and a yearly report for each franchise are generated each year.

PSS of CTB (F2) are conducted on an annual basis by an external consultant. These are conducted by face-to-face interviews with passengers travelling on different bus routes and a yearly report is then produced.

Instead of relying on the PSS results, our Companies have been taking a proactive approach in improving passenger satisfaction. In the last few years, we have implemented the following improvement measures which also coincided with passengers' aspirations reflected in the PSS results:

- (i) Through routine monitoring of the journey time and carrying capacity of each route, service enhancements were made to:
 - allow more journey time for routes with high lost trip rates caused by traffic congestion; and
 - improve service frequency of routes with insufficient carrying capacity.
- (ii) We took the initiative to improve passenger satisfaction by:
 - enhancing the functionalities and providing useful service information on our website and mobile App to suit passengers' needs; and
 - equipping new buses with the latest automatic temperature control system to provide a comfortable saloon temperature.
- (iii) In the renewal of the CTB (F1) franchise, we were committed to installing the real-time estimated bus arrival system on CTB (F1) buses. We took the initiative to install the same on CTB (F2) and NWFB buses.

Executive summary of the yearly PSS report on each of our franchises for 2017 are attached as Annexes 5.1 to 5.3.

- (d) The list of records and information required by the TD to be kept and made available for inspection and submission is set out below:

(i) Operational records and information

- 1. Number of passengers carried on every day on each specified route;
- 2. Number of passengers boarding and alighting at bus stops;
- 3. Number of passengers and the occupancy of buses at half-hourly interval on any of the specified routes;
- 4. Number of buses in use on each specified route on every day and the

- carrying capacity of each of such buses;
5. Journey time for journeys between terminal points on each specified route;
 6. Scheduled and actual departure time of each journey on every day on each specified route;
 7. Actual departure time of adjusted journey departs from the designated stop;
 8. Number of scheduled journeys, actual journeys and additional journeys operated on every day on each specified route;
 9. Number of scheduled journeys that we failed to operate on every day on each specified route due to vehicle breakdown, vehicle shortage, driver shortage, traffic congestion, accidents, inclement weather, public events, redeployment of buses and others;
 10. Carrying capacity and technical specifications of buses;
 11. Number of buses of each bus type and other vehicles used and the number of buses ordered;
 12. Number of journeys and total kilometres travelled with breakdowns of revenue-generated kilometres and non-revenue-generated kilometres on each specified route on every day;
 13. Number of bus driver duties scheduled to operate all specified routes in accordance with the Schedule of Service on a day required by the Commissioner of Transport ("Commissioner") and the percentage of bus drivers, selected on the sample size as specified by the Commissioner, in compliance with the guidelines on arrangements in relation to working hour and rest time of bus drivers issued by the Commissioner;
 14. Number of bus drivers at the end of each calendar month required and available to operate all specified routes in accordance with the Schedule of Service; and the surplus or shortage of bus drivers;
 15. The total number of bus drivers resigned, retired, separated with other reasons, newly recruited and re-employed in each calendar month;
 16. Daily receipts from the passengers carried on every day on each specified route;
 17. Actual working hours of drivers and scheduled driving hours of crew duties;
 18. Punctuality rate;
 19. Driving offence and vehicle related offences record;
 20. Number of accident involved third party bodily injury;
 21. Headcount report;
 22. Number of complaints/suggestions received;
 23. Annual performance assessment;
 24. Transport Advisory Committee performance assessment;
 25. Operations records of routes and bus captains;

(ii) Maintenance of buses, other vehicles and stores

26. Maintenance schedule of buses;

- 27. Maintenance schedule of other vehicles and inventory of stores;
- 28. Maintenance records of buses;

(iii) Financial information

- 29. Accounting system manual and costing system manual for the preparation of accounts for the bus service;
- 30. Procurement policies, procurement procedures and practice manual of goods and services relating to the bus service;
- 31. Annual audited financial statements prepared and certified by a qualified auditor;
- 32. Monthly management accounts (including profit and loss account, balance sheet and cash flow statement);
- 33. Monthly report on fuel price, fuel cost, fuel consumption and hedging contracts on fuel;
- 34. Accounting policies governing the accounts of the Companies which are related to the bus services;
- 35. Report to seek prior approval for not pursuing open tendering from the board of directors for contracts that are material to the bus service;
- 36. Financial information on all transactions which are related to the bus service made between the Companies and any related party of the Companies;
- 37. Reports prepared by a qualified auditor or a certification body certifying that the Companies have put in place internal control systems and procedures to measure and record, in all material respects, operation statistics and other information;
- 38. Elderly Concessionary Fare Scheme - Application for reimbursement of short term tenancy rent and Government rent;
- 39. Update of Schedule I - Grantee's Undertaking;
- 40. Contracts with value of over HK\$1 million;
- 41. Actuarial report on insurance reserves;
- 42. Actuarial report on retirement benefits;

(iv) Bus planning

- 43. Five-year Forward Planning Programme;

(v) Customer service and public information

- 44. PLG: (i) Details of passenger liaison arrangements; (ii) Proposals made by the PLGs; and (iii) Implementation of proposals;
- 45. Service pledge: (i) Publication of passenger service pledge for responding to complaints and suggestions from the public; and (ii) the achievement rate of passenger service pledge;

46. Fuller Disclosure;

(vi) Other management reports

47. Report of utilization of Bus-Bus Interchange Scheme;
48. Bus window advertising report;
49. Report of passenger reward & designated account balances;
50. Report of fare revenue forgone, passenger reward & designated account balances furnished by a qualified auditor;
51. Report of revenue forgone;
52. Report of overcharging of passengers using Octopus;
53. Environmental improvement measure report;
54. Passenger satisfaction survey report;
55. Return on the operation and enhancement of bus stop announcement system;

(vii) Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities ("Scheme")

56. Monthly reimbursement reports on eligible trips and differential fare under the Scheme;
57. System assurance report, reimbursement audit report and eligible trip assurance report prepared and issued by an external auditor;
58. Exception reports under the Scheme;
59. Monthly inspection report on ride check for abuse case of the Scheme;
60. Monthly usage trend report on the Scheme;

(viii) Bus safety

61. Records of bus captains' traffic offences and the corresponding follow-up actions;
62. Records of on-board monitoring by plain-clothed staff and the corresponding follow-up action;
63. Records of random check on the operational data recorded in black-boxes and the corresponding follow-up actions;
64. Records of breath alcohol tests conducted on bus captains and the corresponding follow-up actions; and
65. Measures to promote bus safety.

As set out under Section 18(3) of the Public Bus Services Ordinance, Cap. 230, the bus company shall permit the Commissioner, and any person authorized in writing by the Commissioner, to inspect at any reasonable time all such records and all accounts kept by the bus company in connection with its franchise; and the Commissioner or any such person may make copies of any such records or

accounts.

- (e) Although the New Guidelines allow special duties with a maximum length of 14 hours, both CTB and NWFB have set a target of 13 hours as the maximum length for special duties by the first quarter of 2020. Based on the current pay packages, we estimate that bus captains in CTB (F1), CTB (F2) and NWFB will have reductions in average monthly take-home pay by HK\$191, HK\$120 and HK\$28 respectively. Although the impact appears immaterial, the ramifications on the monthly earnings of some NWFB bus captains will be quite significant as they are assigned to work on fixed-duty shifts and some of the duties will have to be shortened substantially to comply with the New Guidelines. The impact on the earnings of CTB bus captains will be less significant because they rotate duties on a weekly basis. The table below shows the impact on the monthly take-home pay of NWFB bus captains when the New Guidelines is implemented and the maximum duration of special duties is limited to 13 hours:

| Change in monthly take-home pay | Percentage of bus captains |
|---------------------------------|----------------------------|
| Decrease by: | |
| More than HK\$5,000 | 5.0% |
| HK\$4,001 to HK\$5,000 | 1.0% |
| HK\$3,001 to HK\$4,000 | 1.9% |
| HK\$2,001 to HK\$3,000 | 2.7% |
| HK\$1,001 to HK\$2,000 | 6.3% |
| HK\$1 to HK\$1,000 | 11.5% |
| No change | 41.3% |
| Increase by: | |
| HK\$1 to HK\$1,000 | 12.7% |
| HK\$1,001 to HK\$2,000 | 6.1% |
| HK\$2,001 to HK\$3,000 | 3.4% |
| HK\$3,001 to HK\$4,000 | 2.1% |
| HK\$4,001 to HK\$5,000 | 2.7% |
| More than HK\$5,000 | 3.3% |

To comply with the New Guidelines and achieve our internal target of maximum duration of special duties at 13 hours, the Companies will need an additional 121 bus captains. We estimate that drivers wages of CTB (F1), CTB (F2) and NWFB will increase by HK\$14.6 million, HK\$2.4 million and HK\$14.8 million a year respectively.

2. Design, build and deployment of buses

(a) Design and build of buses

- (i) Our Companies set technical specifications for the procurement of new buses to comply with the following in all respects:
- Road Traffic (Construction and Maintenance of Vehicles) Regulations, Cap. 374A;
 - Road Traffic (Safety Equipment) Regulations, Cap. 374F;
 - Specification of Safety Glass Notice, Cap. 374H; and
 - “Recommended Minimum Specification Requirements for Franchised Buses” issued by the TD.
- (ii) Suppliers of new buses will design and build the buses to pass the Type Approval Examination of the TD as a contractual requirement.

(b) Impact collision tests and tilting tests

- (i) Impact collision tests and dynamic tilting tests are not required in Hong Kong. Only static tilt test is carried out during the Type Approval Examination by the TD.
- (ii) The theoretic vehicle overturning speed on a flat surface can be calculated by using the formula below:

$$V=(G \times W \times R / 2 H)^{1 / 2}$$

Where: V=Overturning speed
G=Gravitational force
W=Width of vehicle
R=Turning radius of vehicle
H=Height of Centre of Gravity of vehicle

- (c) All of our buses are installed with black-box, speed limiter and CCTV system.

Black-box

The black-boxes record the following:

- (i) Second-by-second data of:

- date & time;
- vehicle speed (km/hr);
- G-force;
- foot brake status (On/Off);
- door open status (On/Off);
- bell push status (On/Off); and
- bus position (latitude and longitude).

(ii) Bus ignition (On/Off)

The black-boxes are used to monitor the speed of each bus and over speed exception report are generated automatically. At present, 25 road sections with speed limit of 50 km/hr and all road sections with speed limit of 70 km/hr or above are being monitored. The criteria for generation of the exception report are as follows:

- Speed of over 55km/hr for 10 consecutive seconds on road section with speed limit of 50 km/hr; or
- Speed of over 75 km/hr for 10 consecutive seconds on road section with speed limit of 70 km/hr.

Bus captains captured in the over speed exception report will be reminded or disciplined, depending on the seriousness of speeding, in accordance with Section 1.8 of the Bus Captain Handbook.

Speed limiter

When the vehicle speed reaches 70 km/hr, the speed limiter functions by restricting fuel supply to the engine even if the bus captain presses hard on the throttle. However, vehicle speed may exceed 70 km/hr on a downward slope.

CCTV system

All our buses are equipped with forward-looking cameras in the CCTV system. Video images captured are recorded on the hard disk of the CCTV system and can be accessed through downloading onto a computer when required.

(d) New technological aids

- (i) We plan to include the following features on new buses for delivery from June 2019 onward:

Electronic stability control (“ESC”)

ESC is a computerized technology that improves the stability of a bus. It

provides the following functions integrated in the electronics architecture:

- Dynamic stability control
When the ESC detects loss of traction of some of the wheels, it automatically applies the brakes to help steer the bus as the bus captain directs. Braking is automatically applied to wheels individually, such as the outer front wheel to counter oversteer or the inner rear wheel to counter understeer.
- Roll-over prevention
When the ESC detects an imminent tipping over situation of the bus before reaching the critical lateral acceleration, the ESC will automatically reduce the bus speed by applying the gearbox retarder or braking of the appropriate wheels.

Active speed limiting system (“ASLS”)

In the event that the speed of the bus exceeds 70 km/hr when travelling on a downward slope, the ASLS will automatically apply the gearbox retarder and / or the service brake to limit the bus speed to 70 km/hr.

- (ii) We are also studying the feasibility of installing an anti-dozing safety device to discern fatigue and alert the bus captain. This is an alarm system for alerting bus captains under conditions of fatigue and drowsiness. The device detects and analyses the condition of the bus captain’s eyes or his face. It will give an audio alert to the bus captain if a fatigue condition is formed.
- (e) The deployment of different types of buses to a route depends on the physical constraints (height or length limit) of the roads and the passenger demand for the service.

3. Maintenance and inspection

(a) Maintenance requirements

- (i) Annual maintenance leading to Certificate of Roadworthiness (“COR”) and maintenance leading to Certificate of Fitness (“COF”) with contents specified in the “Maintenance Checklist for COR/COF Examination” issued by our Companies. The checklist also serves as recording purpose;
- (ii) Monthly maintenance with contents specified in the “Maintenance Checklist for Monthly Inspection” issued by our Companies. The checklist also serves as recording purpose;
- (iii) The above mentioned maintenance works are conducted by specified groups of

mechanics;

- (iv) Buses after the above mentioned maintenance works are inspected by quality control inspectors of our Companies;
- (v) Maintenance and inspection works are monitored by depot supervisors and Engineers; and
- (vi) Motor Vehicle Examiners of the TD also carry out random spot checks on in-service buses.

(b) Compliance of maintenance requirement

The above requirements have been strictly and fully complied with.

(c) Daily inspection

Buses are not required for daily inspection.

(d) Pre-service check

Our bus captains are required to perform pre-service checks of the buses before commencement of duties. This includes checking of the steering system, braking system, air-conditioning system, door operation, warning signals on the dashboard, condition of the tyres and body damages. Any abnormalities identified are reported to depot inspectors for follow-up action by the engineering staff.

(e) Buses parked overnight at bus termini

Buses are not required for daily inspection.

4. Manpower and staff retention

- (a) At present, we have vacancies for full-time bus captains. However, staff shortage is not the key reason for employing part-time bus captains.

In our operations, services are more intensive in the morning peak hours (7:00 am to 9:00 am) and evening peak hours (5:00 pm to 8:00 pm) to cater for higher passengers demand. Services are scaled down after the evening peak hours. Therefore, quite a number of our buses are operating for approximately 14 hours a day. Splitting these 14 hours between a full-time bus captain working for 10 hours and a part-time bus captain working for 4 hours can achieve the best operational efficiency. Otherwise, we would need to deploy 2 full-time bus captains each working for 7 hours a day, which is below their basic duty length of 8 hours. This

will incur wastage and create additional burden on recruitment.

Further, we also need to employ part-time bus captains to:

- (i) cover bus captains taking sick leave and deal with absenteeism; and
- (ii) augment the core staff in the provision of extra services during festival days or special events.

In 2017, the number of traffic accidents involving personal injuries relating to our part-time bus captains was 0.80 cases for every 10,000 driving hours, which is comparable to that of 0.76 cases for full-time bus captains. In our view, the driving standard of part-time bus captains is on a par with full-time bus captains.

As at 31 December 2017, the establishment and strength of bus captains employed under different terms were as follows:

| | CTB | NWFB |
|--|-------|-------|
| Full-time bus captains: | | |
| Establishment | 2,193 | 1,607 |
| Strength | 2,139 | 1,536 |
| Vacancies | 54 | 71 |
| Part-time bus captains registered with the Companies | 346 | 314 |

We would like to point out that it is not meaningful to compare the number of full-time and part-time bus captains shown above because most of the part-time bus captains are not required to perform duties on a daily basis and their average duty length is about 6 hours, which is much shorter than that of 10 hours for full-time bus captains.

- (b) The major problems we have encountered in recruiting and retaining bus captains are set out below:
 - (i) We observe that most of our bus captains are living in public housing estates and that most of the public housing estates were built in the New Territories in the last few decades.

A majority of our routes require bus captains to sign-on and sign-off on Hong Kong Island. This is unattractive to potential job applicants living in the New Territories due to the long travelling time to and from work; and

- (ii) Bus captains are required to work on shift duties with unsocial working hours. We have a number of newly recruited bus captains resigning within a few

Page 13 of 27

months of joining us because they found it difficult to adapt.

In our view, the demands and aspirations of bus captains include the following:

- (i) Flexible and shorter working hours;
- (ii) Better remuneration and more fringe benefits; and
- (iii) More facilities at the bus termini.

5. Journey time

(a) Journey time of the day

- (i) Differential journey times are applied to different time periods of the day based on the traffic conditions and anticipated number of passengers boarding and alighting.
- (ii) Bus trials at different periods of the day are conducted before the introduction of new bus routes to simulate the actual operations.
- (iii) Upon route introduction, the journey time data recorded in black-boxes are extracted and compared against the scheduled journey time to identify areas for rectifications.

(b) Our frontline staff are involved in the stipulation of the journey time through:

- (i) Bus captains may call our Planning & Scheduling Department at a dedicated phone number to report on insufficient journey time or rest time.
- (ii) Regulators and Inspectors submit written reports on journey time deficit to the Operations Departments. These will be referred to the Planning & Scheduling Department for follow-up actions.
- (iii) Staff unions and Joint Consultative Committee representatives meet with the management regularly. This provides a platform for frontline staff to express their views and make suggestions on journey time. The Planning & Scheduling Department will take follow-up actions on such suggestions.

(c) Adequacy of journey time is monitored during:

- (i) Regular random checking of regulator sheets on the accuracy of departure time recorded;

- (ii) Investigation of complaints on service reliability; and
- (iii) Review of the percentage of lost trips caused by traffic congestion of individual routes.

6. Rest time

- (a) The 2010 Guidelines issued by the TD stipulated that bus captains should have a rest time of at least 30 minutes after 6 hours of duty and within that 6-hour duty, they should have rest time of 20 minutes of which no less than 12 minutes should be within the first 4 hours of duty.

Compliance with the 2010 Guidelines is verified by the following mechanisms:

- (i) On a monthly basis, we are required to analyse the actual rest times of sample duties and report on the percentage of compliance of each guideline to the TD. If any of the non-compliant cases is found to be persistent, the concerned duty will be re-arranged. The samples are selected according to the sampling criteria of the TD;
 - (ii) On a quarterly basis, we provide details of sample duties to the TD to conduct ride checks by their surveyors regarding the actual rest times of the bus captains concerned. These duties are selected according to the sampling criteria of the TD. The TD provides us with reports on non-compliant cases for our investigation. If any of the non-compliant case is found to be persistent, the concerned duty will be re-arranged; and
 - (iii) We have also engaged the Hong Kong Quality Assurance Agency (“HKQAA”) to carry out an independent audit annually. The scope of the audit includes (1) assessment of the adequacy of data calculation and data collection control systems, (2) data verification, and (3) evaluation of the integrity of raw data collection, data compilation and data presentation mechanisms. For the 2017 audit, HKQAA was satisfied that the sampled data was accurate in material respects and in compliance with the 2010 Guidelines.
- (b) If the journey time is lengthened by traffic congestion, the bus captain will be compensated as follows:

Minor loss of rest time: The bus captain can choose to have payment to compensate the shortened rest time or the regulator will re-arrange the departure time to provide sufficient rest time to the bus captain.

Substantial loss of rest time: The next trip will be cancelled to provide sufficient rest time.

7. Working hours

- (a) The current working hours of bus captains are governed by the 2010 Guidelines. Shift arrangements of our Companies are as follows:

Shift arrangements for CTB bus captains:

- (i) Bus duties of 1 to 4 routes are grouped to form roster groups. Bus captains can apply to join a roster group when vacancies are available. Applicants are selected according to a scoring mechanism. Bus captains assigned to a roster group will work on morning and evening shift duties of that group on a rotational basis.
- (ii) Bus captains not assigned to roster groups are regarded as spare bus captains. They are grouped to specific roster groups according to their route experience and depot locations. Our allocation team assigns their duties according to the vacancies expected for the next week and the routes that the bus captains are familiar with. To cater for unanticipated absenteeism, small pools of spare bus captains are also arranged to standby at major sign-on points and their job duties will be allocated as required.
- (iii) Bus captains of overnight shifts only work on overnight duties.
- (iv) Every bus captain has one paid rest day after working for five or six days.
- (v) Except for those bus captains who are assigned as rest day relievers, bus captains have to rotate to another crew duty of their respective roster group after the paid rest day.
- (vi) Subject to approval of the Company, bus captains may swap their duties with other colleagues with mutual agreement.
- (vii) Since October 2017, the maximum duty length has been limited to 13 hours. This is an interim arrangement to address the concern of fatigue before full implementation of the New Guidelines.

Shift arrangements for NWFB bus captains

- (i) Each duty is assigned to a bus captain through open application, and selection according to a scoring mechanism. Once a crew duty is assigned, the bus captain will perform the same duty until he gives it up or the duty is cancelled due to timetable change.

- (ii) Bus captains not assigned with fixed crew duties are regarded as spare bus captains. They can apply for either morning shift or evening shift duties. Our allocation team assigns their duties according to the vacancies expected for the next three days and the routes that the bus captains are familiar with. To cater for unanticipated absenteeism, small pools of spare bus captains are also arranged to standby at different depots and their job duties will be allocated as required.
 - (iii) Duties of 1 to 4 routes are grouped to form duty groups to facilitate arrangement of rest day relief. Rest day relief are performed by spare bus captains.
 - (iv) Every bus captain has one paid rest day after working for five or six days.
 - (v) A day shift bus captain will not be allocated to night shift or vice versa unless the bus captain applies for a change.
 - (vi) Since January 2018, if a bus captain works over 13 hours for 3 consecutive days, he will be allocated to work for a duty of less than 12 hours on the fourth day. This is an interim arrangement to address the concern of fatigue before full implementation of the New Guidelines.
- (b) Adequate rest time is scheduled in accordance with the 2010 Guidelines, and resting facilities are provided at major bus termini for bus captains.

Details of our monitoring of the rest time and working hours of bus captains are set out in 6 (a) above.

As mentioned in 6(a)(iii) above, we have engaged the HKQAA to carry out an independent audit annually. For the 2017 audit, the HKQAA was satisfied that we were in compliance with the 2010 Guidelines, which set out the requirements for rest time.

8. Performance management

- (a) Performance of bus captains is monitored by means of the following:
- (i) Data captured by black-boxes installed on buses is uploaded to our server every night for generation of reports to monitor the driving behaviour of bus captains. We schedule to replace the black-box system with real-time capability by the third quarter of 2018. By then, we will be able to monitor the driving behaviour of bus captains in real-time and take immediate action as appropriate;

- (ii) "Mystery Riders" checks are conducted regularly by our plain-clothed driving instructors both on a random sampling basis and on a targeted basis to monitor and audit the performance of bus captains. Disciplinary action or remedial training will be arranged if necessary; and
 - (iii) Regular alcoholic breathalyser tests are conducted on bus captains on a random sampling basis at bus captain sign-on points and at major bus termini to ensure they do not drive under the influence of alcohol. The target number of tests annually is about 50% of the total number of bus captains. Disciplinary action will be taken according to the internal guidelines.
- (b) Since the black-box is integrated with the automatic bus stop announcement system, malfunctioning of the black-box will affect proper functioning of the bus stop announcement system and becomes noticeable to bus captains, and they are instructed to report any failure to the Companies' Control Centre. The Engineering Department will request the supplier to check and repair the defective device.
- (c) In addition to the "Mystery Riders" checks mentioned in paragraph 8(a)(ii) above, ride checks are also conducted by inspectors on a regular basis to monitor performance of bus captains. Disciplinary action or remedial training will be arranged if necessary.

9. Remuneration packages

(a)&(b) The remuneration packages of our full-time bus captains are as follows:

Citybus Limited (Franchised)

(i) Recruited on or before 9 March 1999

| | HK\$ |
|--|--------|
| Basic salary | 17,106 |
| Franchise allowance | 1,000 |
| Coach allowance for bus captains started driving airport buses: | |
| before 5 December 2005 | 1,500 |
| between 5 December 2005 and 10 March 2011 (both dates inclusive) | 1,000 |
| Overtime pay per hour: Basic salary/240x1.75 | |
| Chinese New Year Bonus: 1 month basic salary + (Overtime pay in the year/12x33%) | |

- (ii) Recruited between 10 March 1999 and 8 March 2004 (both dates inclusive)
- | | |
|--|--------|
| | HK\$ |
| Basic salary | 15,874 |
| Franchise allowance | 1,000 |
| Coach allowance for bus captains started driving airport buses: | |
| before 5 December 2005 | 1,500 |
| between 5 December 2005 and 10 March 2011 (both dates inclusive) | 1,000 |
| Overtime pay per hour: Basic salary/240x1.5 | |
| Chinese New Year Bonus: 1 month basic salary + (Overtime pay in the year/12x33%) | |
- (iii) Recruited on or after 9 March 2004
- | | |
|--|------------------------|
| | HK\$ |
| Basic salary | 15,364 to 15,764 |
| Coach allowance for bus captains started driving airport buses: | |
| before 5 December 2005 | 1,500 |
| between 5 December 2005 and 10 March 2011 (both dates inclusive) | 1,000 |
| Overtime pay per hour: Basic salary/240x1.5 | |
| Chinese New Year Bonus: Up to 1 month basic salary | |

New World First Bus Services Limited

- (i) Transferred from China Motor Bus on 1 September 1998
- | | |
|--|------------------------|
| | HK\$ |
| Basic salary | 18,184 to 18,664 |
| Overtime pay per hour: Basic salary/240x1.35 | |
| Chinese New Year Bonus: 1 month basic salary | |

(ii) Recruited between 1 September 1998 and 23 August 2001 (both dates inclusive)

HK\$

Basic salary 15,764
to
17,178

Overtime pay per hour: Basic salary/240 x 1.5
Chinese New Year Bonus: 1 month basic salary

(iii) Recruited between 24 August 2001 and 8 March 2004 (both dates inclusive)

HK\$

Basic salary 15,764

Overtime pay per hour: Basic salary/240x1.5
Chinese New Year Bonus: 1 month basic salary

(iv) Recruited on or after 9 March 2004

HK\$

Basic salary 15,364
to
15,764

Overtime pay per hour: Basic salary/240x1.5
Chinese New Year Bonus: Up to 1 month basic salary

Part-time bus captains of the Companies are paid at an hourly rate of HK\$80.

(c) Reward for good performance

We have previously rewarded bus captains for good performance with:

- (i) Safety bonus of HK\$1,285 to HK\$1,552 per month, varies between CTB & NWFB and joining date of the bus captain;
- (ii) Performance bonus of HK\$ Nil to HK\$362 per month, varies between CTB & NWFB and joining date of the bus captain; and
- (iii) Attendance bonus of HK\$310 to HK\$681 per month, varies between CTB & NWFB and joining date of the bus captain.

As demanded by our staff unions, these bonuses were reclassified to basic salaries with effect from 1 March 2018.

10. Training and counselling

(a) We provide the following driving training to newly recruited bus captains:

(i) Full-time bus captains without bus driving licences

- 15 days driving training (on a 1:5 instructor to bus captain trainee ratio) before attending the driving examination conducted by the TD;
- Additional driving training of at least 5 days if the trainee does not pass the driving examination; and
- After passing the driving examination, employment will be offered and induction training will be arranged. This includes one day classroom training and 10 to 15 days of driving training (this depends on the instructor to bus captain ratio which varies from 1:3 to 1:5) with a total of 24 driving hours. The classroom training covers defensive driving concept, emergency handling procedures, customer service skill, company policies & procedures, and EQ management. This will enhance their driving skills and enable them to familiarize themselves with the bus types and bus routes to which they will be assigned.

(ii) Full-time bus captains with bus driving licences

- The same induction training mentioned above is offered.

(iii) Part-time bus captains with bus driving licences

- Part-time bus captains are generally experienced in driving heavy vehicles or coaches, even if they do not have any specific prior experience in working for us. Part-time bus captains who do not possess franchised bus driving experience will have 2 days of driving training with a total of 8 driving hours to enhance their bus driving skill and enable them to familiarize themselves with the bus types and bus routes to which they will be assigned.

After completing the driving training, the performance of newly recruited bus captains, both full-time and part-time, will be assessed by our driving instructors. If the performance is not satisfactory, further training will be provided. After passing the assessment, they are then assigned to the routes that they have been trained.

(b) The following training are offered to in-service bus captains:

(i) Refresher training

- We provide refresher training to in-service full-time bus captains.
- We pledged to the TD that the refresher training should be provided to every in-service full-time bus captain at least once every 3 years.
- Only classroom training is provided and the course contents include defensive driving concept, emergency handling procedure, customer services, EQ management and traffic accident analysis.

(ii) Remedial training

- NWFB and CTB require both full-time and part-time bus captains to report their driving offence points to the Companies. Bus captains who have incurred 8 or more points (either in a work or personal context) are required to attend a one day remedial training course, if they have not attended a driving improvement course recognised by the TD.
- The one day remedial training course involves: (i) a half-day classroom training on defensive driving concept, driving offence cases and proper driving attitude; (ii) a driving assessment conducted by driving instructors, and a subsequent debriefing for each bus captain whereby the driving instructor points out observations of improper driving behaviour (if any); and (iii) a written driving test and a subsequent session to review the bus captains' wrong answers to the questions in the test.
- In 2016, 198 bus captains attended the remedial training. 76.3% of these bus captains did not have been disciplined for blameworthy accidents in the subsequent 6 months.

- (c) Customer service training and EQ management are included in the above training courses for in-service full-time bus captains to help to equip them with relevant skills to handle difficult passengers.
- (d) When a bus captain feels that he needs counselling, he may contact our Manager for Employee Assistance. For complicated cases, the bus captain will be referred to an external professional counsellor.
- (e) There is no specific mechanism to identify bus routes that require more driving experience or specific training.

However, our usual practice is that more experienced bus captains are generally assigned to routes with narrow carriageways and with lots of bends, such as routes to Stanley (Routes 6, 6A and 260), Tai Tam (Route 14) and the Peak (Route 15).

11. Background checks and penalties for traffic convictions

(a) We conduct the following background checks on prospective bus captains:

- (i) Performance check with their previous employers; and
- (ii) Traffic conviction records in the previous 10 years from the Police.

Employment will not be offered to the applicant who:

- (i) fails the background check with previous employers;
- (ii) has incurred 9 or more driving offence points within 2 years before the date of application;
- (iii) was guilty of dangerous driving;
- (iv) was guilty of driving under the influence of drink or drugs;
- (v) was guilty of driving in a motor race or speed trial on a road racing;
- (vi) was disqualified from holding a driving licence within 5 years before the date of application; or
- (vii) was disqualified from holding a driving licence over 5 years before the date of application – if disqualified for more than one time or the period of disqualification was over 3 months.

Under every exceptional circumstances, discretion may be given to re-employ an ex-employee who has been disqualified from holding a driving licence after the senior management have reviewed the cause of disqualification and the traffic offence records. However, these situations are extremely rare.

(b) Our Service Quality Department ("SQ Dept") is responsible for administering disciplinary sanctions for any misconduct by bus captains, as per the guidelines set out in the bus captain manual.

Misconduct that warrants disciplinary sanctions includes but is not limited to contraventions of traffic regulations. Behaviour that could potentially compromise the

safety of our passengers, such as being in excess of the prescribed speed limit, refusal to be subjected to random alcohol breathalyser tests and having certain levels of blood alcohol concentration, would also warrant disciplinary sanctions.

Disciplinary sanctions are administered by the SQ Dept in most cases in advance of any criminal court decisions relating to driving offences, particularly for the more serious incidents or accidents, as contested court proceedings would often take months to conclude. To avoid compromising the safety of our passengers, particularly if the conduct of the bus captain has fallen below our standards and service level, disciplinary sanctions, including warnings or dismissals can be administered before the individual is convicted of any traffic offences by the courts.

As described in the response to Question 10(b)(ii), if the bus captain incurs 8 or more driving offence points in a work or personal context, the bus captain is required to attend a one day remedial training course. Please refer to the above for further details on the remedial training course.

OTHER RELEVANT INFORMATION

To assist the Committee in understanding the franchised bus industry, we also wish to take this opportunity to explain our operating environment and challenges we have encountered in providing franchised bus services:

a. Railway competition

The Government has been adopting the “Railways as the Backbone” transport policy since the 1990’s. Our ridership and revenue have been eroded substantially since the launch of the MTR West Island Line in December 2014 and the MTR South Island Line in December 2016.

The situation will be exacerbated when the MTR Shatin – Central Link to Hung Hom commences operation in 2019 and further extends to the Hong Kong Island in 2021.

b. Route rationalization

To tackle the competition posed by the railway, we proposed route rationalization plans to the TD to scale down or cancel low demand services. Due to the objection of District Councils, a number of our route rationalization plans could not be executed to match the decrease in passengers demand. This has led to a waste of money and resources on our end.

c. Staff wages

Staff wages represent approximately 52% of our total operating costs. Facing strong demand from staff unions, our wage increase rates have been higher than the inflation rates. The cumulative wage increase from 2008, when we had our last fare increase, to 2017 was 39.9% which was much higher than the 31.2% cumulative change in the Composite Consumer Price Index (“CCPI”) in Hong Kong over the same period.

In response to changes in market conditions, we have enhanced the pay packages of our frontline staff with effect from March 2018, which costs us HK\$76 million a year. We are also currently in discussions with staff unions to implement a general wage increase for 2018.

d. Difficulties in recruiting and retaining frontline staff

Despite offering a wage increase at a rate higher than the increase in CCPI, recruitment and retention of frontline staff, in particular bus captains and workshop staff, have been very difficult. In 2017, we started to offer a generous new joiner bonus of up to HK\$46,000 for each newly recruited bus captain, but the effect has not been encouraging.

e. Volatile fuel price

Fuel cost represents approximately 9% of our total operating cost. Our cost will increase by HK\$4.5 million a year for every US\$1 increase in the international fuel price.

The international fuel price is volatile. The price of diesel has increased from US\$63 per barrel in March 2017 to US\$86 in April 2018. As a result, we have to spend an additional sum of HK\$103 million a year on fuel cost.

f. Fare adjustments

The approval of franchised bus fare adjustment applications is governed by the Fare Adjustment Arrangement (“FAA”). Under the FAA, there is a basket of factors that the Government would consider. Public acceptability and affordability is one of the factors. In our view, this factor is highly discretionary and subjective and has been conveniently abused by politicians.

We had our last fare adjustment in 2008. Since then, we have not applied for any fare adjustment until August 2017 when CTB (F1) and NWFB submitted applications for fare adjustments to mitigate the substantial revenue loss due to railways competition in recent years and cost increases over the last ten years. As mentioned in (c) above, the cumulative inflation rate in Hong Kong over this ten-year period was 31.2% and we have awarded a cumulative increase in wages of 39.9%. Although we were fully justified to seek fare adjustments under the FAA on various occasions, no application had been made

mainly due to the ineffectiveness of the FAA and the highly politicized environment against fare / price increases of public utilities.

In addition to the difficulty in obtaining a fair deal in FAA applications, the fare adjustment approval process has been excessively long. By way of example, our current fare adjustment applications submitted in August 2017 are still being scrutinized by the Government.

Unlike the MTR, which has automatic fare adjustment made annually in accordance with a prescribed formula, franchised bus companies do not have the same certainty in fare adjustments. Without such certainty, it is difficult for franchised bus companies to formulate comprehensive future plans.

g. Reasonable return

Under the FAA, the threshold of Return on Average Net Fixed Assets (“Return on ANFA”) is set at 9.7%. If the franchised operator’s Return on ANFA is above this threshold, half of the “excess return” should be used to reward passengers by way of fare concessions. Otherwise, the operator may apply for a fare adjustment.

Due to the difficulties regarding fare adjustment as described above, the chance of being awarded a fare adjustment and the increase rate are full of uncertainties. We forecast that the Return on ANFA of CTB (F1) and NWFB will be below 1% for the financial year ending 30 June 2018. This is taken into account that the status quo can be maintained in regard to our overall expenditure. Should there be any significant increase in staff and fuel costs, both of these franchises may well become loss making. Therefore, let alone earning a reasonable return, when the Companies’ commercial viability is at stake, it will be impossible for our Companies to continue to provide the high quality and efficient services expected by the public, and to offer attractive pay packages to recruit and retain staff. We are given to understand that the Government is in the course of reviewing the FAA, and we earnestly hope that the above-mentioned issues can be addressed in the review.

h. Traffic congestion

With the massive growth in private car ownership and lack of control of illegal parking, traffic congestion is getting worse especially on busy corridors and road sections connecting tunnels. Travelling by bus becomes less reliable and takes longer journey time. This has led to draining of passengers to other modes of public transport. Extra resources are needed to maintain the required level of service.



周大福企業及新創建集團成員
Members of Chow Tai Fook Enterprises and NWS Holdings

CONCLUSION


Notwithstanding the challenges we face in running the franchised bus operations, we wish to take this opportunity to affirm our commitment in providing safe and reliable bus services. As such, we value the opportunity to hear feedback and recommendations to ensure we are running our services in the best interest of all relevant stakeholders, including our customers, our employees, the Government and our shareholders.

Should you require any further information, please contact the undersigned at:

Address: 7/F, 8 Chong Fu Road, Chai Wan, Hong Kong
Tel: 2136 2889
Fax: 2579 1028
E-mail: samuelcheng@nwst.com.hk

Thank you for your attention.

Yours faithfully
For and on behalf of
New World First Bus Services Limited
Citybus Limited


Samuel Cheng
Managing Director
SC/kc

c.c. Mr Tsang Yam Pui, Vice Chairman of the Companies

Page 27 of 27

城巴有限公司
Citybus Limited

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2963 4888 傳真 Fax (852) 2579 0202
網址 Website www.citybus.com.hk

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)
香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2136 2140 傳真 Fax (852) 2147 3611
網址 Website www.nwfb.com.hk

[Blank Page]

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4
來函檔號 Your Ref.: MD/0404/18



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

電話號碼 Tel No.: (852) 2867 5324
傳真號碼 Fax No.: (852) 3104 0254

4 May 2018

Mr Samuel CHENG
Managing Director
New World First Bus Services Limited
Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong
(Fax: 2579 1028)

Dear Mr CHENG,

**Written Submissions for Consideration by the
Independent Review Committee on Hong Kong's Franchised Bus Service**

The Committee thanks you for the helpful submissions, together with the accompanying annexures, received by the Committee on 27 April 2018. However, the Committee seeks further detailed information in respect of some of the matters addressed in those submissions and invites you to provide further written responses to the issues raised and questions posed in Annex.

I should be grateful if that information could reach the Secretariat of the Committee by 18 May 2018.

Yours sincerely,

(CHAN Ping-fai, Peter)
Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service

Encl

1. In paragraph 2 (c) (i), page 10, of the written submissions it is stated that the black boxes record second by second, amongst other things, the latitude and longitude of the bus.
2. (a) Please describe when equipment with that capability was first introduced on the buses of CTB and NWFB. Is the use of equipment with that capability a requirement or suggestion of the TD? If so, when was that requirement or suggestion made?
3. In paragraph 2 (c) (ii), page 10, of the written submissions it is stated that:

“The black-boxes are used to monitor the speed of each bus and over speed exception reports are generated automatically. At present, 25 road sections with speed limit of 50 km/hr and all road sections with speed limit of 70 km/hr or above are being monitored.”
4. Having stated that the criteria for generation of the exception reports are speeds maintained for 10 consecutive seconds of over 55 km/hr on a road, with a speed limit of 50 km/hr, and 75 km/hr where the speed limit is 70 km/hr, it is stated that:

“Bus captains captured in the over speed exception report will be reminded or disciplined, depending on the seriousness of speeding, in accordance with Section 1.8 of the Bus Captain Handbook.”
5. (a) Please describe the criteria on which the 25 road sections, identified with particularity at pages 2 and 3 of Annex 1 of the April 2018 Bus Captains Handbook, were identified as “...road sections which required speed detection” and when they were so identified. Approximately what percentage of the roads with a speed limit of 50 km/hr on which buses of CTB and NWFB are driven do the 25 road sections constitute?
- (b) Please describe how the over speed exception reports are generated and provide a sample copy document of such a report. When was this system of monitoring the driving behaviour of bus captains introduced?

- (c) By what criteria is it determined to remind or discipline a bus captain culpable of speeding as evidenced by an over speed exception report? Please provide statistics of the use of the two methods of disciplining such a bus captain.
- (d) Is the TD informed of the fact of the generation of an over speed report and the way in which the bus captain was dealt with by CTB and/or NWFB? If so, please provide sample copy documents of such reports.
- (e) Were earlier versions of the Handbook for Bus Captains, or similar documents, issued by CTB and/or NWFB? If so, when were they issued? If so, please provide copies of such handbooks issued in the period 2012 to February 2018.

6. In paragraph 1 (d) (viii), page 7, of the written submissions it is stated that the “records and information required by the TD to be kept and made available for inspection and submission” include:

“63. Records of random check on the operational data recorded in black boxes and the corresponding follow-up actions”.

7. (a) Are such random checks performed by CTB and/or NWFB? Although described as “random”, are they in fact the checks generated by the over speed exception reports? If not, please describe the system of making random checks on the data recorded in black boxes.

8. In the final paragraph of page 1 of your letter dated 27 April 2018 to the Secretariat of the Committee it is stated that CTB and NWFB “...plan to update the black-box system with real-time capability by the third quarter of 2018” and in paragraph 8 (a) (i) of your written submissions it is said that in consequence of that update “...we will be able to monitor the driving behaviour of our bus captains in real-time and take immediate action as appropriate”.

9. (a) Please describe whether or not that prospective update to the black-boxes is a requirement or a suggestion of the TD? Please describe the system by which such monitoring is to be achieved and how it is proposed that “immediate action” is to be taken.

10. Paragraph 4 (a), pages 12 and 13, of the written submissions, addresses the employment by CTB and NWFB of part-time captains. It is asserted that “staff shortages are not the key reason for employing part-time bus captains.” Rather, it is said:

“...quite a number of our buses are operating for approximately 14 hours a day. Splitting these 14 hours between a full-time bus captain working for 10 hours and a part-time captain working for 4 hours can achieve the best operational efficiency. Otherwise, we would need to deploy 2 full-time bus captains each working. 7 hours a day, which is below their basic duty length of 8 hours. This will incur wastage and create additional burden on recruitment.

Further, we also need to employ part-time bus captains to:

- (i) cover bus captains taking sick leave and deal with absenteeism; and
- (ii) augment the core staff in the provision of extra services during festival days or special events.”

11. Then, the answer stipulates that, as at 31 December 2017, amongst other things, the actual strength of the bus captains and part-time bus captains of CTB and NWFB. It goes on to note that:

“... most of the part-time bus captains are not required to perform duties on a daily basis and their average duty length is about 6 hours, which is much shorter than that of 10 hours for full-time bus captains.”

12. (a) Please provide details of the criteria by which a bus driver is determined to be a part-time bus driver, rather than a full-time bus driver.

(b) What measures are taken to ensure that part-time bus drivers have adequate rest time after performing duties in any other full-time or part-time employment before commencing driving duties for CTB or NWFB?

13. Paragraph 10 (a) (iii), page 21, of the written submissions states that:

“Part-time bus captains are generally experienced in driving heavy vehicles or coaches, even if they do not have any specific prior experience in working for us.”

14. (a) Please provide details of the information, if any, required of part-time bus captains at the time of their recruitment and/or whilst employed as part-time bus captains of the nature of any other employment that they may have or may enter into whilst employed as a part-time bus captain of CTB or NWFB.
- (b) If that information is required, are records compiled of the information? If so, please provide copy samples of such documents. If so, if the part-time bus captain's other employment is that as a driver of a motor vehicle, what, if any, information is obtained and recorded as to the hours worked in that employment? If such records are made, please provide copy samples of such documents. If that information is obtained what, if any, steps are taken to ensure that a part-time bus captain has the requisite off-duty break between successive duty shifts? If any of the above records are compiled, are any of them made available to the TD? If so, please describe how that is done and, if done in writing, please provide copy samples of such documents.
15. Paragraph 10 (a) (iii), page 21, of the written submissions states that part-time bus captains who do not possess franchised bus driving experience "...will have 2 days of driving training with a total of 8 driving hours to enhance their bus driving skill and enable them to familiarise themselves with the bus types and bus routes to which they will be assigned." Then, it is said that after they have passed an assessment by CTB and/or NWFB driving instructors "...they are assigned to the routes that they have been trained."
16. (a) Are records made of the bus routes on which the bus captain has been trained? If so, please provide a sample copy of such records. Whilst in employment, are bus captains trained on additional routes? If so, are records made of those additional routes? If there are such records, are they made available to those who assign a bus captain to drive a particular route? If so, please give details of how that is done?
17. Section 2.2 of the Bus Captain's Handbook, page 11 of annex 3.7 attached to the written submissions sets out other arrangements for route training for bus captains, in which familiarity with the route is gained by riding as a passenger only on a bus travelling that route.

18. Please confirm whether a bus driver can be certified as qualified to drive a particular route by either having driven a bus on that route or having ridden as a passenger on that route. Is any distinction made as to which routes a bus driver is required to have driven a bus, rather than having ridden as a passenger on the bus only?

19. Paragraph 10 (c), page 22, of the written submissions states that:

“Customer service training and EQ management are included in the above training courses for in-service full-time bus captains to help to equip them with relevant skills to handle difficult passengers.”

20. (a) Please provide details of that training and confirm whether or not similar training is offered to part-time bus captains. If so, please provide details of that training. If not, why not?

(b) In the process of recruitment of bus captains is any enquiry directed at or an assessment made of a prospective bus captain’s ability to “...handle difficult passengers”? If so, what is the nature of those enquiries and the related assessments? If so, in making such enquiries and assessments has CTB and/or NWFB received assistance from a psychologist(s)? If so, please provide details of that assistance. If not, has CTB and/or NWFB considered seeking such assistance? Has CTB and/or NWFB received assistance from other sources in making such enquiries and assessments? If so, please provide details of that assistance.

21. In paragraph 2 (c) (ii), page 10, of the written submissions it is stated that all the buses of CTB and NWFB are fitted with speed limiters, of which it is said:

“When the vehicle reaches 70 km/hr, the speed limiter functions by restricting fuel supply to the engine even if the bus captain presses hard on the throttle. However, vehicle speed may exceed 70 km/hr on a downward slope.”

22. In paragraph 2 (d) (i), pages 10 and 11, of the written submissions it is stated that CTB and NWFB:

“...plan to include the following features on new buses for delivery from June 2019 onward

...

Active speed limiting system (“ASLS”)

In the event that the speed of the bus exceeds 70 km/hr when travelling on a downward slope, the ASLS will automatically apply the gearbox retarder and/or the service brake to limit the bus speed to 70 km/hr.”

23. Please provide details of whether or not consideration was given to retrofitting such a system to existing bus vehicles. If so, is that technically feasible? What are the cost implications of doing so?

24. In paragraph 2 (d) (ii) it is stated of CTB and NWFB that:

“We are also studying the feasibility of installing an anti-dozing safety device to discern fatigue and alert the bus captain. This is an alarm system for alerting bus captains under conditions of fatigue and drowsiness. The device detects and analyses the condition of the bus captain’s eyes or his face. It will give an audio alert the bus captain if a fatigue condition is formed.”

25. Please provide details of the anti-dozing device under consideration. Is the device in use in other motor vehicles and, in particular, is it used in other jurisdictions in franchised buses? If so, please provide details of its use.

- End -

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4
來函檔號 Your Ref.: MD/0404/18



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

電話號碼 Tel No.: (852) 2867 5324
傳真號碼 Fax No.: (852) 3104 0254

11 May 2018

Mr Samuel CHENG
Managing Director
New World First Bus Services Limited
Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong
(Fax: 2579 1028)

Dear Mr CHENG,

**Written Submissions for Consideration by the
Independent Review Committee on Hong Kong's Franchised Bus Service**

Further to our letter of 4 May 2018 seeking further detailed information in respect of your written submission received by the Committee on 27 April 2018, the Committee would like to invite a representative(s) of the New World First Bus Services Limited and Citybus Limited to a hearing to give oral evidence. Details of the hearing are as follows:-

Date : 29 May 2018 (to be continued on 30 May 2018, if necessary)
Time : 10:00 am to 4:30 pm (with a break between 1:00 pm and 2:30 pm)
Place : Auditorium, Central Government Offices, Tamar

The rules of procedure of the hearing and the location plan of the Auditorium are set out in the **Annex**.

I should be grateful if you could advise the Committee, on or before **21 May 2018**, whether you accept the invitation to give oral evidence and, if so, please provide the names and post titles of those persons who will give evidence on behalf of your companies.

Yours sincerely,

(CHAN Ping-fai, Peter)
Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service

Encl

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

本函檔號 Our Ref.: CSO/IRC-BUS/CR

來函檔號 Your Ref.:

電話號碼 Tel No.: (852) 2867 5324

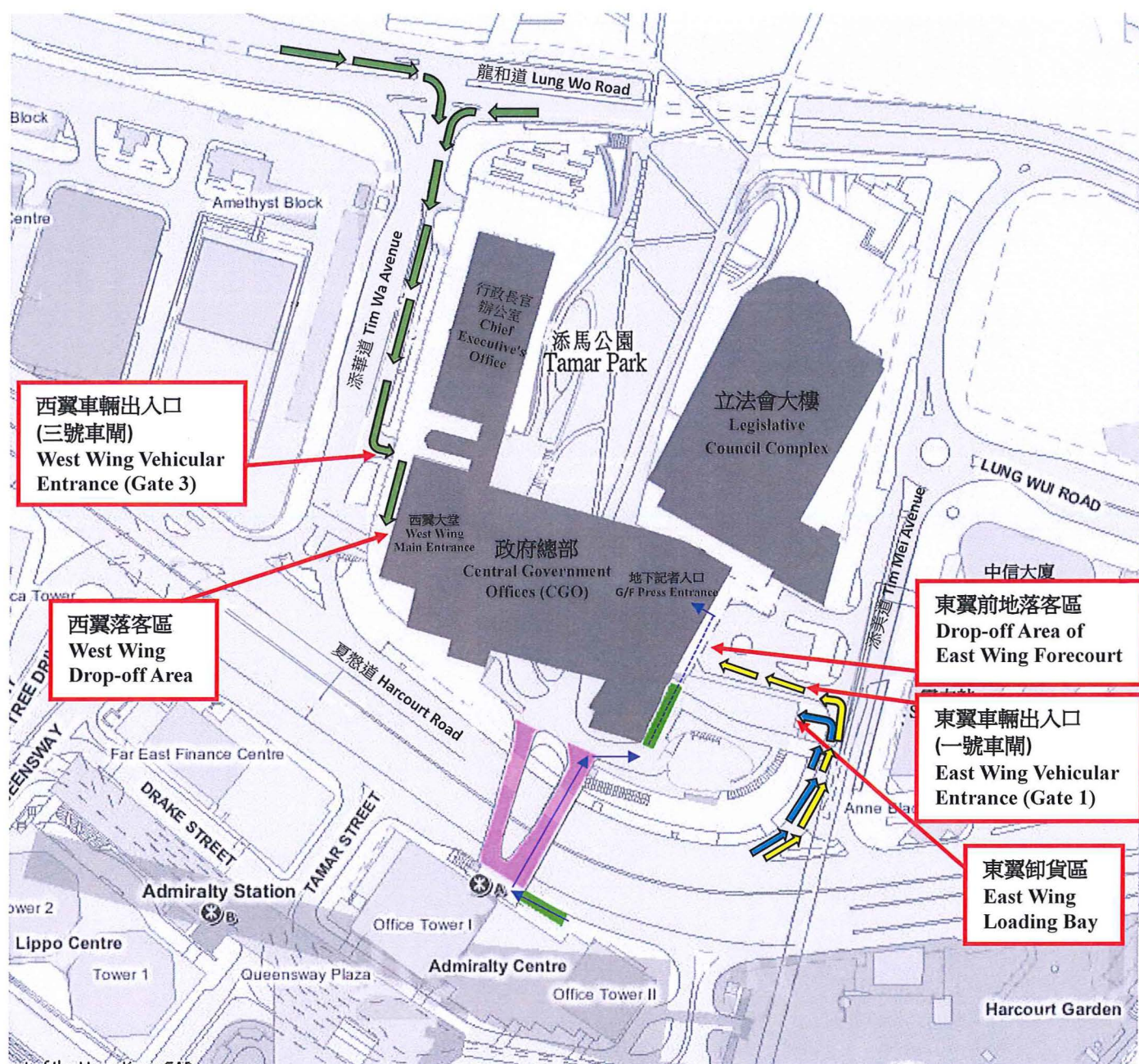
傳真號碼 Fax No.: (852) 3104 0254







**Rules of procedure for the receipt of oral evidence
from the representative of an interested party**

1. The proceedings before the Committee shall be conducted in English. The representative of the interested party giving oral evidence may do so in the language or dialect of his/her choice. Questions posed of that representative shall be in English. Simultaneous translation of the question and the oral evidence given by the representative shall be provided in English or Chinese as appropriate.
2. If an application is made, and if the Committee accede to the application, the legal representative of an interested party may lead the evidence-in-chief of the representative of the interested party. Then, counsel assisting the Committee will pose questions of the representative of the interested party. If no such application is made, counsel assisting the Committee shall pose questions of the representative of the interested party.
3. The Committee may itself pose questions of the person giving oral evidence at any time during the giving of that oral evidence. Finally, at the conclusion of questions posed by counsel assisting the Committee, the legal representative of the interested party may pose questions of the representative of the interested party in order to seek to resolve any ambiguities in the evidence.
4. The Committee shall determine whether or not evidence given by the representative of the interested party or questions posed of him/her is relevant and may, if necessary, prescribe limits of time for the giving of oral evidence.
5. The proceedings of the Committee in receiving oral evidence shall be transcribed and an electronic version of the English and Chinese transcript provided to the interested party, whose representative has given oral evidence, and counsel assisting the Committee once it is available to the Committee. Then, subject to the discretion of the Committee, the transcript shall be uploaded to the Committee's website.
6. No photographs or audio/video recordings of the proceedings may be taken or made without the authorisation of the Committee.

The Hon Mr Justice Michael Lunn
Chairman, Independent Review Committee on
Hong Kong's Franchised Bus Service
3 May 2018

前往政府總部的路線圖(演講廳) Site Map to CGO (Auditorium)



| 行人路線 Pedestrian Routings | 行車路線 Vehicular Routings |
|--|---|
| <p> 行人天橋 Footbridge</p> <p> 自動扶手梯 Escalator</p> <p> 由金鐘地鐵站 A 出口往政府總部地下記者入口的行人路線 Pedestrian Routings from Admiralty MTR Station Exit A to CGO G/F Press Entrance</p> | <p> 進入東翼前地落客區的行車路線 (所有政府總部訪客車輛適用) Vehicular Routing to East Wing Forecourt Drop-off Area (Applicable to all CGO visitors' vehicles)</p> <p> 進入東翼卸貨區的行車路線 (只限已預先登記的政府總部送貨車輛) Vehicular Routing to East Wing Loading Bay (Subject to pre-registration of the registration mark of the delivery vehicles)</p> <p> 進入西翼落客區的行車路線 (只限已預先登記的政府總部訪客車輛) Vehicular Routing to West Wing Drop-off Area (Subject to pre-registration of the registration mark of the visitors' vehicles)</p> |



新創建集團成員 Members of NWS Holdings

Our ref: MD/0505/18
Your ref: CSO/IRC-BUS/CR/7-45/4

Tel No.: (852) 2136 2889
Fax No.: (852) 2579 1028

18 May 2018

Secretariat to the Independent Review Committee on
Hong Kong's Franchised Bus Service
21/F, Queensway Government Offices
66 Queensway
Admiralty
Hong Kong

Attn: Mr Chan Ping-fai, Peter

Dear Sirs

Written Submissions to the Independent Review Committee on Hong Kong's Franchised Bus Service

We refer to your letter dated 4 May 2018 concerning the Committee's request for additional information.

Before we turn to deal with your request, we wish to reaffirm our commitment in placing bus safety as our utmost priority. In line with this commitment, CTB and NWFB (collectively, the "Companies") have established a Safety Committee which members comprise our Managing Director (as the Chairman) and Senior Management Staff of the Operations Division, the Engineering Division and the Human Resources & Administration Division. This Committee reviews and oversees all safety related issues, including bus operations, maintenance of buses, staff training and staff recruitment going forward. In our recent review of various safety related matters, we identified the following areas for improvement:

- a) We will enhance new route driving training for all bus captains, both full-time and part-time. We also plan to increase the driving training hours for newly recruited part-time bus captains;
- b) We will enhance the training of part-time bus captains by:
 - i) providing induction training, which contents include customer service skill and EQ management, to all newly recruited part-time bus captains;

Page 1 of 10

城巴有限公司
Citybus Limited

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2963 4888 傳真 Fax (852) 2579 0202
網址 Website www.citybus.com.hk

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)
香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2136 2140 傳真 Fax (852) 2147 3611
網址 Website www.nwfb.com.hk



- ii) providing refresher training, which contents also include customer service skill and EQ management, to all in-service bus captains;
- c) Starting from 1 June 2018, to improve monitoring of rest time of part-time bus captains before commencing driving duties, we will mandatorily require all part-time bus captains, including those in-service and new recruits, to declare details of the working hours and working days pattern of their principal employment. In addition, all in-service part-time bus captains will be required to make the same mandatory declaration on an annual basis;
- d) After the completion of the upgrade of black-boxes with real-time capability in the third quarter of 2018, bus captains will receive immediate alerts when the vehicle speed exceeds the prescribed limit;
- e) We have commenced a study to explore the feasibility and effectiveness of conducting psychological assessment of bus captain job applicants; and
- f) We will continue to explore and, if feasible, to equip our buses with new technological aids to enhance driving safety.

As we strive to provide better bus services to the public, we continue to welcome any recommendations from the Committee.

With regard to the information requested in your letter, our submissions are set out below:

1. Introduction of black-boxes to our buses (paragraphs 1 and 2 of your letter)

The Transport Department (“TD”) issued the minimum requirements for electronic data recording device (black-boxes) in October 2003 (Annex 1). The TD required that buses first registered after 1 July 2004 (“Effective Date”) should be installed with electronic data recording devices in compliance with the stated technical specification.

Subsequent to the Effective Date, our first batch of new buses was registered in 2007. The black-boxes installed on these buses fulfilled the TD's requirements for the stated technical specification.

In 2010, our Companies took the initiative to upgrade the black-boxes to an integrated system with automatic bus stop announcement capability. The black-boxes record second-by-second data of:

- date & time;
- vehicle speed;
- foot brake status;
- door open status;

- bell push status; and
- bus position (latitude and longitude of the bus).

The whole fleet of CTB (F1) was equipped with this integrated system in June 2011. The whole fleet of CTB (F2) and NWFB were equipped with the same integrated system at the end of 2012.

2. Monitoring of over speed by black-boxes (paragraphs 3 to 5 of your letter)

a) Criteria for identifying road sections for speed detection

25 road sections with a speed limit of 50 km/hr were identified by our Companies for speed detection. These road sections have the following characteristics:

- i) continuous downward slope of significant length;
- ii) sharp road bends; or
- iii) serious or frequent traffic accidents have occurred in the past at these road sections.

Among these 25 road sections, 11 road sections were identified for monitoring in June 2013, 3 additional road sections were identified for monitoring in September 2014, and 11 road sections were further identified for monitoring in March 2018.

Other than those road sections with a speed limit of 70 km/hr or above, all the roads in Hong Kong have a speed limit of 50 km/hr.

We do not have the data to compile the percentage of roads with a speed limit of 50 km/hr on which buses of CTB and NWFB are driven as constituted by the 25 monitored road sections.

b) Over speed exception reports

The criteria for generating over speed events are set in the software of the black-boxes. For those 25 monitored road sections, an over speed event will be generated when the vehicle speed exceeds 55 km/hr for more than 10 consecutive seconds. For road sections with a speed limit of 70 km/hr or above, an over speed event will be generated when the vehicle speed exceeds 75 km/hr for more than 10 consecutive seconds.

Black-box data and over speed event records are uploaded to the Companies' computer server when buses return to depots for refuelling every night.

Should there be over speed events, an over speed event report will be generated by the

system. Names of bus captains concerned are identified by the system through checking the over speed event time and the on-bus Octopus device log-in record. A bus captain has to log-in to the on-bus Octopus device when he starts driving a bus.

Since 2013, operations officers are required to verify each event in the over speed report and take appropriate disciplinary actions against the bus captains in question. Please refer to extracts of our internal guidelines entitled “一般站長及車長違規事件紀律處分指引” updated on 1 April 2018 (“Internal Disciplinary Guidelines”) (see Annex 3) and sub-paragraph c) below for details of potential disciplinary sanctions.

The system was enhanced in April 2016 to record over speed event details and related disciplinary sanctions. We started taking disciplinary actions against bus captains culpable of driving over 75 km/hr from April 2018. A screen capture of this report is attached as Annex 2.

c) Disciplinary sanctions

Internal Disciplinary Guidelines for determining the actions to be taken against bus captains culpable of speeding are attached as Annex 3. We started maintaining statistics of actions taken from April 2016 when the system was enhanced. The number of over speed events and disciplinary actions taken since April 2016 are as follows:

Speed limit of 50 km/hr

| | Reminded | Disciplined | Total |
|------------------------------|----------|-------------|-------|
| April to December 2016 | 216 | 19 | 235 |
| January to December 2017 | 238 | 45 | 283 |
| January to April 2018 (Note) | 360 | 65 | 425 |

Note: The number of road sections being monitored increased from 14 to 25 in March 2018.

Speed limit of 70 km/hr

| | Reminded | Disciplined | Total |
|------------|----------|-------------|-------|
| April 2018 | 80 | 7 | 87 |

As the black-boxes monitor every bus captain's driving speed on an ongoing and continuous basis, repeat offenders will be identified in the over speed report. In considering what disciplinary actions to take against repeat offenders, the Companies will impose tougher disciplinary actions pursuant to the Internal Disciplinary Guidelines.

d) Report to the TD

In the Forward Planning Programme submitted annually, we informed the TD of the measures implemented to enhance safety, and described amongst other things, the generation of over speed reports.

From January 2018 onward, the TD required us to submit a Monthly Report on Monitoring Measures Relating to Bus Safety. Over speed statistics and actions taken against bus captains concerned are set out in Part C of the Monthly Report (Annex 4).

e) Handbooks for bus captains

Earlier versions of the Handbooks for Bus Captains are attached as follows:

- i) CTB 車務員工手冊 issued in September 2000 (Annex 5.1)
- ii) NWFB 員工手冊 issued in January 2003 (Annex 5.2)
- iii) CTB and NWFB 車長手冊 issued in November 2016 (Annex 5.3)
- iv) CTB and NWFB 車長手冊 issued in July 2017 (Annex 5.4)

3. Random checking of data recorded in black-boxes (paragraphs 6 and 7 of your letter)

“Records of random check on the operational data recorded in black boxes and the corresponding follow-up actions” is the description used by the TD in March 2018 when requiring us to submit a list of reports. It refers to the following:

a) “No. of Routine Checks on Black Box Data Conducted”

This is the checking of black-box data for over speed at the 25 monitored road sections with speed limit of 50 km/hr and all road sections with speed limit of 70 km/hr or above; and

b) “No. of Ad-hoc Checks on Black Box Data Conducted”

This is the checking of black-box data for the investigation of traffic accidents and customer complaints relating to driving performance.

4. Black-boxes with real-time capability (paragraphs 8 and 9 of your letter)

The prospective update to black-boxes with real-time capability was initiated by our Companies and will be implemented by the third quarter of 2018.

The real-time black box system will emit an instant audio warning (i.e. a beeping sound) automatically through the black-box control panel in the driver cab to alert the bus captain

whenever an over speed event occurs.

5. Part-time bus captains (paragraphs 10 to 14 of your letter)

a) Criteria to determine a bus captain as part-time

A bus captain applicant may apply for either a full-time or a part-time job. Full-time bus captains have to work on a daily basis, other than leave days. They are required to perform the Companies' assigned duties on specified date, time, place and routes. Subject to the Companies' operational need, a part-time bus captain may elect to work when he is available.

b) Rest time of part-time bus captains and information required from them

In applying for a position as a part-time bus captain at the Companies, candidates are required to provide details of their principal employment. We already have the practice of requesting for information on the working hours for the applicant's principal employment, but the provision of such information is not mandatory. We do not specifically require part-time bus captains to declare if they have adequate rest time before commencing their duties.

Part-time bus captains are also requested to provide the same information regarding their principal employment on an annual basis. These records on working hours for part-time bus captains have not been requested by the TD.

From 1 June 2018, we will require all part-time bus captains, including those in-service and new recruits, to provide working hour information of their principal employment on a mandatory basis. The request for information will cover details of the working hours and pattern of workings of their principal employment. Thereafter, all in-service part-time bus captains will be required to make the same mandatory declaration on an annual basis.

Sample copy of 職位申請表 to be filled in upon job application is enclosed as Annex

6. Sample copy of the annual declaration 僱員行為及紀律守則 / 外間工作申報書 is enclosed as Annex 7.

6. Bus captain training (paragraphs 15 to 18 of your letter)

- a) There are records of bus routes on which newly recruited part-time bus captains have been trained on, during the 2-day driving training received upon joining the Companies. A sample copy of this training record is attached as Annex 8.
- b) Allocators or Depot Inspectors (each individually, "Allocation Staff") are responsible for assigning driving duties to both full-time and part-time bus captains.

- c) For newly recruited bus captains, the Allocation Staff will inform the Operations Training Department of the training routes. The training routes for newly recruited bus captains are easier routes in that they are either short routes with a few bus stops or routes with straightforward routings. The route training records are kept in the Operations Training Department. The Allocation Staff will only assign these easier routes to the newly recruited bus captains.
- d) The Companies database stores the route training records and route driving records of all in-service full-time and part-time bus captains. A list of routes that each bus captain can drive is stored in the Companies database and can be accessed by the Allocation Staff. If the Allocation Staff is not sure whether a bus captain is familiar with a particular route, they will check the database and enquire with the bus captain before making the route assignment. A screen capture of the training/driving record database is attached as Annex 9.
- e) At present, all in-service full-time and part-time bus captains will be allowed to drive additional routes if they have:
- driven buses on those routes;
 - driven buses on those routes under the guidance of driving instructors; or
 - declared that they were familiar with those routes.
- f) When a bus captain declares that he is not familiar with a particular route, the Allocation Staff will arrange for the bus captain to ride as a passenger on that route to familiarize himself with the routing and locations of en-route bus stops. Where required, the bus captain may request to ride on that route again or to have driving training on that route under the guidance of a driving instructor.
- g) Following recent discussions in the meetings of the Working Group on Enhancement of Safety of Franchised Buses set up by the TD, we intend to enhance the new route training for in-service bus captains, both full-time and part-time, by arranging them to practise on the new routes by driving non passenger-carrying buses on their own after they have ridden as passengers on those routes. We also plan to increase the driving training hours for all newly recruited part-time bus captains.
- h) For routes with narrow carriageways and with lots of bends, such as routes to Stanley (Routes 6, 6A and 260), Tai Tam (Route 14) and the Peak (Route 15), bus captains will be arranged to drive on the routes under the guidance of driving instructors before taking up driving duties for passenger-carrying service.
- i) We note that some of the route training records are not stored in the database. We are reviewing the process of keeping training records of bus captains to ensure the completeness of the records.

7. Customer service and EQ management training (paragraphs 19 and 20 of your letter)

- a) Customer service and EQ management training material is attached as Annexes 10 & 11 and a DVD containing training videos of the same is enclosed. At present, such training is not provided to part-time bus captains due to difficulties in arranging sufficient number of part-time bus captains to attend. Nevertheless, we will arrange such training for part-time bus captains as soon as practicable.
- b) In the bus captains' pre-employment and annual medical examination, the doctor-in-charge will form an opinion on the mental state of the bus captains by reference to health check-ups and the bus captains' declaration of medical histories and conditions. Sample medical report and declaration form are enclosed as Annex 12.

Apart from the above, no other psychological assessment was required for bus captains.

- c) In March 2018, we commenced a study to explore the feasibility and effectiveness of conducting psychological assessment in order to screen out applicants who:
 - i) Either have an inclination to drive aggressively, or
 - ii) Are easily provoked and therefore lose control and drive in an aggressive manner.

8. Speed limiters (paragraphs 21 to 23 of your letter)

We have enquired with our bus suppliers on the technical feasibility and cost implications in retrofitting our buses with the Active Speed Limiting System. Their responses are set out below:

| Supplier | Model | No. of buses | Response | Indicative Retrofitting cost per bus HK\$ |
|---|----------------|--------------|--------------|---|
| Alexander Dennis (Asia Pacific) Limited | Trident | 40 | Not feasible | N/A |
| | E200 | 5 | *Feasible | Pending |
| | E400 | 120 | Pending | Pending |
| | E500 | 343 | Not feasible | N/A |
| | E500 Hybrid | 3 | Not feasible | N/A |
| | E500 MMC | 876 | *Feasible | Pending |
| Volvo Bus Hong Kong Limited | Super Olympian | 62 | Not feasible | N/A |
| | B9 | 117 | ** Feasible | GBP1,500 |
| Regal Motors Limited | MAN | 1 | Feasible | Free of charge |
| | Youngman | 40 | Not feasible | N/A |
| | Neoplan | 28 | Not feasible | N/A |

| | | | | |
|---------------------------------------|-----------------|---|--------------|-----|
| BYD Auto Industry Company Limited | K9 | 5 | Not feasible | N/A |
| Great Dragon International Corp. Ltd. | Great Dragon | 5 | Not feasible | N/A |
| Scania (Hong Kong) Limited | Scania Euro III | 1 | Not feasible | N/A |
| | Scania Euro IV | 1 | Not feasible | N/A |

* ADL requires 12 months for product development and cannot provide indicative retrofitting cost at this stage.

** Volvo requires 18 to 24 months for product development.

9. Anti-dozing device (paragraphs 24 and 25 of your letter)

We have met the following potential anti-dozing device suppliers:

- Consolidated Parts & Accessories Sales Centre Ltd. ("CPASC"), agent of a device from South Korea;
- Guardian South East Asia Pte Ltd ("Guardian") of Australia origin; and
- BYD Auto Industry Company Limited ("BYD") of China origin.

According to the suppliers, the anti-dozing device comprises a camera (placed at the top of the dashboard facing the bus captain), and a central processing unit. The system will generate an audible alert when it detects that the bus captain exhibits any of the following behaviour which lasts for a pre-set period of time:

- closes his eyes;
- turns his face away from the forward view; or
- snoozes.

The device can record the above abnormal events in the form of a video clip which may be:

- saved in a recording device for future monitoring; and/or
- transmitted on a real-time basis to a computer server or the control centre.

CPASC has informed us that their product is capable of performing both (a) and (b). It is being used on some military/police buses in South Korea and Japan. In CPASC's demonstration, the device is shown to be quite effective in generating alerts. With respect to video recording, CPASC claims that their system was capable of extracting abnormal

events and storing them in separate files. However, this function was not working during the demonstration. CPASC will arrange another demonstration for us.

Guardian has informed us that their product can perform (b) only. One of their major customers is a coach operator in the USA. The Singapore Land Transport Authority ("LTA") has specified anti-dozing device in their tender specifications for the procurement of new public buses starting from the first quarter of 2018. Guardian claims that it is one of the equipment suppliers found to be acceptable to the LTA. In Guardian's demonstration with a simulator (a camera connected to a tablet as the processor, but the software was not the latest version), the device was not shown to be capable of capturing all of the abnormal behaviour. Guardian will submit a quote for the lease of 10 units of the latest model for trial on our buses.


BYD has informed us that its product is still in the development stage and it will be able to perform (a) only. They expected that a demonstration unit would be available in July 2018.

We will need to consider and test the effectiveness and reliability of the anti-dozing devices from various suppliers before communicating with our staff unions.

Should you require any further information, please feel free to contact the undersigned.

Thank you for your attention.

Yours faithfully
For and on behalf of
New World First Bus Services Limited
Citybus Limited



Samuel Cheng
Managing Director
SC/kc

c.c. Mr Tsang Yam Pui, Vice Chairman of the Companies

香港專營巴士服務
獨立檢討委員會

香港金鐘道 66 號
金鐘道政府合署 21 樓

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4
來函檔號 Your Ref.: MD/0404/18



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

電話號碼 Tel No.: (852) 2867 5324
傳真號碼 Fax No.: (852) 3104 0254

31 May 2018

Mr Samuel CHENG
Managing Director
New World First Bus Services Limited
Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong
(Fax: 2579 1028)

Dear Mr CHENG,

Independent Review Committee on Hong Kong's Franchised Bus Service

Thanks for attending the hearing on 29 and 30 May 2018 and giving oral evidence to the Committee in respect of safety-related matters pertaining to the franchised bus services of New World First Bus Services Limited and Citybus Limited.

As requested by this Committee at the above hearing, I should be grateful if you would provide us with further information on those matters as set out in the Annex by **8 June 2018**.

Yours sincerely,

(CHAN Ping-fai, Peter)
Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service

Encl

Further Information to be Provided by CTB / NWFB
Arising from Hearing on 29 and 30 May 2018

Day 3 (29 May 2018)

1. Sample of latest annual system audit report by the Hong Kong Quality Assurance Agency [See clause 34 of Franchised Agreement at CTB-1, p.31] (Transcript, 29 May 2018, pp. 23, 8-13).
2. Details of medical cover provided to CTB / NWFB bus captains (Transcript, 29 May 2018, pp. 59, lines 12-23).
3. Samples of current employment contracts for full-time bus captains (Transcript, 29 May 2018, p. 76, lines 16-18).
4. Samples of current or prospective employment contracts for part-time bus captains (Transcript, 29 May 2018, p. 76, lines 24-25).
5. Copies of examples of older versions of employment contracts for full-time and part-time bus captains (Transcript, 29 May 2018, p. 77, lines 14-17).
6. A copy of the prospective declaration form for part-time bus captains when he/she takes up additional part-time employment commencing from 1 June 2018 (Transcript, 29 May 2018, p. 83, lines 1-12).
7. Information relating to the organisation International Association of Public Transport (UITP) (Transcript, 29 May 2018, p. 107 lines 10-12).
8. A copy of the minutes of the first meeting of the Safety Committee of the CTB / NWFB (Transcript, 29 May 2018, p. 112, lines 10-12).

Day 4 (30 May 2018)

9. Copies of the exchange of letters and correspondence concerning the undertaking by the CTB to provide a bus announcement system and a “real time” system before the CTB-1 franchise agreement was renewed in 2015 (to take effect from 2016) (Transcript, 30 May 2018, p.13, line 22; p.14 line 13).
10. A map depicting all routes on which buses of the CTB/NWFB travel (Transcript, 30 May 2018, p.37, line 14-25; p.38, line 1-6).

Note: it would assist the work of the Committee greatly if the map can in addition depict the 25 road sections referred to in Appendix 1 of the Bus Captain's Handbook (see pages 142 and 143 or 169-88 and 169-89 of the CTB bundle).

11. Agenda of the first meeting of the Working Group formed after the Tai Po bus crash (convened by the TD) (Transcript, 30 May 2018, p.40, line 14-25; p.41, line 1-2).
12. Copies of requests made of suppliers for a report on the feasibility and cost of retrofitting an electronic stability control system to the buses of CTB/NWFB (Transcript, 30 May 2018, p. 48, line 13-19).
13. Reports of the Mobileye system, developed by Neshtech Pty Limited, describing why it was not useful (Transcript, 30 May 2018, p.52, line 25; p.53, line 1-7).
14. Number of bus captains of CTB/NWF the subjected to disciplinary process in the last 12 months (Transcript, 30 May 2018, p.71, line 7-16).
15. Samples of reports in which matters relating to maintenance of buses have led to any sort of incidents in the past 2 years (Transcript, 30 May 2018, p.100, line 9-14).
16. Date of the meetings in 2018, if any, with THB from which CTB/NWFB understood that the Government is in the course of reviewing the Fare Adjustment Arrangement in 2017 and 2018 (Transcript, 30 May 2018, p.115, line 10-16).

- End -



新創建集團成員 Members of NWS Holdings

Our ref: MD/0607/18
Your ref: CSO/IRC-BUS/CR/7-45/4

Tel No.: (852) 2136 2889
Fax No.: (852) 2579 1028

8 June 2018

Secretariat to the Independent Review Committee on
Hong Kong's Franchised Bus Service
21/F, Queensway Government Offices
66 Queensway
Admiralty
Hong Kong

Attn: Mr Chan Ping-fai, Peter

Dear Sirs

Independent Review Committee on Hong Kong's Franchised Bus Service

With reference to your letter of 31 May 2018, the requested information is as follows:

1. Annual data verification report issued by the Hong Kong Quality Assurance Agency to each of CTB (F1), CTB (F2) and NWFB covering the calendar year ended 31 December 2016 are attached as Annexes 1.1 to 1.3.
2. Details of medical cover provided to bus captains are attached as Annex 2.
3. A sample of the current employment contract for full-time bus captains is attached as Annex 3.
4. Samples of preceding and current versions of employment contracts for part-time bus captains are attached as Annexes 4.1 and 4.2.
5. Samples of earlier versions of employment contracts for bus captains are attached as:

a) Full-time bus captains

CTB

- Recruited on or before 9 March 1999 (Annex 5.1)
- Recruited between 10 March 1999 and 8 March 2004 (Annex 5.2)
- Recruited on or after 9 March 2004 (Annex 5.3)

Page 1 of 3

城巴有限公司
Citybus Limited

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2963 4888 傳真 Fax (852) 2579 0202
網址 Website www.citybus.com.hk

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)
香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2136 2140 傳真 Fax (852) 2147 3611
網址 Website www.nwfb.com.hk



NWFB

- Transferred from China Motor Bus Company Limited on 1 September 1998 (Annex 5.4)
- Recruited between 1 September 1998 and 23 August 2001 (Annex 5.5)
- Recruited between 24 August 2001 and 8 March 2004 (Annex 5.6)
- Recruited on or after 9 March 2004 (Annex 5.7)

b) Part-time bus captains

Sample copies of employment contracts for part time bus captains in years 2009 and 2013 are attached as Annex 5.8 and Annex 5.9.

6. A copy of the declaration form for part-time bus captains on their other employments is attached as Annex 6.
7. The full name of UITP is “Union Internationale des Transports Publics”. Information about this organisation as downloaded from the Internet www.uitp.org is attached as Annex 7.
8. A copy of the meeting notes of the first meeting of our Safety Committee is attached as Annex 8.
9. Copies of exchange of letters concerning CTB’s commitments to provide a Real Time Bus Information system are attached as Annexes 9.1 and 9.2.
10. A CD containing a map depicting all routes on which buses of CTB and NWFB are operated and a map depicting the 25 road sections with speed limit of 50km/hr being monitored is enclosed.
11. A copy of the Agenda of the first meeting of the Working Group on Enhancement of Safety of Franchised Buses is attached as Annex 10.
12. Copies of our E-mails dated 14 March 2018 to each of: a) Alexander Dennis (Asia Pacific) Limited, b) Volvo Bus Hong Kong Limited and c) Regal Motors Limited requesting their advice on the feasibility of installing various additional hardware and technologies of on-vehicle safety devices for franchised buses are attached as Annexes 11.1 to 11.3.
13. Our internal report on the trial of Mobileye is attached as Annex 12.

14. The number of disciplinary actions taken against our bus captains in the last 12 months is as follows:

| | Verbal Warning | Written Warning | Final Warning | Dismissal | Total |
|----------|-------------------|--------------------|------------------|-----------|-------|
| CTB (F1) | 598 | 150 | 25 | 1 | 774 |
| CTB (F2) | 237 | 37 | 6 | 10 | 290 |
| NWFB | 533 | 56 | 9 | 4 | 602 |
| Total | 1,368 | 243 | 40 | 15 | 1,666 |

15. We did not have any accident case relating to maintenance of buses in the past 2 years ("Period").

However, we had the following maintenance related incidents in the Period:

- a) The TD had carried out 921 Depot Spots Checks and 1,005 Terminal Spot Checks in the Period. Among these 1,926 Spot Checks, there were 2 failure incidents.
 - b) There were 3 bus smoke cases and 4 bus fire cases in the Period. Samples of our incident reports submitted to the TD are attached as Annexes 13.1 and 13.2.
16. Our Companies had meetings with the Transport and Housing Bureau on the review of the Fare Adjustment Arrangement on 31 May 2017 and 10 January 2018.

Thank you for your attention.

Yours faithfully
For and on behalf of
New World First Bus Services Limited
Citybus Limited



Samuel Cheng
Managing Director
SC/kc

encl.

c.c. Mr Tsang Yam Pui, Vice Chairman of the Companies

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4
來函檔號 Your Ref.: MD/0404/18



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

電話號碼 Tel No.: (852) 2867 5324
傳真號碼 Fax No.: (852) 3104 0254

29 June 2018

Mr Samuel CHENG
Managing Director
New World First Bus Services Limited
Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong
(Fax: 2579 1028)

BY FAX & BY POST

Dear Mr CHENG,

Independent Review Committee on Hong Kong's Franchised Bus Service

The Committee thanks you for your further written submission of 8 June 2018 providing further information on matters discussed at the hearings on 29 and 30 May 2018. While the Committee is reviewing your submission, there is further information that the Committee would like to request New World First Bus and Citybus to provide.

We note from the evidence of the Transport Department on 8 May 2018 that franchised bus operators "are expected to provide an FPP comprising the route development programme as well as other operational aspects to the transport Department by the end of June of each year", where "FPP" refers to the Forward Programme Plan (*line 16 to 19, page 2 of the transcript of the said hearing attached as an Annex to this letter*). At that hearing, with your consent, the Transport Department provided the Committee with an extract of the Forward Programme Plan 2018-2022 relating to Bus Safety. In those circumstances, please provide a copy of the section on Bus Safety of the Forward Programme Plan for 2019-2023 that your companies are going to or have already submitted to the Transport Department by the above stated deadline of end of June 2018.

The Committee would be very grateful for your reply in writing within the next 7 days. Should you have any queries, please feel free to contact me or Mr Justin TO at 2867 4612.

Yours sincerely,

(CHAN Ping-fai, Peter)
Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service

Encl

| Page 1 | Page 3 |
|--|--|
| <p>1 Tuesday, 8 May 2018</p> <p>2 (10.00 am)</p> <p>3 CHAIRMAN: Good morning.</p> <p>4 Ms Chan, might I invite you to resume your seats at</p> <p>5 the table.</p> <p>6 EVIDENCE FROM THE TRANSPORT DEPARTMENT: MS MABLE CHAN,</p> <p>7 MS AMY LEE, MS RACHEL KWAN, MS MACELLA LEE,</p> <p>8 MR REGINALD YK CHAN, MR TONY YAU</p> <p>9 CHAIRMAN: Overnight, the Transport Department has provided</p> <p>10 the committee with material relating to the forward</p> <p>11 planning documents that the various bus companies have</p> <p>12 provided to the Transport Department on bus safety.</p> <p>13 I think at the outset we ought to afford you</p> <p>14 an opportunity -- and I do -- if you wish to make some</p> <p>15 statement about those documents. Otherwise, I will ask</p> <p>16 Mr Duncan to pursue it in examination.</p> <p>17 MS MABLE CHAN: Good morning. Thank you very much,</p> <p>18 Chairman, for giving me this opportunity. I would just</p> <p>19 like to say a very few words on that.</p> <p>20 CHAIRMAN: Please do.</p> <p>21 Further opening statement by MS MABLE CHAN</p> <p>22 MS MABLE CHAN: Actually, I thank the chairman for raising</p> <p>23 this and giving us the opportunity to have a go with the</p> <p>24 bus operators last night, because I do appreciate that</p> <p>25 the request came from the IRC secretariat for sight of</p> | <p>1 their own analysis, and we expect the bus operators to</p> <p>2 propose improvement measures and we expect them to</p> <p>3 include in that programme the implementation timetable</p> <p>4 for the various improvement measures.</p> <p>5 Apart from this forward planning process, we also</p> <p>6 conduct an annual performance assessment by the end of</p> <p>7 each year. That exercise, we will take into account</p> <p>8 nine indicators, of which two are related to safety. As</p> <p>9 I replied to the senior counsel during yesterday's oral</p> <p>10 session, we also maintain an independent database on the</p> <p>11 overall territory-wide accident statistics, in which</p> <p>12 there is also analysis of accident statistics in respect</p> <p>13 of each franchised bus operator. We will also conduct</p> <p>14 independent analysis of the accidents by its nature, by</p> <p>15 its contributing factor, in order to conduct our annual</p> <p>16 performance assessment of each franchised bus operator.</p> <p>17 This assessment is done annually based on independent</p> <p>18 data from the database, independent of the forward</p> <p>19 planning exercise. So the two run in parallel. And the</p> <p>20 annual performance assessment report will also be</p> <p>21 submitted to the Transport Advisory Committee for</p> <p>22 discussion and reference.</p> <p>23 Thank you, Chairman.</p> <p>24 CHAIRMAN: Thank you.</p> <p>25 Mr Duncan.</p> |
| Page 2 | Page 4 |
| <p>1 the whole FPP, but on the basis of the document</p> <p>2 containing commercial value, that's why we did not</p> <p>3 disclose it at the outset, but also noting that it</p> <p>4 comprises an important chapter on bus safety which does</p> <p>5 not comprise commercial value, we actually took the</p> <p>6 opportunity to run it past the bus operators last night</p> <p>7 and we managed to provide the IRC secretariat with</p> <p>8 copies.</p> <p>9 In fact, I would like to say a few words, that the</p> <p>10 forward planning programme is part of the statutory</p> <p>11 requirement that the bus operators would have to submit</p> <p>12 for discussion and agreement with the Transport</p> <p>13 Department.</p> <p>14 It is part of the two-pronged process which the</p> <p>15 Transport Department monitor and regulate the bus</p> <p>16 operators. The bus operators are expected to provide</p> <p>17 an FPP comprising the route development programme as</p> <p>18 well as other operational aspects to the Transport</p> <p>19 Department by the end of June of each year.</p> <p>20 It is since 2003 that the Transport Department has</p> <p>21 required the bus operators to include a dedicated</p> <p>22 chapter on bus safety, and since then that chapter forms</p> <p>23 part of the programme and serves as a planning tool for</p> <p>24 the Transport Department to discuss and monitor the</p> <p>25 accident statistics of each franchised bus operator in</p> | <p>1 Examination by MR DUNCAN (continued)</p> <p>2 MR DUNCAN: Thank you, Chairman.</p> <p>3 Good morning, Ms Chan, and ladies and gentlemen.</p> <p>4 Thank you again for your homework last evening. What</p> <p>5 I would like to do is just note the documents which have</p> <p>6 been provided overnight, first of all, and then ask you</p> <p>7 a couple of questions about those.</p> <p>8 With regard to the forward planning programmes, the</p> <p>9 safety parts of that, I will have questions on those</p> <p>10 later this morning. So I won't spend any time on those</p> <p>11 at the moment.</p> <p>12 You have also, via your submission overnight,</p> <p>13 provided us with a number of other matters that were</p> <p>14 raised during the evidence yesterday, and for those</p> <p>15 I thank you.</p> <p>16 There is just one of those matters referred to in</p> <p>17 your submission that I would like to ask you a little</p> <p>18 bit about. If you could turn to paragraph 8 of the</p> <p>19 overnight supplementary written submission, there is</p> <p>20 reference there to the Working Group on Enhancement of</p> <p>21 Safety of Franchised Buses. The committee has been</p> <p>22 informed that that group was formed after the Tai Po</p> <p>23 accident in February of this year, and contains as its</p> <p>24 membership, amongst others, representatives of bus</p> <p>25 companies.</p> |



新創建集團成員 Members of NWS Holdings

Your Ref: CSO/IRC-BUS/CR/7-45/4
Our Ref.: MD/0710/18

Tel No. : 2136 2889
Fax No. : 2579 1028

5 July 2018

By Fax and By Post
3104 0254

Secretariat to the Independent Review Committee on
Hong Kong's Franchised Bus Service
21/F Queensway Government Offices
66 Queensway
Admiralty
Hong Kong

Attn: Mr Chan Ping-fai, Peter

Dear Sirs

Independent Review Committee on Hong Kong's Franchised Bus Service

We refer to your letter dated 29 June 2018.

We submitted the Forward Planning Program ("FPP") (2019-2023) of each of CTB (F1), CTB (F2) and NWFB to the Transport Department for consideration on 29 June 2018. Copy of the Section on Bus Safety in each of the FPP are attached as Annexes I, II and III.

Please note that the FPPs have yet to be discussed and agreed with the Transport Department.

Yours faithfully
For and on behalf of
New World First Bus Services Limited
Citybus Limited

Samuel Cheng
Managing Director
SC/WC/jt

Encl

城巴有限公司
Citybus Limited

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2963 4888 傳真 Fax (852) 2579 0202
網址 Website www.citybus.com.hk

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)

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2136 2140 傳真 Fax (852) 2147 3611
網址 Website www.nwfb.com.hk



5. BUS SAFETY

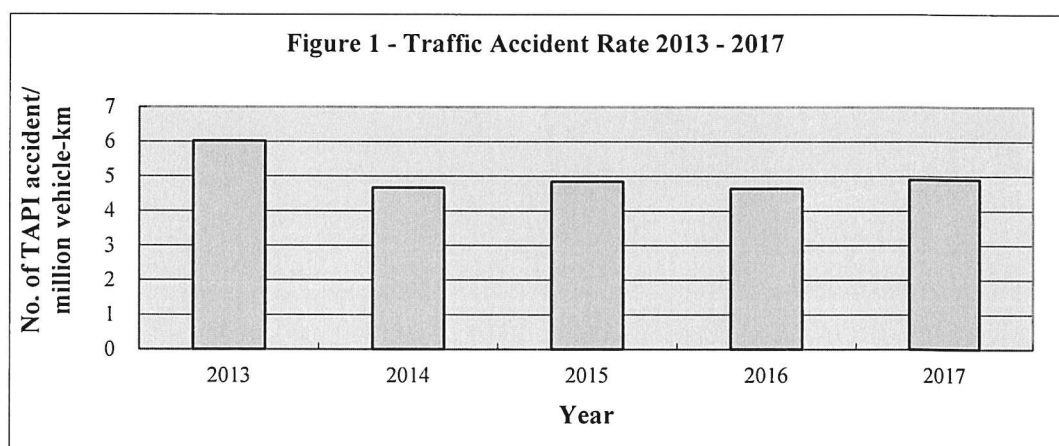
Annex I

5.1 Introduction

There are different parameters for monitoring accident trends and assessing safety performance. It is not meaningful to just look at the total number of accidents without taking into account of the kilometer operated and the composition of the bus network. It should also be noted that accident statistics should not be compared among different franchised bus operators because the composition of the network and the traffic situation of the operating areas of the franchised bus operators are different. The significant difference in accident statistics of Citybus F1 and F2 is a good demonstration of the effect of network composition and operating areas as Citybus F1 and Citybus F2 are both operated by Citybus.

5.2 Traffic Accident Trend

All the traffic accidents mentioned in the following paragraphs refer to Traffic Accidents with Person Injury (TAPI). The number of traffic accidents per million vehicle-km operated for Citybus F1 for the past five years shows a slight downward trend (Figure 1).



5.3 Blameworthiness

Unlike train operation, which has dedicated tracks, franchised buses share use of the roads with other vehicles, cyclists and pedestrians. No matter how good the buses are maintained and how careful the bus captains are, there are chances that some vehicles ran into their back or some pedestrians suddenly jumped out of the roads. Hence, a traffic accident involving franchised bus does not necessarily be our fault. Whether other road users follow traffic rules and adopt a careful and considerate attitude has a great bearing on the number of traffic accidents involving our buses.

| Contributory Factors of Traffic Accident | Number of Traffic Accidents | | | | |
|--|-----------------------------|----------------|----------------|----------------|----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Factors not related to Bus Captains | 247 (67.7%) | 192 (66.9%) | 212 (70.7%) | 191 (67.0%) | 209 (71.6%) |
| Factors related to Bus Captains | 118 (32.3%) | 95 (33.1%) | 88 (29.3%) | 94 (33.0%) | 83 (28.4%) |
| Total | 365 | 287 | 300 | 285 | 292 |

The above table shows that about 70% of the traffic accidents were due to factors not related to our bus captains.

5.4 Contributory Factors of Traffic Accidents Related to Bus Captains

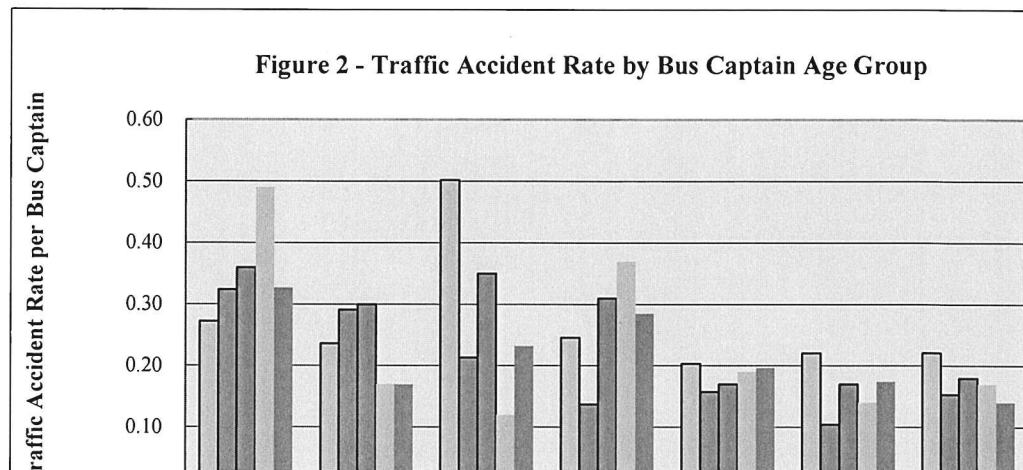
| Contributory Factors of Traffic Accidents (CTB (F1)) | Number of Bus Captains Involved | | |
|--|---------------------------------|-----------|-----------|
| (2) Factors related to bus captains | 2015 | 2016 | 2017 |
| Driving too close to kerb / vehicle in front / vehicle alongside | 14 | 21 | 14 |
| Stopping / Starting negligently | 3 | 1 | 4 |
| To avoid collision | 1 | 2 | 0 |
| Overtaking / lane changing negligently | 7 | 3 | 6 |
| Driving too fast for road condition | 0 | 0 | 0 |
| U turning / Turning right or left negligently | 4 | 2 | 3 |
| Opened door negligently / Failing to ensure the safety of passenger | 23 | 24 | 16 |
| Failing to observe traffic signals / traffic signs | 3 | 0 | 2 |
| Driving inattentively | 21 | 20 | 29 |
| Lost control of vehicle | 0 | 0 | 1 |
| Sudden Illness of driver | 0 | 0 | 0 |
| Sleep or fatigue | 0 | 0 | 0 |
| Failing to keep to nearside of road / Emerging from side road negligently / Failure to signal movement correctly / Driving on wrong side of road | 0 | 0 | 0 |
| Reversing negligently | 0 | 0 | 0 |
| Rolling backwards / forwards-failed to set handbrake | 0 | 0 | 0 |
| Others (refer to factors not belong to the above-listed categories. It also includes factors relating to other drivers involved in accidents) | 12 | 21 | 8 |
| Sub-total – Factors related to bus captains | 88 | 94 | 83 |

Of the factors related to bus captains, “Driving inattentively”, “Driving too close to kerb / vehicle in front / vehicle alongside” and “Opened door negligently / failing to ensure the safety of passengers” have always been the most common factors. We will remind bus captains on these during the refresher training.

5.5 Traffic Accident Rate and Bus Captain Age

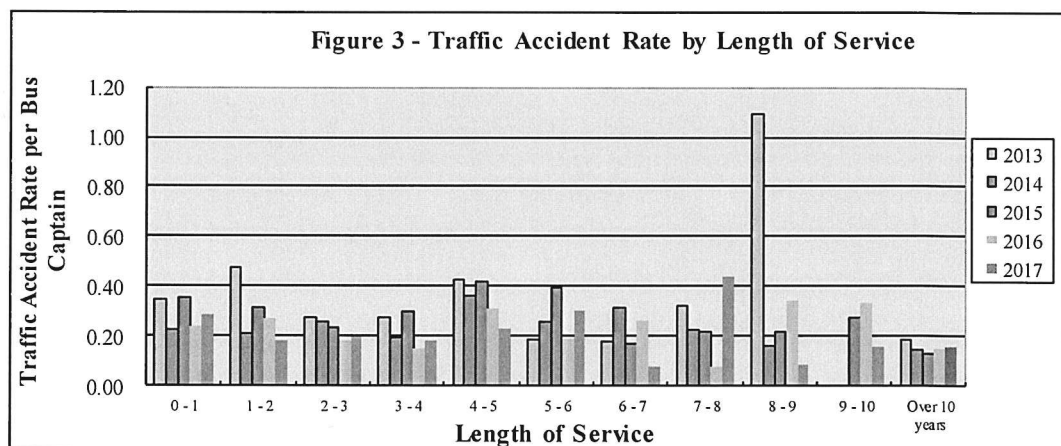
To find out the relationship between age of bus captains and occurrence of traffic accident, the traffic accident rate per bus captain for different age groups for the past 5 years are worked out and shown in Figure 2. It shows that the traffic

accident rates fluctuated in different year for different age groups. No pattern can be established. Hence, it is concluded that there is no correlation between age and accident occurrence.



5.6 Traffic Accident Rate and Length of Service

To find out the relationship between length of service and occurrence of traffic accident, the traffic accident rate per bus captain for different length of service for the past 5 years are worked out and shown in Figure 3. It shows that the traffic accident rates fluctuated in different years for different service length groups. No pattern can be established. Hence, it is concluded that there is no correlation between length of service and accident occurrence.



5.7 Traffic Accident Rate and the Change of Service Route/Vehicle

To find out the relationship between the number of routes/buses a bus captain operates in one shift and the occurrence of traffic accident, those accidents that happened during a bus trip after the bus captain just changed route/bus were identified. The result is shown in the table below. The percentage of traffic accident happened after bus captain just changed routes is generally less than the percentage of the total bus trips scheduled to change route/bus. Taking into consideration of the fact that traffic congestion and vehicle breakdown would result in more route/bus changes, the actual percentage of total bus trips changed route/bus should be higher than the scheduled percentage. Thus, there is no correlation between the change of service route/vehicle and accident occurrence.

| Year | TAPI happened after bus captain just change routes/bus | % of bus trips scheduled to change route/bus |
|------|--|--|
| 2013 | 20% | 28.6% |
| 2014 | 20% | 29.0% |
| 2015 | 18% | 29.7% |
| 2016 | 20% | 26.5% |
| 2017 | 21% | 22.9% |

5.8 Analysis of Traffic Accident by Nature

The results of analysis of traffic accident by nature are shown in the table below.

Analysis of Traffic Accident by Nature for the past five years

| Nature of Traffic Accident | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Head-tail collision | 33 (9.1%) | 29 (10.2%) | 27 (9.1%) | 29 (10.3%) | 35 (12.1%) |
| Side collision | 44 (12.4%) | 40 (14.1%) | 52 (17.5%) | 42 (14.9%) | 49 (16.9%) |
| Knock down pedestrian | 31 (8.6%) | 21 (7.4%) | 15 (5.0%) | 23 (8.2%) | 17 (5.9%) |
| Hitting stationary object | 9 (2.5%) | 10 (3.5%) | 17 (5.7%) | 14 (5.0%) | 6 (2.1%) |
| <i>Collision Accidents sub-total</i> | <i>117 (32.5%)</i> | <i>100 (35.1%)</i> | <i>111 (37.2%)</i> | <i>108 (38.3%)</i> | <i>107 (36.9%)</i> |
| Passenger losing balance on stairway | 71 (19.7%) | 54 (18.9%) | 47 (15.8%) | 55 (19.5%) | 31 (10.7%) |
| Passenger injured by door | 16 (4.4%) | 7 (2.5%) | 12 (4.0%) | 6 (2.1%) | 13 (4.5%) |
| Passenger losing balance elsewhere except on stairway | 156 (43.3%) | 124 (43.5%) | 128 (43.0%) | 113 (40.0%) | 139 (47.9%) |
| <i>Non-collision Accident sub-total</i> | <i>243 (67.5%)</i> | <i>185 (64.9%)</i> | <i>187 (62.8%)</i> | <i>174 (61.7%)</i> | <i>183 (63.1%)</i> |
| Total Traffic Accident | 360 (100%) | 285 (100%) | 298 (100%) | 282 (100%) | 290 (100%) |

About 60% of the traffic accidents were non-collision accidents involving passenger injury. Accidents caused by passengers losing balance in the bus has always been the major cause of accidents. Joint campaign among Transport Department, Road Safety Council and franchised bus operators to remind passengers to hold on to handrails whilst on board will continue be arranged periodically. Apart from bus captain training and monitoring, greater publicity effort will be addressed to passengers and other road users.

5.9 Analysis on Traffic Accident related to Non-driver Factors

As explained in the meeting with Transport Department on 14 June 2018, most of the data for the required analysis on traffic accident related to non-driver factors are not being captured or in a readily retrievable format currently. We are not able to provide the analysis in this FPP as required. Nevertheless, we will:

- start capture the required data that are not available at the moment with effect from 1 July 2018 to enable analysis to be done in future FPPs;
- submit our analysis on collision accidents by proportion of collision type (i.e. head-on, head-tail, side, reversing, vehicle-pedestrian, vehicle object) for year 2017 by the end of August 2018;
- submit our analysis on collision accidents by proportion of location (i.e. roundabout, junction, bus stop, PTI) for year 2017 by the end of August 2018;
- submit our analysis on number of accidents per vehicle-km by bus route for the past 5 years by the end of August 2018;
- submit our analysis on accident by proportion of bus model/make/length for the past 5 years by the end of August 2018;
- submit our analysis on accident by proportion of vehicle age for the past 5 year 2017 by the end of August 2018.

As discussed in the meeting, we do not think it is meaningful to provide the number of traffic accidents by district because we can foresee that the highest counts of traffic accident shall be the four districts on HK Island where most of our bus services are operated. Hence, we will not waste our time in retrieving such data unless you can convince us how this analysis can be used to enhance safety.

5.10 Measures and Programmes Planned to Enhance Safety

Apart from disciplinary actions taken, measures and programmes implemented to reduce common types/causes of traffic accidents are listed below:-

- (i) Strict enforcement on the requirement for bus captains to report their driving offences to the Company and carry out periodic random checking of driving offence record of selected bus captains with the Police.
- (ii) Provide refresher training to every bus captain (both full-time and part-time). The course content shall be reviewed periodically and shall include defensive driving concept, accident prevention tips, emergency handling procedures and traffic accident black spots.
- (iii) Carry out routine mysterious ride checks to monitor performance of bus captains. When any driving irregularities are detected, remedial training will be arranged to rectify the misbehaviours.
- (iv) Make better use of blackbox data to identify bus captains with improper driving behaviour such as speeding or harsh braking. Remedial training or disciplinary action will be taken to rectify the misbehaviours.

- (v) Promote safety awareness of passengers to hold on to handrail by displaying warning message at bus stops.
- (vi) Conduct random sample breath test for alcohol to monitor drink driving.
- (vii) Arrange remedial training for bus captains who have incurred 8 or more driving offence points.
- (vii) Assign new bus captains to relatively simple and less busy bus routes in the first few months of their employment to enable them to gain experience.
- (ix) Arrange more propaganda to remind bus captains on the importance of adequate sleep and rest after work and to encourage them to seek assistance from the Company on counselling on mitigating chronic stress on personal issue.
- (x) Adopted the design of square staircase and added vertical handrails at mid-way of the staircase of new buses.
- (xi) Specific safety messages (e.g. hold on to handrail, fasten seat belt) are disseminated to passengers through the on-board bus stop announcement system.
- (xii) Implement the revised working hours and rest time guidelines for bus captains.
- (xiii) Arrange follow-up mysterious ride checks to monitor performance of bus captains being disciplined after a period of 3 months.
- (xiv) Arrange bus captains to participate in the Road Safety Seminar for Franchise Bus Driver organized by TD.
- (xv) Enhance the induction training for part-time driver by increasing the driving training hours from 8 hours to 16 hours and by adding a 4-hour classroom training on safety awareness, customer service, EQ management, etc.
- (xvi) After the completion of the upgrade of blackboxes with real-time capability in 3Q 2018, bus captains will receive immediate alerts when the vehicle speed exceeds the prescribed limit.
- (xvii) A Safety Committee with members comprising the Managing Director (as Chairman) and Senior Management Staff of the Operations Division, the Engineering Division and Human Resources Division has been established since 2Q 2018 to review and oversee all safety related issues.
- (xviii) Set-up internal monitoring and audit mechanism to monitor the compliance of training guidelines, to develop key indicators on the effectiveness of training provided and to devise appropriate improvement measures deemed necessary.
- (xix) Equip new buses to be purchased with the following safety features:
 - electronic stability control

- active speed limiting system
 - seat belts on all seats
- (xx) Explore the technical feasibility and desirability of other new technologies to improve safety, such as anti-doing device, geo-fencing device

5.11 Target of Accident Involvement Rate per Million Kilometers

About 70% of the traffic accidents were not the fault of our bus captains. There is little correlation between the occurrence of traffic accident and factors such as hours worked, age and length of service of bus captains. Recruitment of bus captains is done properly and adequate continual driving training is provided to upkeep good driving behaviours. Monitoring of driving performance by various means is enforced. Proper and fair disciplinary procedure is in place to deter bad driving behaviour and to encourage good driving attitude. Our fleet is equipped with various safety equipment and is maintained to a high level of safety and reliability standard required by the Vehicle Safety Standard Division of the Transport Department.

Taking into consideration of the above and the measures to be taken, we set our yearly traffic accident rate (number of traffic accident per million vehicle-km operated) targets for the coming years (in bold) as follows:-

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------|------|------|------|------|-------------|-------------|-------------|-------------|-------------|-------------|
| 6.09 | 5.42 | 4.84 | 4.64 | 4.90 | 4.60 | 4.50 | 4.45 | 4.40 | 4.35 | 4.30 |

5 BUS SAFETY

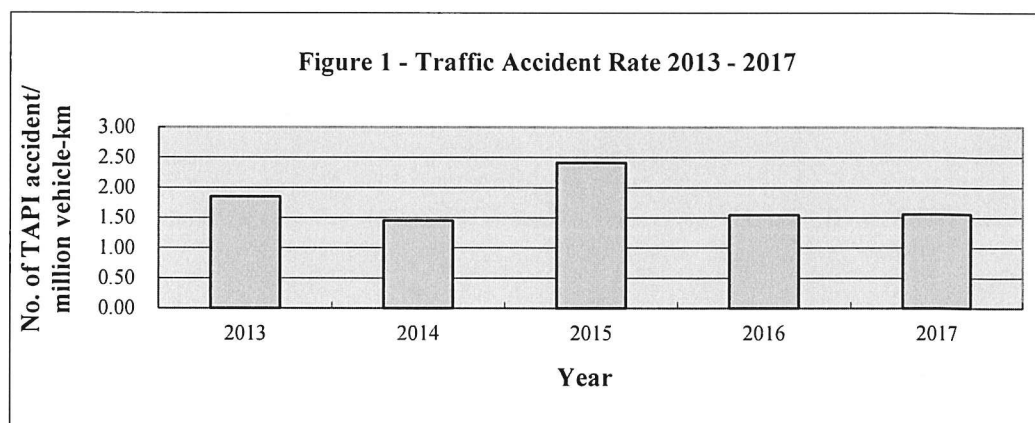
Annex II

5.1 Introduction

There are different parameters for monitoring accident trends and assessing safety performance. It is not meaningful to just look at the total number of accidents without taking into account of the kilometre operated and the composition of the bus network. It should also be noted that accident statistics should not be compared among different franchised bus operators because the composition of the network and the traffic situation of the operating areas of the franchised bus operators are different. The significant difference in accident statistics of Citybus F1 and F2 is a good demonstration of the effect of network composition and operating areas as Citybus F1 and F2 are both operated by Citybus.

5.2 Traffic Accident Trend

All the traffic accidents mentioned in the following paragraphs refer to Traffic Accidents with Person Injury (TAPI). The number of traffic accidents per million vehicle-km operated for Citybus F2 for the past 5 years shows a stable trend despite an upsurge in 2015 (Figure 1).



5.3 Blameworthiness

Unlike train operation, which has dedicated tracks, franchised buses share use of the roads with other vehicles, cyclists and pedestrians. No matter how good the buses are maintained and how careful the bus captains are, there are chances that some vehicles ran into their back or some pedestrians suddenly jumped out of the roads. Hence, a traffic accident involving franchised bus does not necessary be our fault. Whether other road users follow traffic rules and adopt a careful and considerate attitude has a great bearing on the number of traffic accidents involving our buses.

| Contributory Factors of Traffic Accident | Number of Traffic Accidents | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Factors not related to Bus Captains | 35 (67.3%) | 27 (62.8%) | 39 (54.2%) | 21 (45.7%) | 29 (61.7%) |
| Factors related to Bus Captains | 17 (32.7%) | 16 (37.2%) | 33 (45.8%) | 25 (54.3%) | 18 (38.3%) |
| Total | 52 | 43 | 72 | 46 | 47 |

The above table shows that about 60% of the traffic accidents were due to factors not related to our bus captains.

5.4 Contributory Factors of Traffic Accidents Related to Bus Captains

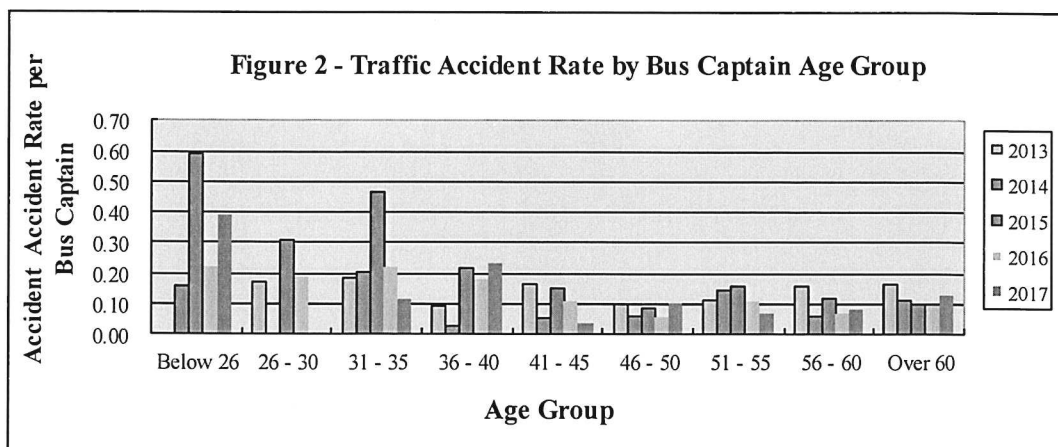
| Contributory Factors of Traffic Accidents (CTB (F2)) | Number of Bus Captains Involved | | |
|--|---------------------------------|-----------|-----------|
| (2) Factors related to bus captains | 2015 | 2016 | 2017 |
| Driving too close to kerb / vehicle in front / vehicle alongside | 39 | 21 | 29 |
| Stopping / Starting negligently | 3 | 3 | 2 |
| To avoid collision | 0 | 0 | 0 |
| Overtaking / lane changing negligently | 3 | 1 | 0 |
| Driving too fast for road condition | 0 | 0 | 0 |
| U turning / Turning right or left negligently | 0 | 0 | 0 |
| Opened door negligently / Failing to ensure the safety of passenger | 6 | 2 | 6 |
| Failing to observe traffic signals / traffic signs | 2 | 0 | 1 |
| Driving inattentively | 11 | 13 | 5 |
| Lost control of vehicle | 0 | 0 | 1 |
| Sudden Illness of driver | 0 | 0 | 0 |
| Sleep or fatigue | 0 | 0 | 0 |
| Failing to keep to nearside of road / Emerging from side road negligently / Failure to signal movement correctly / Driving on wrong side of road | 0 | 0 | 0 |
| Reversing negligently | 0 | 0 | 0 |
| Rolling backwards / forwards-failed to set handbrake | 0 | 1 | 0 |
| Others ² | 5 | 4 | 1 |
| Sub-total – Factors related to bus captains | 33 | 25 | 18 |

Of the factors related to bus captains, “driving inattentively”, “Driving too close to kerb / vehicle in front / vehicle alongside” and “opened door negligently / failing to ensure the safety of passengers” have always been the most common factors. We will remind bus captains on these during the refresher training.

5.5 Traffic Accident Rate and Bus Captain Age

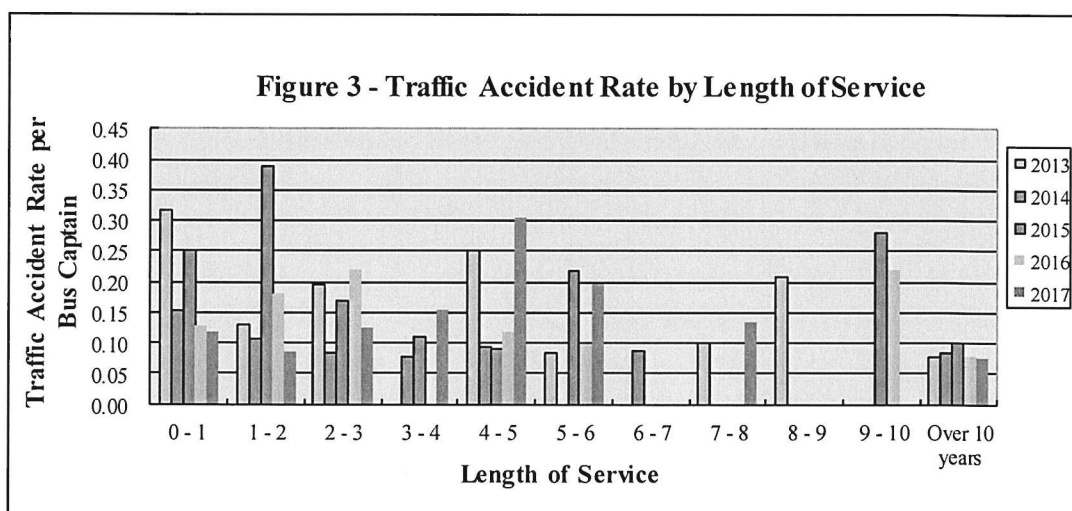
To find out the relationships between age of bus captains and occurrence of traffic accident, the traffic accident rate per bus captain for different age groups for the past 5 years are worked out and shown in Figure 2. It shows that the traffic accident rates fluctuated in different years for different age groups. No

pattern can be established. Hence, we conclude that there is no correlation between age and accident occurrence.



5.6 Traffic Accident Rate and Length of Service

To find out the relationships between length of service and occurrence of traffic accident, the traffic accident rates per bus captain for difference length of service are for the past 5 years worked out and shown in Figure 3. It shows that the traffic accident rates fluctuated in different years for different service length groups. No pattern can be established. Hence, it is concluded that there is no correlation between length of service and accident occurrence.



5.7 TAPI Accident Rate and the Change of Service Route/Vehicle

To find out the relationship between the number of routes/buses a bus captain operates in one shift and the occurrence of traffic accident, those accidents that happened during a bus trip after the bus captain just changed route/bus were identified. The result is shown in the table below. The percentage of traffic accident happened after bus captain just changed routes is generally less than the percentage of the total bus trips scheduled to change route/bus. Taking into consideration of the fact that traffic congestion and vehicle breakdown would result in more route/bus changes, the actual percentage of total bus trips changed route/bus should be higher than the scheduled percentage. Thus, there is no

correlation between the change of service route/vehicle and accident occurrence.

Traffic Accident Rate and Change of Service Route/Bus

| Year | TAPI happened after driver just change routes/bus | % of bus trips scheduled to change route/bus |
|------|---|--|
| 2013 | 28.3% | 31.1% |
| 2014 | 27.9% | 30.9% |
| 2015 | 21.1% | 33.5% |
| 2016 | 30.4% | 31.6% |
| 2017 | 19.1% | 32.1% |

5.8 Analysis of Traffic Accident by Nature

The results of analysis of traffic accident are shown in the table below.

Analysis of Traffic Accident by Nature for the past five years

| Nature of Traffic Accident | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Head-tail collision | 5 (10%) | 7 (16%) | 10 (14%) | 13 (28%) | 9 (19%) |
| Side Collision | 12 (23%) | 8 (19%) | 18 (25%) | 10 (22%) | 14 (30%) |
| Knock down pedestrian | 2 (4%) | 0 (0%) | 3 (4%) | 0 (0%) | 0 (0%) |
| Hitting stationary object | 5 (10%) | 5 (12%) | 5 (7%) | 3 (7%) | 2 (4%) |
| <i>Collision Accidents sub-total</i> | <i>24 (46%)</i> | <i>20 (47%)</i> | <i>36 (50%)</i> | <i>26 (57%)</i> | <i>25 (53%)</i> |
| Passenger losing balance on stairway | 5 (10%) | 5 (12%) | 5 (7%) | 2 (4%) | 5(11%) |
| Passenger injured by door | 1 (2%) | 1 (2%) | 1 (1%) | 0 (0%) | 0 (0%) |
| Passenger losing balance elsewhere expect on stairway | 22 (42%) | 17 (39%) | 30 (42%) | 18 (39%) | 17 (36%) |
| <i>Non-collision accident sub-total</i> | <i>28 (54%)</i> | <i>23 (53%)</i> | <i>36 (50%)</i> | <i>20 (43%)</i> | <i>22 (47%)</i> |
| Total Traffic Accident | 52 (100%) | 43 (100%) | 72 (100%) | 46 (100%) | 47 (100%) |

About 50% of the traffic accidents were non-collision accidents involving passenger injury. Accidents caused by passengers losing balance in the bus has always been the major cause of accidents. Joint campaign among Transport Department, Road Safety Council and franchised bus operators to remind passengers to hold on to handrails whilst on board will continue be arranged periodically. Apart from bus captain training and monitoring, greater publicity effort will be addressed to passengers and other road users.

5.9 Analysis on Traffic Accident related to Non-driver Factors

As explained in the meeting with Transport Department on 14 June 2018, most of the data for the required analysis on traffic accident related to non-driver factors are not being captured or in a readily retrievable format currently. We are not able to provide the analysis in this FPP as required. Nevertheless, we will:

- start capture the required data that are not available at the moment with effect from 1 July 2018 to enable analysis to be done in future FPPs;
- submit our analysis on collision accidents by proportion of collision type (i.e. head-on, head-tail, side, reversing, vehicle-pedestrian, vehicle object) for year 2017 by the end of August 2018;
- submit our analysis on collision accidents by proportion of location (i.e. roundabout, junction, bus stop, PTI) for year 2017 by the end of August 2018;
- submit our analysis on number of accidents per vehicle-km by bus route for the past 5 years by the end of August 2018;
- submit our analysis on accident by proportion of bus model/make/length for the past 5 years by the end of August 2018;
- submit our analysis on accident by proportion of vehicle age for the past 5 year 2017 by the end of August 2018.

As discussed in the meeting, we do not think it is meaningful to provide the number of traffic accidents by district because we can foresee that the highest counts of traffic accident shall be the four districts on HK Island where most of our bus services are operated. Hence, we will not waste our time in retrieving such data unless you can convince us how this analysis can be used to enhance safety.

5.10 Measures and Implementation Programme to Enhance Safety

Apart from disciplinary actions taken, measures and programmes implemented/planned to reduce common types/causes of traffic accidents are listed below:-

- (i) Strict enforcement on the requirement for bus captains to report their driving offences to the Company and carry out periodic random checkings of driving offence record of selected bus captains with the Police.
- (ii) Provide refresher training to every Bus Captain. The course content shall be reviewed periodically and shall include defensive driving concept, accident prevention tips, emergency handling procedures and traffic accident black spots.

- (iii) Carry out routine mysterious ride checks to monitor performance of bus captains. When any driving irregularities are detected, remedial training will be arranged to rectify the misbehaviours.
- (iv) Make better use of blackbox data to identify bus captains with improper driving behaviour such as speeding or harsh braking. Remedial training or disciplinary action will be taken to rectify the misbehaviours.
- (v) Promote safety awareness of passengers to hold on to handrail by displaying warning message at bus stops.
- (vi) Conduct random sample breath test for alcohol to monitor drink driving.
- (vii) Arrange remedial training for bus captains who have incurred 8 or more driving offence points.
- (vii) Assign new bus captains to relatively simple and less busy bus routes in the first few months of their employment to enable them to gain experience.
- (ix) Arrange more propagandas to remind bus captains on the importance of adequate sleep and rest after work and to encourage them to seek assistance from the Company on counselling on mitigating chronic stress on personal issue.
- (x) Adopted the design of square staircase and added vertical handrails at mid-way of the staircase of new buses.
- (xi) Specific safety messages (e.g. hold on to handrail, fasten seat belt) are disseminated to passengers through the on-board bus stop announcement system.
- (xii) Implement the revised working hours and rest time guidelines for bus captains.
- (xiii) Arrange follow-up mysterious ride checks to monitor performance of bus captains being disciplined after a period of 3 months.
- (xiv) Arrange bus captains to participate in the Road Safety Seminar for Franchise Bus Driver organized by TD.
- (xv) Enhance the induction training for part-time driver by increasing the driving training hours from 8 hours to 16 hours and by adding a 4-hour classroom training on safety awareness, customer service, EQ management, etc.
- (xvi) After the completion of the upgrade of blackboxes with real-time capability in 3Q 2018, bus captains will receive immediate alerts when the vehicle speed exceeds the prescribed limit.

- (xvii) A Safety Committee with members comprising the Managing Director (as Chairman) and Senior Management Staff of the Operations Division, the Engineering Division and Human Resources Division has been established since 2Q 2018 to review and oversee all safety related issues.
- (xviii) Set-up internal monitoring and audit mechanism to monitor the compliance of training guidelines, to develop key indicators on the effectiveness of training provided and to devise appropriate improvement measures deemed necessary.
- (xix) Equip new buses to be purchased with the following safety features:
 - electronic stability control
 - active speed limiting system
 - seat belts on all seats
- (xx) Explore the technical feasibility and desirability of other new technologies to improve safety, such as anti-dozing device, geo-fencing device

5.11 Target of Accident Involvement Rate per Million Kilometers

About 60% of the traffic accidents were not the fault of our bus captains. There is little correlation between the occurrence of traffic accident and factors such as hours worked, age and length of service of bus captains. Recruitment of bus captains is done properly and adequate continual driving training is provided to upkeep good driving behaviours. Monitoring of driving performance by various means is enforced. Proper and fair disciplinary procedure in place to deter bad driving behaviour and to encourage good driving attitude. Our fleet is equipped with various safety equipment and is maintained to a high level of safety and reliability standard required by the Vehicle Safety Standard Division of the Transport Department.

Taking into consideration of the above and the measures to be taken, we set our yearly traffic accident rate (number of traffic accident per million vehicle-km) targets for the coming years (in bold) as follows:-

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------|------|------|------|------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1.85 | 1.61 | 2.41 | 1.73 | 1.71 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 |

5 BUS SAFETY

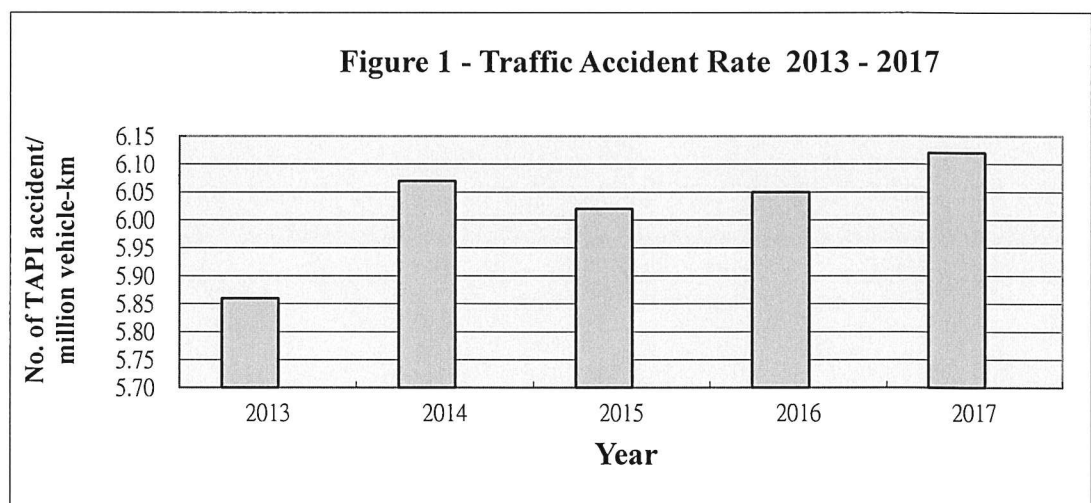
Annex III

5.1 Introduction

There are different parameters for monitoring accident trends and assessing safety performance. It is not meaningful to just look at the total number of accidents without taking into account of the kilometer operated and the composition of the bus network. It should also be noted that accident statistics should not be compared among different franchised bus operators because the composition of the network and the traffic situation of the operating areas of the franchised bus operators are difference. The significant difference in accident statistics of NWFB and Citybus F2 is a good demonstration of the effect of network composition and operating areas as NWFB and Citybus F2 are also operated by the same management team.

5.2 Traffic Accident Analyses

All the traffic accidents mentioned in the following paragraphs refer to Traffic Accidents with Person Injury (TAPI). The number of traffic accidents per million vehicle-km operated for NWFB for the past five years shows a slight upward trend (Figure 1).



5.3 Blameworthiness

Unlike train operation, which has dedicated tracks, franchised buses share use of the roads with other vehicles, cyclists and pedestrians. No matter how good the buses are maintained and how careful the bus captains are, there are chances that some vehicles ran into their back or some pedestrians suddenly jumped out of the roads. Hence, a traffic accident involving franchised bus does not necessarily be our fault. Whether other road users follow traffic rules and adopt a careful and considerate attitude has a great bearing on the number of traffic accidents involving our buses.

| Contributory Factors of Traffic Accident | Number of Traffic Accidents | | | | |
|--|-----------------------------|----------------|----------------|----------------|----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Factors not related to Bus Captains | 193 (62.5%) | 204 (65.4%) | 212 (69.3%) | 182 (60.7%) | 214 (71.8%) |
| Factors related to Bus Captains | 116 (37.5%) | 108 (34.6%) | 94 (30.7%) | 118 (39.3%) | 84 (28.2%) |
| Total | 309 | 312 | 306 | 300 | 298 |

Although the number of traffic accidents per million vehicle-km shows a slight upward trend, the above table shows that the increase in number of the traffic accidents was on those due to factors not related to our bus captains.

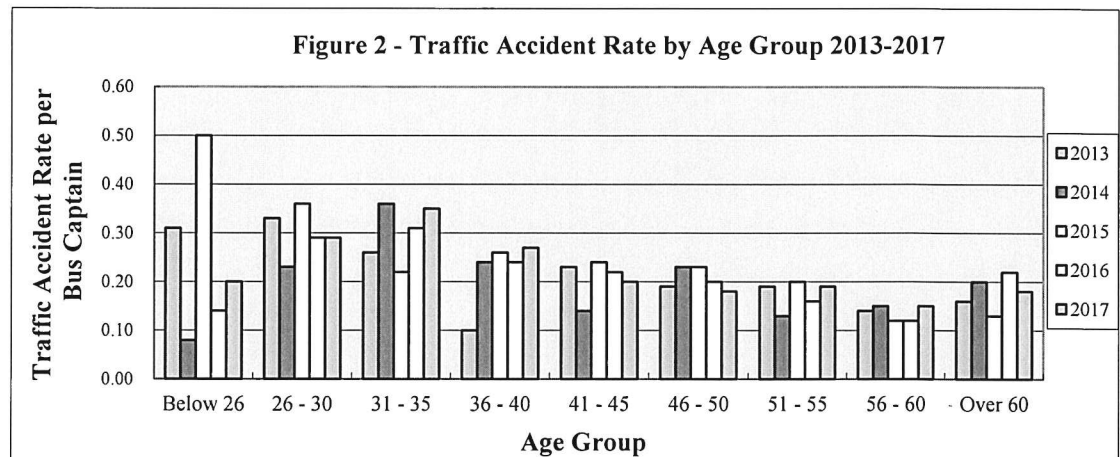
5.4 Contributory Factors of Traffic Accidents Related to Bus Captains

| Contributory Factors of Traffic Accidents (CTB (F1)) | Number of Bus Captains Involved | | |
|--|---------------------------------|------------|-----------|
| (2) Factors related to bus captains | 2015 | 2016 | 2017 |
| Driving too close to kerb / vehicle in front / vehicle alongside | 9 | 15 | 7 |
| Stopping / Starting negligently | 2 | 4 | 6 |
| To avoid collision | 3 | 4 | 1 |
| Overtaking / lane changing negligently | 13 | 12 | 6 |
| Driving too fast for road condition | 0 | 0 | 0 |
| U turning / Turning right or left negligently | 1 | 2 | 3 |
| Opened door negligently / Failing to ensure the safety of passenger | 32 | 34 | 26 |
| Failing to observe traffic signals / traffic signs | 1 | 2 | 1 |
| Driving inattentively | 20 | 24 | 23 |
| Lost control of vehicle | 1 | 1 | 0 |
| Sudden Illness of driver | 0 | 0 | 0 |
| Sleep or fatigue | 0 | 0 | 0 |
| Failing to keep to nearside of road / Emerging from side road negligently / Failure to signal movement correctly / Driving on wrong side of road | 0 | 0 | 0 |
| Reversing negligently | 0 | 0 | 0 |
| Rolling backwards / forwards-failed to set handbrake | 0 | 0 | 0 |
| Others (refer to factors not belong to the above-listed categories. It also includes factors relating to other drivers involved in accidents) | 12 | 20 | 11 |
| Sub-total – Factors related to bus captains | 94 | 118 | 84 |

Of the factors related to bus captains, “Driving inattentively”, “Driving too close to kerb / vehicle in front / vehicle alongside” and “Opened door negligently / failing to ensure the safety of passengers” have always been the most common factors. We will remind bus captains on these during the refresher training.

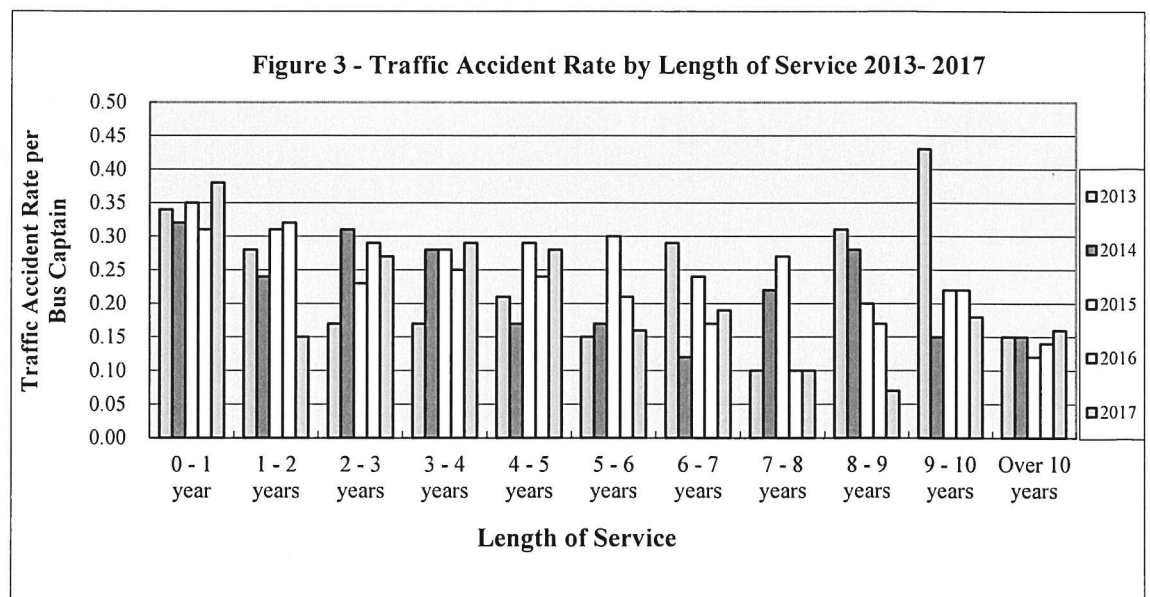
5.5 Traffic Accident Rate and Bus Captain Age

To find out the relationship between age of bus captain and occurrence of traffic accident, the traffic accident per bus captain for different age groups for the past 5 years are worked out and shown in Figure 2. It shows that the traffic accident rates fluctuated in different year for different age groups. No pattern can be established. Hence, it is concluded that there is no correlation between age and accident occurrence.



5.6 Accident Analysis by Length of Service of Bus Captains

To find out the relationship between length of service and occurrence of traffic accident, the accident rates per bus captain for different length of service for the past 5 years are worked out and shown in Figure 3. It shows that the traffic accident rates fluctuated in different years for different service length groups. No pattern can be established. Hence, it is concluded that there is no correlation between length of service and accident occurrence.



5.7 Traffic Accident Rate and the Change of Service Route/Vehicle

To find out the relationship between the number of routes/buses a bus captain operates in one shift and the occurrence of traffic accident, those accidents that happened during a bus trip after the bus captain just changed route/bus were identified. The result is shown in the table below. The percentage of traffic accident happened after bus captain just changed routes is generally in-line with the percentage of the total bus trips scheduled to change route/bus. Taking into consideration of the fact that traffic congestion and vehicle breakdown would result in more route/bus changes, the actual percentage of total bus trips changed route/bus should be higher than the scheduled percentage. Thus, there is no correlation between the change of service route/vehicle and accident occurrence.

Traffic Accident Rate and Change of Service Route/Bus

| Year | TAPI happened after driver just change routes/bus | % of bus trips scheduled to change route/bus |
|------|---|--|
| 2013 | 19.9% | 23.3% |
| 2014 | 34.0% | 23.8% |
| 2015 | 15.6% | 24.0% |
| 2016 | 17.63% | 19.70% |
| 2017 | 17.87% | 16.99% |

5.8 Analysis of Traffic Accident by Nature

The results of analysis of traffic accident by nature are shown in the table below.

Analysis of Traffic Accident by Nature for the past five years

| Nature of Traffic Accident | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Head-tail collision | 34 (11%) | 33 (11%) | 25 (8%) | 26 (9%) | 22 (7%) |
| Side collision | 44 (14%) | 66 (21%) | 61 (20%) | 57 (19%) | 54 (18%) |
| Knock down pedestrian | 15 (5%) | 24 (8%) | 18 (6%) | 18 (6%) | 18 (6%) |
| Hitting stationary object | 28 (9%) | 25 (8%) | 24 (8%) | 18 (6%) | 29 (10%) |
| <i>Collision Accidents sub-total</i> | <i>121 (39%)</i> | <i>149 (48%)</i> | <i>128 (42%)</i> | <i>121 (40%)</i> | <i>123 (41%)</i> |
| Passenger losing balance on stairway | 41 (13%) | 38 (12%) | 29 (10%) | 32 (11%) | 23 (8%) |
| Passenger injured by door | 15 (5%) | 9 (3%) | 13 (4%) | 8 (3%) | 10 (3%) |

| | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Passenger losing balance elsewhere expect on stairway | 132 (43%) | 116 (37%) | 136 (44%) | 139 (46%) | 142 (48%) |
| <i>Non-collision Accident sub-total</i> | <i>188 (61%)</i> | <i>163 (52%)</i> | <i>178 (58%)</i> | <i>179 (60%)</i> | <i>175 (59%)</i> |
| Total Traffic Accident | 309 (100%) | 312 (100%) | 306 (100%) | 300 (100%) | 298 (100%) |

About 60% of the traffic accidents were non-collision accidents involving passenger injury. Accidents caused by passengers losing balance in the bus has always been the major cause of accidents. Joint campaign among Transport Department, Road Safety Council and franchised bus operators to remind passengers to hold on to handrails whilst on board will continue be arranged periodically. Apart from bus captain training and monitoring, greater publicity effort will be addressed to passengers and other road users.

5.9 Analysis on Traffic Accident related to Non-driver Factors

As explained in the meeting with Transport Department on 14 June 2018, most of the data for the required analysis on traffic accident related to non-driver factors are not being captured or in a readily retrievable format currently. We are not able to provide the analysis in this FPP as required. Nevertheless, we will:

- start capture the required data that are not available at the moment with effect from 1 July 2018 to enable analysis to be done in future FPPs;
- submit our analysis on collision accidents by proportion of collision type (i.e. head-on, head-tail, side, reversing, vehicle-pedestrian, vehicle object) for year 2017 by the end of August 2018;
- submit our analysis on collision accidents by proportion of location (i.e. roundabout, junction, bus stop, PTI) for year 2017 by the end of August 2018;
- submit our analysis on number of accidents per vehicle-km by bus route for the past 5 years by the end of August 2018;
- submit our analysis on accident by proportion of bus model/make/length for the past 5 years by the end of August 2018;
- submit our analysis on accident by proportion of vehicle age for the past 5 year 2017 by the end of August 2018.

As discussed in the meeting, we do not think it is meaningful to provide the number of traffic accidents by district because we can foresee that the highest counts of traffic accident shall be the four districts on HK Island where most of our bus services are operated. Hence, we will not waste our time in retrieving such data unless you can convince us how this analysis can be used to enhance safety.

5.10 Measures and Implementation Programme to Enhance Safety

Apart from disciplinary actions taken, measures and programmes planned to reduce common types/causes of traffic accidents are listed below:-

- (i) Strict enforcement on the requirement for Bus Captains to report their driving offences to the Company and carry out periodic random checkings of driving offence record of selected Bus Captains with the Police.
- (ii) Provide refresher training to every Bus Captain. The course content shall be reviewed periodically and shall include defensive driving concept, accident prevention tips, emergency handling procedures and traffic accident black spots.
- (iii) Carry out routine mysterious ride checks to monitor performance of bus captains. When any driving irregularities are detected, remedial driving training will be arranged to rectify the misbehaviours.
- (iv) Make better use of blackbox data to identify bus captains with improper driving behaviour such as speeding or harsh braking. Remedial training or disciplinary action will be taken to rectify the misbehaviours.
- (v) Promote safety awareness of passengers to hold on to handrail by displaying warning message at bus stops.
- (vi) Conduct random sample breath test for alcohol to monitor drink driving.
- (vii) Arrange remedial training for bus captains who have incurred 8 or more driving offence points.
- (viii) Assign new bus captains to relatively simple and less busy bus routes in the first few months of their employment to enable them to gain experience.
- (ix) Arrange more propagandas to remind Bus Captains on the importance of adequate sleep and rest after work and to encourage them to seek assistance from the Company on counselling on mitigating chronic stress on personal issue.
- (x) Adopted the design of square staircase and added vertical handrails at mid-way of the staircase of new buses.
- (xi) Specific safety messages (e.g. hold on to handrail, fasten seat belt) are disseminated to passengers through the on-board bus stop announcement system.
- (xii) Implement the revised working hours and rest time guidelines for bus captains.

- (xiii) Arrange follow-up mysterious ride checks to monitor performance of bus captains being disciplined after a period of 3 months.
- (xiv) Arrange bus captains to participate in the Road Safety Seminar for Franchise Bus Driver organized by TD.
- (xv) Enhance the induction training for part-time driver by increasing the driving training hours from 8 hours to 16 hours and by adding a 4-hour classroom training on safety awareness, customer service, EQ management, etc.
- (xvi) After the completion of the upgrade of blackboxes with real-time capability in 3Q 2018, bus captains will receive immediate alerts when the vehicle speed exceeds the prescribed limit.
- (xvii) A Safety Committee with members comprising the Managing Director (as Chairman) and Senior Management Staff of the Operations Division, the Engineering Division and Human Resources Division has been established since 2Q 2018 to review and oversee all safety related issues.
- (xviii) Set-up internal monitoring and audit mechanism to monitor the compliance of training guidelines, to develop key indicators on the effectiveness of training provided and to devise appropriate improvement measures deemed necessary.
- (xix) Equip new buses to be purchased with the following safety features:
 - electronic stability control
 - active speed limiting system
 - seat belts on all seats
- (xx) Explore the technical feasibility and desirability of other new technologies to improve safety, such as anti-dozing device, geo-fencing device

5.11 Target of Accident Rate per Million Kilometers

About 70% of the traffic accidents were not the fault of our bus captains. There is little correlation between the occurrence of traffic accident and factors such as hours worked, age and length of service of bus captains. Recruitment of bus captains is done properly and adequate continual driving training is provided to upkeep good driving behaviours. Monitoring of driving performance by various means is enforced. Proper and fair disciplinary procedure is in place to deter bad driving behaviour and to encourage good driving attitude. Our fleet is equipped with various safety equipment and is maintained to a high level of safety and reliability standard required by the Vehicle Safety Standard Division of the Transport Department.

Taking into consideration of the above and the measures to be taken, we set our yearly traffic accident (number of traffic accident per million vehicle-km operated) targets for the coming years (in bold) as follows:

| | | | | | | | | | | |
|------|------|------|------|------|-------------|-------------|-------------|-------------|-------------|-------------|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| 5.86 | 6.99 | 6.13 | 6.11 | 5.80 | 5.50 | 5.30 | 5.10 | 4.90 | 4.80 | 4.75 |

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4

來函檔號 Your Ref.: MD/0404/18

電話號碼 Tel No.: 2867 5324

傳真號碼 Fax No.: 3104 0254

9 October 2018

Mr Samuel CHENG
Managing Director
New World First Bus Services Limited
Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong
(Fax: 2579 1028)

BY FAX & BY POST

Dear Mr CHENG,

Independent Review Committee on Hong Kong's Franchised Bus Service

The Committee thanks you and other representatives of the New World First Bus Services Limited ("NWFB") and Citybus Limited ("CTB") for attending the hearings on 29 and 30 May 2018 and giving oral evidence to the Committee in respect of safety-related matters pertaining to franchised bus service, as well as making various written submissions.

2. Since those hearings, the Committee has received oral evidence and further written submissions from invited interested parties including, amongst others, the Transport Department ("TD"), the Kowloon Motor Bus Company (1933) Limited ("KMB"), trade unions representing bus captains, the District Councils, black box manufacturers, the Hong Kong Police Force, as well as Professor John Stanley and Mr Mike Weston, who are the two experts appointed by the Committee to provide expert advice. As you are no doubt aware, the written submissions received by the Committee are available at www.irc-bus.gov.hk/eng/representations.html and the transcripts of the hearings are available at www.irc-bus.gov.hk/eng/transcripts.html¹.

3. In those submissions and in the oral evidence the Committee has received information relating to various safety-related matters pertaining to franchised bus service. Some of these matters include:

¹ The Committee held hearings with the invited interested parties set out in paragraph 2 on:

TD: 7 and 8 May 2018, as well as 4 and 6 October 2018

KMB: 7, 10 and 11 August 2018, as well as 12 September 2018

Trade unions: 30 and 31 July 2018, as well as 1 August 2018

District Councils: 14 July 2018

Black box manufacturer: 14 July 2018

Hong Kong Police Force: 24 September 2018

Professor John Stanley: 15 September 2018

Mr Mike Weston: 27 September 2018

- (i) the deliberations and final recommendations made by the TD's Working Group on the Enhancement of Safety of Franchised Buses addressing the adoption of new safety devices on franchised buses, the installation and retrofitting of seat belts in franchises buses, and the training for bus captains;
- (ii) the existing practice of monitoring the driving behaviour of bus captains (e.g. speeding, harsh braking and sudden acceleration) and the possibility of adopting real time monitoring of such behaviour;
- (iii) enforcement action on illegal parking / stopping at bus stops and assault of bus captains, as well as new pilot schemes launched by the Police;
- (iv) adopting more nuanced indicators for monitoring the safety-related performance of franchised bus companies as well as the provision of financial incentives or disincentives that are linked to safety performance;
- (v) the introduction of competitive bidding or competitive elements in the award of franchises to bus operators;
- (vi) making available to the public more information relating to the safety performance of franchised bus companies, e.g. accident statistics contained in the Bus Safety Sections of the Forward Planning Programmes; and
- (vii) the provision of adequate and proper rest facilities and toilets for bus captains at bus termini.

4. In those circumstances, the Committee invites your companies, if you wish to do so, to make further written submissions.

5. I should be grateful to receive your companies' submission, if any, before **15 October 2018**. The following day, 16 October 2018, will be the final day on which evidence is received from the Commissioner for Transport and her colleagues from the TD. Should you have any queries, please feel free to contact me or Mr Justin TO at 2867 4612.

6. Please be advised that all submissions (including any annexes, appendices and attachments contained therein) will be treated as public information and, at the discretion of the Committee, may be published on the Committee's website.

Yours sincerely,



(CHAN Ping-fai, Peter)

Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service



新創建集團成員 Members of NWS Holdings

Our ref: MD/1016/18
Your ref: CSO/IRC-BUS/CR/7-45/4

Tel No.: (852) 2136 2889
Fax No.: (852) 2579 1028

15 October 2018

Secretariat to the Independent Review Committee on
Hong Kong's Franchised Bus Service
21/F, Queensway Government Offices
66 Queensway
Admiralty
Hong Kong

Attn: Mr Chan Ping-fai, Peter

Dear Sirs

Independent Review Committee on Hong Kong's Franchised Bus Service

With reference to your letter dated 9 October 2018, our Companies would like to make our submission as follows:

- (i) Our Companies, being members of the Working Group on Enhancement of Safety of Franchised Buses ("Working Group"), support the final recommendations on the adoption of new safety devices on our franchised buses to enhance safety.

We have specified that all our new buses procured for delivery commencing June 2019 be installed with Electronic Stability Control ("ESC"); Active Speed Limiting System ("ASLS") and seatbelts for all seats.

Subject to further assessment on the technical, operational and financial feasibility, seatbelts for the upper deck seats of buses deployed on long haul routes, ESC and ASLS will be considered for retrofit to existing buses built since 2013.

Other new safety features including bus speed control aided by GPS; collision alert & lane keeping device; and driver monitoring device will be studied and trials will be embarked on for assessment of their effectiveness.

Page 1 of 5

城巴有限公司
Citybus Limited

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2963 4888 傳真 Fax (852) 2579 0202
網址 Website www.citybus.com.hk

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)
香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2136 2140 傳真 Fax (852) 2147 3611
網址 Website www.nwfb.com.hk



We had requested the government to provide funding for the retrofit of the above mentioned safety devices to alleviate the pressure on our bus fare, and this has been responded positively in the Chief Executive's 2018 Policy Address.

With regard to training for bus captains, our Companies have started implementing the Practice Note on Training Framework for Franchised Bus Captains in October 2018 and target to have full implementation by June 2019.

- (ii) Our Companies previously monitored the speed of our buses on 25 selected road sections with speed limit of 50 km/hr and all road sections with speed limit of 70 km/hr or above. From 18 September 2018, we started monitoring the speed of our buses on all roads by applying the "Speed Limit" data provided by the Transport Department. The criteria for generating over speed event reports remain unchanged as follows:

- Speed of over 55 km/hr for more than 10 consecutive seconds on road sections with speed limit of 50 km/hr; or
- Speed of over 75 km/hr for more than 10 consecutive seconds on road sections with speed limit of 70 km/hr or above.

We also introduced a real-time audio alert to remind bus captains to slow down under the following situations:

- Speed of over 53 km/hr for more than 5 consecutive seconds on road sections with speed limit of 50 km/hr; or
- Speed of over 73 km/hr for more than 5 consecutive seconds on road sections with speed limit of 70 km/hr or above.

We are liaising with our black-box supplier on the feasibility of providing real-time alert to bus captains when a harsh braking or sudden acceleration event occurs. We are studying the feasibility of generating harsh braking and sudden acceleration reports automatically to identify bus captains with frequent jerky driving events. Follow up

actions including remedial training and disciplinary sanctions will be provided / administered to correct their driving behaviour. We will share our study results with the Working Group.

- (iii) We fully support and welcome the enforcement actions to be taken by the Police against illegal parking / stopping at bus stops and assault on bus captains.
- (iv) We have no objection to the Transport Department's adoption of more nuanced indicators for monitoring our safety-related performance and we welcome the suggestion of providing financial incentives that are linked to safety performance.

With regard to the suggestion of imposing financial disincentives that are linked to safety performance, we consider that there are already sufficient provisions under the Public Bus Services Ordinance ("PBSO").

Section 12 (1) of the PBSO requires that:

"A grantee shall, at all times during the franchise period, maintain to the satisfaction of the Commissioner a proper and efficient public bus service."

and

Section 22 (2) of the PBSO states that:

"A financial penalty may be imposed in respect of any failure by a grantee to comply with its franchise or this Ordinance or any direction or requirement under its franchise or this Ordinance, or with any programme or any approval under section 16A."

To our understanding, the requirement under Section 12 (1) includes the provision of safe bus services and thus, the financial penalty stated under Section 22 (2) shall suffice.

- (v) We do not support the suggestion of introducing competitive bidding or competitive elements in the award of franchises to bus operators for the following reasons:

- a) Hong Kong is not geographically extensive. Bringing in new operators will create wasteful competition, generate more emission and aggravate the already heavy traffic congestion. This did happen before Citybus and New World First Bus came under common ownership in 2004.
- b) Hong Kong is short of land resources. Our Companies are already very tight in depot and parking facilities. We believe that new operators will find themselves difficult, if not impossible, to secure new land for such facilities. This was rightly pointed out by Mr Mike Weston in his evidence.
- c) Franchised bus business is capital intensive and the payback period is long. Without a reasonable assurance of the long term sustainability of the business, potential operators will be reluctant to invest. Further, bank financing for the purchase of buses and construction of depot facilities will be difficult to obtain. None of the aforesaid is conducive to sustaining a safe and reliable franchised bus service in Hong Kong.
- d) Franchised bus business is labour intensive and it is already very difficult to recruit frontline staff at the moment. Without a reasonable assurance of long term job security, people will be reluctant to join the industry. Further, when an incumbent operator is not successful in the re-tender of its services, redundancy of staff, mainly at the frontline level, will be inevitable. This will be most undesirable.

In view of these, we do not consider that the introduction of competitive bidding is a viable option for Hong Kong.

- (vi) We have no objection to making available to the public more information relating to the safety performance of our Companies. We consider that the information to be made available shall be discussed in the Working Group and be aligned among all franchised bus companies.
- (vii) We have been striving very hard to provide adequate and proper resting facilities and toilets for our bus captains at bus termini. Unfortunately, it normally takes a long time for the approval of our applications through the cumbersome consultation process. If



新創建集團成員 Members of NWS Holdings

there is any objection from local stakeholders, the applications will not be successful. We would like to have the Transport Department's stronger support for our applications and assistance in negotiating with local stakeholders.

In our view, the provision of permanent toilet facilities and adequate space for bus captain resting facilities at convenient locations in the vicinity of bus termini is essential and this should be sufficiently addressed at the planning and design stage of new bus termini.

Should the Independent Review Committee require any further elaboration of the above, please feel free to contact the undersigned.

Thank you for your attention.

Yours faithfully
For and on behalf of
New World First Bus Services Limited
Citybus Limited

Samuel Cheng
Managing Director
SC/kc

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4

來函檔號 Your Ref.: MD/0404/18

電話號碼 Tel No.: 2867 5324

傳真號碼 Fax No.: 3104 0254

12 October 2018

Mr Samuel CHENG
Managing Director
New World First Bus Services Limited
Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong
(Email: samuelcheng@nwst.com.hk)

BY EMAIL & BY POST

Dear Mr CHENG,

Independent Review Committee on Hong Kong's Franchised Bus Service

The Independent Review Committee (the Committee) having received your written submissions and the oral evidence of your representatives, given in response to the invitation of the Committee, now invites you, if you wish, to make closing written submissions to the Committee in respect of recommendations that the Committee ought to make or ought not to make to the Chief Executive on safety-related measures with a view to sustaining a safe and reliable franchised bus service in Hong Kong.

The process of receiving written submissions and oral evidence is almost complete and it is anticipated that the receipt of oral evidence will conclude with the evidence of the representatives of the Transport Department on 16 October 2018.

The written submissions identified for use at the hearings and the transcript of the oral evidence received by the Committee, together with related documentation, is available at <https://www.irc-bus.gov.hk>.

In those circumstances, if you do wish to make written closing submissions, you are requested to provide them to the Committee on or before **7 November 2018**, limited to a maximum of 5,000 words (or 6,000 characters in Chinese) in length.

Yours sincerely,

(CHAN Ping-fai, Peter)
Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service



新創建集團成員 Members of NWS Holdings

Our ref: MD/1117/18
Your ref: CSO/IRC-BUS/CR/7-45/4

Tel No.: (852) 2136 2889
Fax No.: (852) 2579 1028

7 November 2018

Secretariat to the Independent Review Committee on
Hong Kong's Franchised Bus Service
21/F, Queensway Government Offices
66 Queensway
Admiralty
Hong Kong

Attn: Mr Chan Ping-fai, Peter



Dear Sirs

Independent Review Committee on Hong Kong's Franchised Bus Service

With reference to your letter dated 12 October 2018, the Companies would like to make the following closing submission:

We wish to affirm our commitment in putting safety as a top priority. We support the recommendations made by the Working Group on Enhancement of Safety of Franchised Buses ("Working Group") and we have no objection to the inclusion of the same in the Committee's recommendations to the Chief Executive. That said, we are obliged to reiterate that franchised bus companies are operated on prudent commercial principles. Facing revenue loss due to railways competition, spiralling wage costs and other challenges lying ahead, we will not be able to afford the huge financial commitments for implementing the recommendations without substantial fare increases.

Page 1 of 6

城巴有限公司
Citybus Limited

香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2963 4888 傳真 Fax (852) 2579 0202
網址 Website www.citybus.com.hk

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)
香港柴灣創富道8號 8 Chong Fu Road, Chai Wan, Hong Kong
電話 Tel (852) 2136 2140 傳真 Fax (852) 2147 3611
網址 Website www.nwfb.com.hk



Whilst we noted that the Chief Executive had set aside an amount of HK\$500 million in her 2018 Policy Address to subsidize franchised bus companies in retrofitting Electronic Stability Control (“ESC”), Active Speed Limiting System (“ASLS”) and seatbelts for the upper deck seats of buses, we also learned that such amount will only cover 80% of the retrofitting costs. To bear the remaining 20% of the retrofitting costs will be a huge burden on the Companies as we are currently earning an extremely low level of return. In our view, full financial support from the Government is essential. In the unlikely event that the Government has genuine difficulty in topping up the funding, priority should be given to the retrofitting of ESC and ASLS as these safety devices may prevent accidents from happening. Retrofitting of seatbelts on the upper deck seats should be accorded with a secondary priority as the cost-benefit of this may not be justified if the wearing of seatbelt remains not mandated by law.

Apart from the above, the Government should also fully subsidize the retrofitting of other safety devices that are proved to be technically and operationally feasible. These include bus speed control aided by GPS (geo-fencing), collision alert & lane keeping device, and driver monitoring (anti-dozing) device.

For the Committee’s consideration, our Companies opine that the following areas ought not be included in the Committee’s recommendations to the Chief Executive:

1. Competitive Bidding

We consider that competitive bidding in awarding franchises is not a viable option for Hong Kong in view of the following:

- a) Hong Kong is not geographically extensive. Bringing in new operators will create wasteful competition, generate more emission and aggravate the already heavy traffic congestion. This did happen before Citybus and New World First Bus came under common ownership in 2004.
- b) Hong Kong is short of land resources. Our Companies are already very tight in depot and parking facilities. We believe that new operators will find themselves difficult, if not impossible, to secure new land for such facilities. This was rightly pointed out by Mr Mike Weston in his evidence.

- c) Franchised bus business is capital intensive and the payback period is long. Without a reasonable assurance of the long term sustainability of the business, potential operators will be reluctant to invest. Further, bank financing for the purchase of buses and construction of depot facilities will be difficult to obtain. None of the aforesaid is conducive to sustaining a safe and reliable franchised bus service in Hong Kong.
- d) Franchised bus business is labour intensive and it is already very difficult to recruit frontline staff at the moment. Without a reasonable assurance of long term job security, people will be reluctant to join the industry. Further, when an incumbent operator is not successful in the re-tender of its services, redundancy of staff, mainly at the frontline level, will be inevitable. This will be most undesirable.

2. Imposing Financial Penalties

We learned that there was suggestion of imposing financial penalties linked to safety performance, we consider that there are already sufficient provisions under the Public Bus Services Ordinance (“PBSO”).

Section 12 (1) of the PBSO requires that:

“A grantee shall, at all times during the franchise period, maintain to the satisfaction of the Commissioner a proper and efficient public bus service.”

and

Section 22 (2) of the PBSO states that:

“A financial penalty may be imposed in respect of any failure by a grantee to comply with its franchise or this Ordinance or any direction or requirement under its franchise or this Ordinance, or with any programme or any approval under section 16A.”

To our understanding, the requirement under Section 12 (1) includes the provision of safe bus services and thus, the financial penalty stated under Section 22 (2) shall suffice.

3. Union Representation in the Working Group

We noted that there were suggestions to have union representation in the Working Group. The Working Group was set up to explore new technology applications to enhance bus safety and to review bus captain training framework. Its membership comprises representatives from the Transport Department and all franchised bus companies. Apart from these, three major bus manufacturers have also been invited to join one of the technical groups under the Working Group to review the technical feasibility and desirability of installing new safety devices on franchised buses.

Discussions in the Working Group evolve through initial thoughts, conceptual framework and formulation of actionable proposals. Pre-mature leakage of matters discussed will cause confusion among the workforce in the industry. The present practice is that the Transport Department and bus companies will seek comments from unions when a proposal is mature and in response to such comments, the Working Group will fine-tune the proposal, as appropriate, before implementation. We opine that the present practice is effective and the involvement of unions in the Working Group is not necessary.

4. Restrictions on Employment of Part-time Bus Captains

Employing part-time bus captains (“PTBCs”) can achieve the best operational efficiency. They can cover erratic surge of absenteeism of full-time bus captains and can cater for extra service demand during festival days. There is no indication that PTBCs are more prone to accident than full-time bus captains.

To ease the public’s concern, we have taken the following measures with effect from 1 June 2018 to provide further assurance that our PTBCs are equipped with safe driving skills and attitude:

- a) The driving training time for newly recruited PTBCs have been increased from 8 hours to 16 hours to enhance their driving skill and familiarize themselves with bus types and bus routes to which they will be assigned.

- b) Classroom training covering driving safety, customer service skill and EQ management etc. have been arranged to all newly recruited PTBCs.

In addition, we have tightened monitoring of working hours of PTBCs. In June 2018, we required all PTBCs to provide additional information of their principal employment on a mandatory basis. Such information includes details of working hours and pattern of working of their principal employment. Thereafter, all PTBCs will be required to make the same mandatory declaration on an annual basis.

We therefore do not consider imposing restrictions on the employment of part-time bus captains necessary.

5. Setting Minimum Wage for Bus Captains

We noted that some union representatives had requested the setting of minimum wage level for bus captains. We consider this unnecessary, disruptive and will cause serious repercussions from other categories of skilled workforce of bus companies.

The Companies adopt a practice of making reference to prevailing market circumstances in wage negotiations with unions. Even in the absence of any administrative directives, bus companies do have every reason to ensure the compensation offered matches the market pay, thereby retaining talents for long term sustainable growth.

6. Cancellation of Special Duty

We noted that some union representatives had raised objection to the introduction of special duty under the revised Guidelines on Bus Captains Working Hours, Rest Times and Meal Breaks issued by the Transport Department in February 2018. Special duty is necessary for franchised bus companies to cater for the morning and evening peak demand. Despite the fact that the maximum duty spread of a special duty is 14 hours, a rest break of no less than three consecutive hours is required in the duty and therefore, the maximum driving time of 10 hours under a special duty is the same as that of a normal duty.



新創建集團成員 Members of NWS Holdings

Notwithstanding the challenges we face in running the franchised bus business, we wish to take this opportunity to reaffirm our commitment in providing safe and reliable bus services. For the common good of all stakeholders of the franchised bus industry, including passengers, employees, the Government and bus companies, policy support and stronger coordination of Government departments are vital.

Lastly, we would like to thank the Committee for inviting us to give our written submissions and oral evidence. We welcome any recommendations from the Committee that can enhance our safety performance.

Yours faithfully
For and on behalf of
New World First Bus Services Limited
Citybus Limited



Samuel Cheng
Managing Director
SC/kc

香港專營巴士服務
獨立檢討委員會

香港金鐘道66號
金鐘道政府合署21樓



Independent Review Committee on
Hong Kong's Franchised Bus Service

21/F, Queensway Government Offices,
66 Queensway, Hong Kong

本函檔號 Our Ref.: CSO/IRC-BUS/CR/7-45/4

來函檔號 Your Ref.: MD/0404/18

電話號碼 Tel No.: 2867 5324

傳真號碼 Fax No.: 3104 0254

4 December 2018

Mr Samuel CHENG
Managing Director
New World First Bus Services Limited
Citybus Limited
8 Chong Fu Road
Chai Wan, Hong Kong
(Fax: 2579 1028)

BY FAX & BY POST

Dear Mr CHENG,

Independent Review Committee on Hong Kong's Franchised Bus Service

The Committee thanks you for the closing submission received by the Committee on 7 November 2018.

For your information, the Committee had earlier commissioned the PolyU Technology & Consultancy Company Limited ("the Consultant") to conduct a survey of speed of franchised buses at 20 selected road sections in Hong Kong with a view to gauging the extent of speeding of franchised buses. The survey had been conducted at 20 selected road sections from 29 August to 23 September 2018 and all the survey work had been completed. The survey report submitted by the Consultant is available at www.irc-bus.gov.hk/bundles/Bundle%20EXP-1%2020181204.pdf.

In case you have any views on the survey report, please let the Committee have the views by **10 December 2018 (Monday)**. Please note that all submissions (including any annexes, appendices and attachments contained therein) will be treated as public information and, at the discretion of the Committee, may be published on the Committee's website.

Yours sincerely,

(CHAN Ping-fai, Peter)
Secretary, Independent Review Committee on
Hong Kong's Franchised Bus Service



新創建集團成員 Members of NWS Holdings

Our ref: MD/1219/18
Your ref: CSO/IRC-BUS/CR/7-45/4

Tel No.: (852) 2136 2889
Fax No.: (852) 2579 1028

10 December 2018

Secretariat to the Independent Review Committee on
Hong Kong's Franchised Bus Service
21/F, Queensway Government Offices
66 Queensway
Admiralty
Hong Kong

Attn: Mr Chan Ping-fai, Peter

Dear Sirs

Independent Review Committee on Hong Kong's Franchised Bus Service

With reference to your letter dated 4 December 2018, we would like to make the following comments on the survey report:

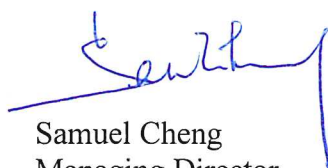
1. Though the laser speed gun used for the speed measurement had been calibrated and the surveyors had been trained before the speed survey, there might still be error in conducting the survey as error is inherent in all measurements.
2. It is noted from a LegCo paper on the use of laser guns for speed enforcement submitted by the Police to the Legislative Council Panel on Transport in January 2008 that the Police would deduct a technical allowance of 5 km/hr from the speed detected by the laser speed gun before taking legal actions. A copy of the LegCo paper is attached as Annex 1.
3. When we set the criteria for an over speed event, we have taken into account of the accuracy of the speedometer and the unions' opinions that they do not look at the speedometer all the time and they need time to react when being aware of speeding. An over speed event will be logged by the black-box if the speed exceeded the limit by more than 5 km/hr for more than 10 consecutive seconds. The criteria for generating over speed event reports for roads with different speed limits are as follows:

Page 1 of 2

- Speed of over 55 km/hr for more than 10 consecutive seconds on road sections with speed limit of 50 km/hr; or
 - Speed of over 75 km/hr for more than 10 consecutive seconds on road sections with speed limit of 70 km/hr or above.
4. It is noted that amongst the 234 speeding cases recorded, 186 (7.8%) cases were within 51-55 km/hr. If an allowance of 5 km/hr is adopted, the number of speeding cases will be reduced to 48 (2.0%). A summary of this is attached as Annex 2.
5. As mentioned in our submission on 15 October 2018, we started monitoring the speed of our buses on all roads with effect from 18 September 2018. We also introduced a real-time audio alert to remind the bus captain to slow down when the bus speed exceeds the limit of the road section by more than 3 km/hr for more than 5 consecutive seconds. We believe these measures can effectively address the issue of franchised buses speeding on roads with 50 km/hr speed limit.

Should the Independent Review Committee require any further elaboration on the above, please feel free to contact the undersigned.

Yours faithfully
For and on behalf of
New World First Bus Services Limited
Citybus Limited



Samuel Cheng
Managing Director
SC/kc