

立法會
Legislative Council

LC Paper No. CB(1)1260/00-01
(These minutes have been seen
by the Administration)

Ref : CB1/PL/TP/1

Legislative Council
Panel on Transport

Minutes of Meeting held on
Friday, 23 February 2001, at 10:30 am
in the Chamber of the Legislative Council Building

Members present : Hon Mrs Miriam LAU Kin-yee, JP (Chairman)
Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon CHAN Kwok-keung
Hon Andrew WONG Wang-fat, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon LAU Ping-cheung

Non-Panel member attending : Hon Eric LI Ka-cheung, JP

Members absent : Hon David CHU Yu-lin
Hon Albert CHAN Wai-yip
Hon WONG Sing-chi

**Public officers
attending**

: Agenda Item IV

Transport Bureau

Mr Arthur HO
Deputy Secretary for Transport

Mr Patrick HO
Principal Assistant Secretary for Transport (1)

Transport Department

Mr Robert FOOTMAN
Commissioner for Transport

Ms Zina WONG, JP
Assistant Commissioner for Transport/
Bus Development

Mrs Lily LAM
Chief Transport Officer/Bus Development

Agenda Item V

Transport Bureau

Mr Benjamin MOK
Principal Assistant Secretary for Transport (Atg.)

Transport Department

Mr Robert FOOTMAN
Commissioner for Transport

Mr Alan LUI
Assistant Commissioner for Transport/
Ferry and Paratransit

Agenda Item VI

Transport Bureau

Ms Shirley LAM
Principal Assistant Secretary for Transport (5)

Transport Department

Mr Y M LEE
Chief Engineer

Territory Development Department

Mr Terry MOUNTAIN
Deputy Project Manager/NTW Development Office

Mr Chris CHIVERS
Chief Engineer/NTW Development Office

Attendance by invitation : **Agenda item IV**

New World First Bus Services Ltd

Mr Adolf HSU Hsung
Managing Director

Mr Richard DAVIES
Assistant to Managing Director

Mr Alex CHOI Pak-wing
General Manager (Operations)

Mr KWAN Chuk-fai
General Manager
(Corporate Communication)

Mr George HO Yuk-wing
Financial Controller

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Alice AU
Senior Assistant Secretary (1)5

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I Confirmation of minutes and matters arising

(LC Paper No. CB(1)621/00-01 - Minutes of special meeting held on 20 December 2000)

The minutes of special meeting held on 20 December 2000 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)647/00-01 - Route 10 - North Lantau to Yuen Long Highway Section between North Lantau to So Kwun Wat)

2. Members noted the above information paper provided by the Administration in response to members' requests made at the Panel meeting on 24 November 2000. At the request of Mr Albert HO, members agreed to discuss the item at the regular Panel meeting scheduled for 27 April 2001.

III Items for discussion at the next meeting scheduled for 16 March 2001

(LC Paper No. CB(1)622/00-01(01) - List of outstanding items for discussion; and
LC Paper No. CB(1)622/00-01(02) - List of follow-up actions)

3. Members agreed to discuss the following items at the next meeting scheduled for 16 March 2001:

(a) Traffic conditions in Tseung Kwan O; and

(b) Application of information technology to transport management.

IV New World First Bus Services Limited - Introduction on its application for fare increase

(LC Paper No. CB(1)622/00-01(03) - Information paper provided by the Administration; and
LC Paper No. CB(1)651/00-01(01) - Presentation materials provided by New World First Bus Services Limited)

4. At the invitation of the Chairman, the Commissioner for Transport (C for T) briefly introduced the Administration's paper on the subject (LC Paper CB(1)622/00-01(03)) which set out relevant details about the franchised bus operation of New World First Bus Services Limited (NWFB) in relation to its application for an average fare increase of 9.2% to take effect on 1 April 2001. He clarified that contrary to what some media reports suggested, no decision had yet been made by the Administration on NWFB's application. In accordance with the established procedures in processing such

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applications, this Panel briefing was arranged and the Administration would welcome any views from members. He said that the Administration would take into account the views expressed by members, together with all relevant factors, in assessing the application.

5. With the aid of PowerPoint, Mr Adolf HSU Hsung, the Managing Director of NWFB (MD/NWFB) took members through the supporting information on NWFB's fare increase application as set out in LC Paper No. CB(1)651/00-01(01). In particular, he drew members' attention to the fact that NWFB's fares had remained unchanged since it took over the franchised bus services operated by China Motor Bus Company Limited (CMB) and commenced operation on 1 September 1998. With investments made in various areas including new buses, staffing, passenger facilities and environmental improvements devices, the company had delivered its franchise commitments. However, in view of rising operational costs and the fact that there was limited scope to achieve further cost savings as well as limited potential for sustained patronage growth in future, a 9.2% fare increase was proposed. If the proposed increase rate was approved and became effective on 1 April 2001, the company's average forecast rate of return on average net fixed assets (ANFA) from 1998/99 to 2002/03 would be 8.7% which was still much lower than the 13% historical average rate of return of the franchised bus industry.

Views on NWFB's fare increase application

6. Responding to Mr CHENG Kar-foo's enquiry, Mr George HO Yuk-wing, the Financial Controller of NWFB reported that to date, more than 500 new buses had been purchased by NWFB with a total cost of over \$1.2 billion which was mainly financed by bank loans. As such, a substantial increase in the finance charges was involved. To supplement, Mr KWAN Chuk-fai, the General Manager (Corporate Communication) of NWFB (GM(CC)/NWFB) stated that in order to fulfil its franchise commitment, NWFB had embarked on a vigorous fleet renewal programme since it commenced operation in September 1998. With the purchase of new air-conditioned buses, the average age of NWFB's vehicle fleet of 730 buses had been lowered from 11 years to 3 years.

7. As fuel prices had become more stable since late last year, Mr TAM Yiu-chung asked whether the impact of this factor had been over-estimated by NWFB in its fare increase application. While concurring with Mr TAM's observation on the stabilization of fuel prices in recent months, MD/NWFB pointed out that fluctuations of fuel prices in the international market were quite unpredictable and this cost component was completely out of the control of the company. On the other hand, whilst fuel only accounted for 3% in the company's operating cost in 1998, the percentage had increased to 11.2% in 2000.

8. Mr Abraham SHEK remarked that the factors giving rise to additional operating costs such as the increase in fuel prices and the cost of environmental initiatives were not unique to NWFB, but the other franchised bus operators had not sought to increase

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their fares. He thus asked whether there were any other special reasons which necessitated NWFB's proposed fare increase.

9. MD/NWFB replied that as the history, operating environment and financial position of each franchised bus company were quite different, it might not be appropriate to make a direct comparison. As a new entrant in the industry, NWFB was faced with an even greater pressure for fare adjustments because firstly, the company did not have accumulated profits from previous years to fall back on and secondly, with the acquisition of new buses to replace the ex-CMB fleet, the cost increase in bus depreciation was substantial. With the proposed fare increase, NWFB could achieve a more reasonable return on its investment which would in turn give the company more impetus and room to further improve its service as well as the salaries and benefits provided to its employees. Before submitting the application, NWFB had carefully evaluated the impact of such an increase on passengers and the community and the proposed level of fare increase was considered to be within the public's acceptability and affordability.

10. Mr CHAN Kwok-keung however said that in view of keen competition in the public transport sector, the fare increase might result in a decline in NWFB's ridership. He was concerned that if its rate of return fell short of expectation, NWFB would apply for fare increase again. In response, MD/NWFB stressed that the objective of NWFB was to provide high quality and good value bus service to the public. Apart from seeking passenger growth, the company would also implement other measures to achieve cost savings.

11. In this connection, Mr TAM Yiu-chung suggested that concessionary fares for the elderly and off-peak services could be introduced to increase patronage. MD/NWFB replied that the company would look into various ways to promote a greater use of its off-peak services by the travelling public and the member's suggestion would be considered in a positive light. One of the measures in this direction would be the bus-bus interchange schemes which offered fare discounts to passengers to encourage interchange.

12. On account of the quality service provided by NWFB, Mrs Selina CHOW opined that an average return of 8.7% for the five-year period from 1998/99 to 2002/03 was reasonable. Mr Andrew WONG also considered that under the existing bus franchise system, NWFB's proposed rate of increase was reasonable. He worried that if a bus fare increase was rejected now, a higher rate of increase might be necessary in future which would not be in the interest of the passengers as well as the company.

13. On behalf of Members of the Democratic Party, Mr CHENG Kar-foo expressed strong objection to the fare increase application which would directly affect the livelihood of the general public. Referring to the 6.3% average forecast rate of return for the same 5-year period without any fare increase, he opined that it was indeed a reasonable rate of return under the prevailing adverse economic conditions. Hence, he urged NWFB to consider deferring its fare increase application to help the people tide

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the difficult times. Mr Albert HO added that given the substantial increase in NWFB's fixed assets, the proposed rate of increase might be too high.

14. Reiterating his general opposition to any proposals to increase fees and charges from the Government or public utilities during the extant economic climate, Mr LAU Chin-shek pointed out that with the proposed rate of fare increase, NWFB's forecast return on ANFA would be as high as 14.5% in 2001/02, exceeding the 13% industry-wide benchmark adopted by the Government. In response, MD/NWFB said that given NWFB's long-term commitment to the local bus industry, the 5-year average rate of return might be a more appropriate yardstick in assessing whether NWFB was making a reasonable return on its investment.

General concerns on the provision of franchised bus services

Promotion of competition among bus operators

15. Referring to NWFB's past performance, Mr LAU Chin-shek remarked that fare increase was not the only means to bring in profits for public transport operators. With good service and enhanced operational efficiency, NWFB was able to start generating profit within a short time. Thus, he urged the Administration to consider providing a more conducive environment for franchised bus operators with proven performance record to expand their network. With sustained patronage growth to offset additional operating costs, the pressure for future fare increases could be minimized.

16. In response, the Assistant Commissioner for Transport/Bus Development (AC for T(BD)) said that with the expansion of the heavy rail network, franchised bus services would have to face increasingly keen competition in future and the growth in bus patronage was expected to slow down. Mindful of the importance to provide a level playing field for all franchised bus operators to develop their service network, the Transport Department (TD) would invite applications from franchised bus operators to operate new cross-harbour routes and route packages in major new development areas whenever the opportunities arose. Under this established practice, NWFB had been selected to operate the new package of bus routes in Tseung Kwan O/South in the end of 1999, thus allowing the company to expand its bus network into the Tseung Kwan O area.

17. In this connection, Mr Albert HO asked whether NWFB might have underestimated the potential for patronage growth. In reply, MD/NWFB explained that sustained increase in ridership was hampered by two major factors. Firstly, NWFB's operation was largely confined to Hong Kong Island which was a relatively small and developed market. At present, about two-thirds of the routes in Hong Kong Island had incurred a loss which was partly offset by revenue from the cross-harbour routes. Secondly, as NWFB's licensed bus fleet was maintained at the same level as CMB at 730, there was indeed limited scope for service expansion even though ridership had increased. The company could only have an opportunity to expand its network as and when new routes/network were identified by the Government for operator selection.

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18. Mr LAU Chin-shek opined that in that case, the Administration should consider allowing franchised bus operators to compete for the operation of existing routes. On the basis of complaints received by the Transport Complaints Unit, the Administration should critically evaluate the performance of existing franchised bus operators. For routes which failed to offer a satisfactory service, they should be tendered out to the best available operator. Apart from enhancing service quality to meet the expectation of passengers, it would enable those franchisees who performed well to expand their network and increase patronage. Sharing this view, Mr Albert HO said that given the demand for additional bus services in Kowloon and the New Territories, the Administration should examine the possibility of introducing more competition in this area of bus service. Mr Andrew WONG also remarked that franchisees who were operating successfully should be given more opportunity to expand their service network.

19. In reply, AC for T(BD) assured members that TD would closely monitor the performance of the franchisees and service quality would be one of the criteria to be considered when deciding whether an application for franchise renewal or a bid to operate new bus package in new development areas should be approved. As cases in the past had demonstrated, if there were serious and persistent problems with the services provided by a franchisee, its routes would be cut down gradually and tendered out to other operators. In the worst case, the operating franchise would not be renewed.

20. Mr Andrew WONG said that in determining the operational efficiency of the franchisees, it might be useful to compare the fares charged by individual franchised bus operators for different route groups, such as urban and suburban services. He thus requested the Administration to provide such information to members for consideration. In response, AC for T(BD) stated that no such comparison had been made by TD as the franchisees were operating under different environment in response to different service demand, and it was not appropriate to make direct comparisons between different bus companies in this regard.

21. Mr Andrew WONG however was unconvinced by the Administration's reply. Highlighting his concern that under the existing mechanism for awarding bus franchise, bus companies which did not perform well could still maintain a certain rate of return, Mr WONG considered that there should be an objective basis to assess the franchisees' performance. AC for T (BD) agreed to provide the fare scales of the franchised bus companies to members after the meeting, but she explained again that a direct comparison between the fares of the operators would not be meaningful.

(Post-meeting note: The requested information was circulated to members vide LC Paper No. CB(1)918/00-01.)

22. To supplement, the Principal Assistant Secretary for Transport (1) stressed that the Administration would consider each fare adjustment application submitted by the franchised bus operators on its own merits taking into account all relevant factors in

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accordance with the Modified Basket of Factors approach. Given the different operating environment of different bus companies, a direct comparison between the fares charged by the bus companies on a route group basis would not be a useful reference.

23. Referring to non-exclusive cross-harbour routes, Mr CHAN Kwok-keung queried whether the same fare adjustments as proposed by NWFB would, if approved, apply to the services operated by other franchisees. In reply, AC for T(BD) advised that neither the Kowloon Motor Bus Company (1933) Limited nor the Citybus Limited had submitted an application for fare increases. Such applications, if and when submitted, would be considered by TD on a case-by-case basis.

Rationalization of bus routes

24. Responding Mr Albert HO's suggestion that NWFB should further rationalize its bus routes to enhance operational efficiency, MD/NWFB said that great efforts had already been made by the company in this regard. He reported that with the implementation of last year's rationalization programme, the number of NWFB buses passing through Central had been reduced by 300 vehicle trips per day. However, as there were five major bus terminus near Central, and normally bus occupancy was relatively low at locations near the bus terminating points, the public might still have the perception that many vacant buses were driving through the area. To supplement, GM(CC)/NWFB said that plans had also been proposed to rationalize bus routes serving local areas which recorded low occupancy and were loss-making. However, it was not easy to gain the support of the district councils (DCs) concerned and a careful balance between the interests of local residents and the community would have to be achieved. Notwithstanding the difficulty involved, NWFB would continue to work on this initiative.

25. Following up on the point raised by GM(CC)/NWFB, Mrs Selina CHOW opined that TD should have responsibility in ensuring that valuable social resources were not wasted through traffic congestion. Acknowledging the member's concern, AC for T(BD) said that on-going efforts had been made by TD to reduce the traffic congestion problem in Central through, inter alia, bus routes rationalization programmes. For instance, nine such programmes would be proposed by NWFB this year and the DCs concerned would be consulted. Although discussions with the DCs could take time, the Administration was hopeful that with sincere efforts from all the parties concerned, acceptable arrangements to rationalize the bus services and, where appropriate, with provision of bus-bus interchange schemes could be made to reduce the inconvenience caused to the affected passengers. However, Mrs Selina CHOW said that given the conflicting interests involved in the matter, TD should adopt a tougher stance and be prepared to make unpopular decisions if necessary to ensure that public interests were safeguarded.

26. Concluding the discussion, the Chairman invited the Administration and NWFB to take note of the views expressed by members on the fare increase application.

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Admin. Highlighting members' concerns about the Administration's long-term policies to facilitate the operation of the franchised bus industry in Hong Kong, the Chairman requested the Administration to revert to the Panel its position on the points raised by members in relation to the provision of franchised bus services, including the Administration's policies for planning and awarding franchised bus routes, providing a conducive environment for the operation of franchised bus services, enhancing service quality through fair competition among various franchised operators and restructuring of bus routes. DS for T agreed to provide a paper to the Panel and would discuss with the Chairman separately on the timing to revert to the Panel.

V Driver Improvement Scheme

(LC Paper No. CB(1)622/00-01(04) - Information paper provided by the Administration)

27. C for T briefed members on the coverage and the proposed mode of operation of the proposed Driver Improvement Scheme (DIS) as set out in the information paper provided by the Administration (LC Paper No. CB(1)622/00-01(04)). He said that the objective of the proposed scheme was to provide an educational element to the efforts in improving driving behaviour and hence enhance road safety. On account of the general support expressed by Panel members and the transport trade during previous consultation on the initial proposal, the Administration had worked out further details of the scheme. Having taken into account the comments received and examined further overseas experience in the implementation of DIS, the Administration had modified the initial proposal to include the following key elements:

- (a) drivers could attend the DIS either under the direction of the court or out of their own accord;
- (b) any driver who satisfactorily completed a course would have a reduction of 3 driving-offence points (DOPs) from his DOP balance, as long as the existing balance was not greater than 14 DOPs and that the resultant balance would not be less than zero; and
- (c) there would be a limited number of course providers to allow choices for the course participants.

Reduction of DOPs

28. Mr CHENG Kar-foo opined that as penalty was by far a more effective deterrent, a person faced with the likelihood of disqualification would exercise extra caution when driving. However, with the implementation of the DIS as proposed, he worried that for those drivers whose DOP balance was approaching the 15-point threshold, their greatest incentive to take the course was to delay disqualification which would defeat the original purpose of introducing an educational element to the Administration's efforts in improving driving behaviour. Thus, he suggested that an open attitude should be

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adopted by the Administration to further refine the arrangement for reducing DOPs either by lowering the eligible DOP balance threshold for the DIS from 14 DOPs to 10 DOPs or by adopting a tiered scheme in which less DOPs would be reduced for those drivers with a greater DOP balance. In that case, the element of extra caution could be preserved and thus enhancing road safety, while the loophole in the proposed scheme would be tightened by giving this group of drivers greater motivation to take the course earlier to improve their driving behaviour.

29. In reply, the Assistant Commissioner for Transport/Ferry and Paratransit (AC for T/F&P) stated that the consultees had expressed general support for the proposed scheme no matter how the DOPs were to be reduced. While agreeing to carefully consider the suggestion of adopting a tiered approach, he advised that the Administration's intention was to keep to a relatively simple scheme when the DIS was implemented initially. Mr Andrew WONG expressed support for the Administration's view.

30. On Mr CHENG's suggested approach, the Chairman cautioned that if say, only one DOP would be reduced from a 14-point balance, the appeal of the scheme might be undermined seriously. In order to ensure the success of the scheme, it would be important to provide sufficient incentive for drivers to take the course so that the ultimate objective of improving their driving behaviour would be achieved.

31. Referring to his personal experience in attending a similar course in the US, Mr Tommy CHEUNG concurred with the long-term positive impact such kind of training courses would have on the drivers and hence, expressed support for the proposed DIS. However, he said that the mentality problem raised by Mr CHENG could not be eliminated simply by a tiered DOP reduction structure as it would only induce the drivers to take the course earlier to get the maximum reduction of DOPs for the ultimate purpose of delaying suspension. Instead, the right approach should be to encourage participation from drivers by tailoring the course content to suit their needs. If the course was indeed useful, the drivers would have no problem taking the course out of their accord. As the objective was to bring about an improvement in driving behaviour, he said that all drivers, even those who had no prior DOP record, should be allowed to take the course. The Chairman also said that if those drivers with zero balance were barred from taking the course, it would be tantamount to penalizing those drivers who behaved.

32. In reply, AC for T/F&P clarified that there was no restriction on drivers with zero DOP balance to take the course but they would not be allowed to pre-store credits for redeeming the DOPs of future offences. Thus, no drivers would be discriminated against under the scheme. This decision was made by the Administration to address the concerns raised by some organizations upon consultation that if drivers were allowed to carry credit DOPs, they would be more prompt to committing driving offences. He added that from the Administration's point of view, the reduction of DOPs should not be regarded as an award for the drivers. Instead, it was merely an incentive to target the intended participants who were first time and repeated offenders of minor traffic

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offences. Unconvinced by the Administration's explanation, Mr Tommy CHEUNG cautioned that if the Administration followed this line of thinking, the DIS would become an alternative form of punishment rather than a means to educate the drivers. Hence, he hoped that the Administration could revisit its stance on the matter and allow drivers who had completed the course successfully to maintain credit DOPs. Mr Andrew WONG however did not agree with Mr CHEUNG's view. He said that for those drivers who had not incurred any DOPs, credit DOPs might seem somewhat meaningless. Moreover, the whole scheme would become more complicated to administer.

Admin. 33. Reiterating his concerns that considerations in ensuring road safety should take precedence and that the DIS should not be subject to abuse by those drivers who merely sought to delay disqualification, Mr CHENG Kar-foo asked whether information from overseas countries was available to illustrate the effectiveness of the course. In reply, the Principal Assistant Secretary for Transport (Atg.) (PAS for T(Atg.)) advised that according to results obtained from self-evaluation of course participants in UK, over 90% of the surveyed drivers provided a positive response to the course, and more than 80% was hopeful that their problematic driving behaviour could be rectified after taking the course. Mr CHENG nevertheless requested for relevant traffic statistics in overseas countries, such as how the accident rates and driving offence prosecution figures compare before and after the implementation of such schemes. PAS for T(Atg.) agreed to provide the requested information after the meeting. Mr Tommy CHEUNG nevertheless opined that such data might not serve as a useful indicator as personal improvement was what mattered most.

Monitoring of course operators and course fees

34. In reply to Mr CHAN Kwok-keung's enquiry, AC for T/F&P confirmed that private organizations with relevant experience such as transport trade organizations could submit applications for the provision of DIS courses. The Administration would then select the operators on the basis of the criteria set out in paragraph 13 of the paper.

35. Referring to paragraph 12 of the paper, Mr Tommy CHEUNG pointed out that the requirement of active participation in class could not be assessed objectively. Also, if the participants were not attentive, part of the problem might come from the course itself and it would not be fair to those participants who failed the course on that account. Thus, he considered that only the requirements of punctuality and full attendance should suffice. Sharing similar views, Dr TANG Siu-tong asked whether an appeal mechanism was in place to look into those cases lodged by the participants.

36. In reply, C for T assured members that the three criteria for successful completion of the course were meant to be basic requirements which were in fact common in overseas countries having DIS and most participants would have no problem passing the evaluation test. To supplement, AC for T/F&P advised that the intention of requiring the participants to have active participation in class was to ensure that no disturbance would be caused to other participants. Detailed requirements would be laid

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down in a code of practice to be issued to the course providers and TD would strictly monitor its compliance. If the participants had any complaint in this respect, they could be addressed to C for T who was the monitoring authority of the course providers. In case there were merits in the complaint, the course provider concerned would be asked to review the evaluation result. To avoid possible abuse by course operators, the Chairman opined that it would be of utmost importance to ensure that an objective standard of evaluation was consistently applied. Mr Andrew WONG added that it would be helpful to keep the evaluation test as simple as possible. At Dr TANG's request, AC for T/F&P agreed to consider whether the DIS should have a formal appeal mechanism.

37. In reply to Dr TANG's questions about teaching standards and qualifications of the instructors, AC for T/F&P explained that instructor training courses would be provided by institutions appointed by the Government. According to initial plan, the participants should have a minimum of ten years' driving experience with no recent record of serious traffic offences and should have attended a specified training course. Qualified instructors would be issued with a certificate.

38. Responding to Mr Tommy CHEUNG's remark that the course duration of eight hours might be too long, AC for T/F&P advised that the proposed course duration was six to eight hours according to the experience of overseas countries. While the detailed content of the course was being formulated in consultation with professional drivers and the trade, the Administration would also make reference to overseas practices to draw up a course framework best suited to the circumstances of Hong Kong.

39. Concerning about the level of fees to be levied by the course operators, Mr CHAN Kwok-keung sought information on the safeguards to be put in place to ensure that course fees were set at a reasonable level and that fee revisions would be properly monitored. AC for T/F&P replied that the Government would determine a maximum course fee which would be comparable to the existing level of fines for minor traffic offences. When assessing the fees proposed by individual tenderers, consideration would be given to their operating costs, such as in instruction facilities and staff costs. Any fee revisions proposed by the course operators would be assessed and approved by the Administration. He added that as there would be at least three to four course providers at the initial stage, competition among the operators would ensure that course fees levied would not be unreasonably high.

40. In this respect, the Chairman pointed out that the existing level of fines imposed by the court was quite high and it would be most important to keep the course fee at a reasonable level. Concurring with this view, Mr Tommy CHEUNG opined that as the objective was to encourage participation from drivers, the existing level of fines for minor traffic offences which denoted a punitive element might not be an appropriate yardstick for determining the maximum course fee. Moreover, given the ultimate benefits of improving road safety, he said that there might be a case for the Administration to provide subsidies to course participants. Mr Andrew WONG also said that it would help those participants who had to pay their fixed penalty tickets in

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addition to the full training fee. While agreeing to consider the members' suggestion, AC for T/F&P stated that as the course would provide actual benefits to the participants, the Administration would have to carefully examine whether such a use of public funds was justified. The Chairman however reminded the Administration to take into account the social benefits to be brought about for the community as a whole by an overall improvement of driving behaviour.

VI Route 5 - Section between Shek Wai Kok and Chai Wan Kok

(LC Paper No. CB(1)595/00-01 - Information paper provided by the Administration)

41. Members noted that the present proposal had been scheduled for consideration by the Public Works Subcommittee (PWSC) at its meeting on 28 February 2001.

42. Dr TANG Siu-tong declared interest as a member of the Tang Clan and enquired about the results of negotiations held between the Administration and the Tang Clan on the latter's objection to the proposed road scheme. In response, the Principal Assistant Secretary for Transport (5) (PAS for T(5)) informed members that objections were raised by the Tang Clan on the grounds that the project might have some 'fung shui' impact on an ancestral grave in the area. However, the proposed road works did not have any actual impact on the ancestral grave and suitable design modifications had now been made to address the 'fung shui' concerns of the Tang Clan. To supplement, the Chief Engineer/NTW Development Office of the Territory Development Department (CE(NTW)/TDD) reported that after protracted negotiations with members of the Tang Clan, the road scheme had been authorized under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and approved by the Executive Council. He further advised that according to his understanding, the local District Office was negotiating with the Tang Clan over the amount of 'Tun Fu' payment.

43. Responding to Dr TANG's further enquiry about the planting of trees in front of the Tang Clan ancestral grave, PAS for T(5) confirmed that a row of trees would be planted along the road alignment as proposed.

44. While expressing support for the road scheme, Mr Andrew WONG referred to those dwellings which would suffer from excessive noise impact from the proposed project and asked whether further noise mitigation measures could be taken, such as the provision of more cantilever noise barriers along the road. In reply, the Deputy Project Manager/NTW Development Office of TDD drew members' attention to the substantial direct noise mitigation measures proposed for the project, including the provision of vertical noise barriers and semi-noise-enclosures from 4m to 8m in height. Notwithstanding those measures, the noise impact of some 2 500 dwellings would still be at levels higher than the statutory limit and they would not benefit from additional mitigation measures due to the constraint presented by their locations. He further explained that due to the consideration of sightline obstruction, gaps in the noise barriers in some locations, such as when the road came into and out of a roundabout, were

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unavoidable. In that case, cantilever noise barriers were not necessarily a more effective choice.

45. Concluding the discussion, the Chairman invited the Administration to take note of the concerns raised by members about the environmental impacts of the proposed project, in particular the impact of excessive traffic noise on the affected residents.

VII Any other business

46. There being no other business, the meeting ended at 12:50 pm.

Legislative Council Secretariat

22 May 2001