

**For Information
on 25 October 2002**

**Legislative Council Panel on Transport
Transport Issues: Work Priorities**

INTRODUCTION

This paper outlines for Members' information our work priorities in transport matters. It also addresses a number of issues specifically raised by Members.

WORK PRIORITIES

2. We have identified a number of areas which warrant our special attention at this stage. These are outlined in paragraphs 3 to 6 below.

Public Transport Fares

3. In light of growing concern about the level of public transport fares, we have approached the major public transport operators to encourage them to reduce fares or offer concessions to passengers as far as possible. We welcome the recent concessionary schemes introduced by the various transport operators in response to our appeal. Furthermore, we are now studying the fare adjustment mechanism of public transport services. Such a mechanism should allow public transport fares to be adjusted upwards or downwards, and should be operated under the system and spirit of free enterprise. Complex issues are involved. We will seek to brief Members of the outcome of our study as soon as possible.

Merger Feasibility Study of MTRCL and KCRC

4. We are, in conjunction with the Financial Services and the Treasury Bureau, conducting a study to examine the pros and cons of merging MTRCL and KCRC. Considerations include, inter alia, how the potential merger would affect the various stakeholders, whether it would enable a better use of resources and how the Government can ensure the public's

interest is protected in terms of transport provision at reasonable fees. We aim to complete the study in the next few months.

Railway Development

5. We have embarked on an ambitious railway expansion programme to promote railways as the backbone of the public transport services system. We are now pressing ahead with preparatory work for the Sheung Shui to Lok Ma Chau Extension, and examination of KCRC's proposal for additional stations to the Shatin to Central Link project. We have also invited KCRC to proceed with the detailed planning and design on Kowloon Southern Link with a view to gazetting the proposal in early 2003. At the same time we have also received a proposal on the South Island Line from MTRCL and will conduct the appropriate assessment.

Cross Boundary Infrastructure

6. We are now pursuing with the Mainland authorities possible cross boundary transport infrastructure to strengthen the tie between Hong Kong and the Pearl River Delta. We are now implementing the Shenzhen Western Corridor and the Deep Bay Link, the Environmental Impact Assessment Reports of which were endorsed by the Advisory Council on the Environment. A joint study is being conducted on the Guangzhou-Shenzhen-Hong Kong Express Rail Link. Consensus has also been reached between HKSAR and the Mainland authorities to conduct another joint study relating to a land transport link between Hong Kong and Pearl River West. We are following up with the State Development Planning Commission on the way forward.

RESPONSE TO ISSUES RAISED BY MEMBERS

7. Members have asked for a briefing on the implementation of Route 7 and South Island Line; policy on planning and provision of bus-bus interchange schemes; policy on non-franchised bus operation; coordination between railways and other public transport services; and the implications of the forthcoming cut in operating expenditure. Our response is set out as follows :-

(a) Implementation of Route 7 and South Island Line

The review on Route 7 and South Island Line is in progress. Results of the review are expected to be ready within a few months.

(b) Policy on planning and provision of bus-bus interchange schemes

The Government welcomes bus companies' initiatives to provide interchange concessions. Applications of bus-bus interchange schemes will be processed from the perspective of safeguarding the overall interests of the public in a timely and flexible manner. However, if individual applications will lead to new problems (such as causing congestion problem), we will need more time for consultation and examination.

(c) Policy on non-franchised bus operation

The role of non-franchised bus services is supplementary in the public transport system. When processing applications, the Government will consider all relevant factors, including the need for the services to be provided by the applicant, the level of service already provided or planned by other operators, traffic condition in the area and the standard of services to be provided by the applicant.

(d) Coordination between railways and other public transport services

Railways form the backbone of the transport network in Hong Kong, with franchised buses providing services for areas not well served by railways, and reticulate services feeding to the railways. The railways and franchised buses will be supplemented by other transport modes. In preparing for the introduction of new railways, the Government's role is to reorganise transport services to better match changes in passenger travel patterns in order to maintain an efficient public transport system. We are now working on the

reorganisation plan for the commissioning of West Rail and will consult Members in the next few months.

(e) Implications of the forthcoming cut in operating expenditure

The Financial Secretary has required Directors of Bureaux to achieve savings of 1.8% in the operating expenditure on the existing and new or improved services as planned in 2003-04, and an additional saving of 1% each year from 2004-05 to 2006-07. We are still reviewing our work to decide how the savings are to be achieved. We will try to meet the target without compromising the quality of our services. Measures such as re-engineering of work processes and re-prioritising of work items will be considered.

MEMBERS' ADVICE

8. Members are requested to note the contents of this paper.

Environment, Transport and Works Bureau
23 October 2002