

立法會

Legislative Council

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by the Administration and
cleared with the Chairman)

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Panel on Transport

Subcommittee on matters relating to railways

Minutes of special meeting on Tuesday, 29 June 2004, at 8:30 am in Conference Room A of the Legislative Council Building

Members present : Hon Miriam LAU Kin-yee, JP (Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Hon WONG Sing-chi

Non-Subcommittee Member attending : Hon James TO Kun-sun

Members absent : Hon CHAN Kwok-keung, JP
Hon TAM Yiu-chung, GBS, JP
Hon LAU Ping-cheung

Public Officers attending : **Agenda item I**

Mr Arthur HO
Deputy Secretary for the Environment, Transport and
Works

Mr K H LO
Chief Inspecting Officer (Railways)
Environment, Transport and Works Bureau

Mr Eric FUNG
Chief Engineer/Railway
Highways Department

Mr Stephen IP
Assistant Commissioner for Transport/New Territories

Mr Benedict TAI
Chief Transport Officer/Special Duties
Transport Department

Agenda item II

Miss Margaret FONG
Acting Permanent Secretary for the Environment,
Transport and Works

Mr Raymond HO
Principal Assistant Secretary for the Environment,
Transport and Works

Mr WAN Man-lung
Principal Government Engineer/Railway Development
Highways Department

**Attendance by
invitation**

: Agenda item I

Kowloon-Canton Railway Corporation

Mr K K LEE
Senior Director, Capital Projects

Mr Y T LI
Senior Director, Transport

Mrs Grace LAM
General Manager, Corporate Affairs

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

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

Miss Winnie CHENG
Legislative Assistant 5

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Mr Abraham SHEK declared interest as a Member of the Managing Board of the Kowloon-Canton Railway Corporation (KCRC).

I Progress update on Ma On Shan Rail and Tsim Sha Tsui Extension and better co-ordination of public transport services arising from the commissioning of the two railways

(LC Paper No. CB(1)2242/03-04(01) - Information paper provided by the Administration; and

LC Paper No. CB(1)2242/03-04(02) - Information paper provided by Kowloon-Canton Railway Corporation)

2. Members noted the information papers provided by the Administration and the Kowloon-Canton Railway Corporation on the subject (LC Paper Nos. CB(1)2242/03-04(01) and (02) respectively).

3. With the aid of PowerPoint, Mr K K LEE, Senior Director, Capital Projects of KCRC (SDP/KCRC), updated members on the progress of Ma On Shan to Tai Wai Rail Link (MOSR) and the KCR Extension from Hung Hom to Tsim Sha Tsui (TST Extension).

(Post-meeting note: A set of presentation materials provided by KCRC was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1) 2287/03-04(02).)

MOSR fare

4. Referring to West Rail (WR)'s patronage which was much lower than expected, Mr LAU Kong-wah said that MOSR fares must be set at a very competitive level and should be lower than that of franchised bus services. Otherwise, the passengers would unlikely switch to MOSR. Similar view was expressed by Mr LEUNG Fu-wah.

5. Mr CHENG Kar-foo stressed that in view of the on-going merger talks between the two railway corporations, KCRC should take the opportunity and explore actively

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with the MTR Corporation Limited the possibility of removing the second boarding charge between the two systems so as to benefit the interchanging MOSR passengers. In this respect, he considered that the Administration should have a role to play as facilitator.

6. Mr Y T LI, Senior Director, Transport of KCRC (SDT/KCRC) stated that as MOSR would open for public use by the end of the year, the actual fare level would be determined nearer the time. When setting fares for MOSR, KCRC would carefully consider the market situation and public acceptability so that they would be set at competitive and affordable levels to ensure a value-for-money service to the passengers.

7. The Deputy Secretary for the Environment, Transport and Works (DS for ETW) advised that one of the key parameters of the on-going merger talks was the abolition of the second boarding charge between the two systems. As the merger talks would not be completed before the end of August, it was unlikely that a unified fare structure could materialize before MOSR's opening. However, he assured members that the Administration would continue to encourage the two railway corporations to co-operate and explore any joint initiatives to offer concessions to the passengers.

8. Mr CHENG Kar-foo however expressed disappointment with the Administration's response. As the community had invested heavily in constructing the railway, the Administration should make use of the influence of its shareholding in the two railway corporations to bring about an attractive level of fare for the passengers so as to increase the ridership and thereby enhancing the cost-effectiveness of MOSR. He requested DS for ETW to relay his view to the Secretary for the Environment, Transport and Works for consideration.

Testing and commissioning

9. Mr CHENG Kar-foo referred to the recent WR service disruptions caused by problems with the signalling system, and urged KCRC to pay special attention to the testing of critical railway systems when preparing for MOSR's commissioning. In this connection, he enquired about the improvements to be sought by KCRC as well as the Hong Kong Railway Inspectorate (HKRI) in its role for acceptance of the railway system.

10. Mr Albert CHAN referred to the high standards adopted for the testing of WR, and asked if the same standards would apply for MOSR.

11. In response, SDP/KCRC confirmed that KCRC would adopt the same standards for the trial operation of MOSR, i.e. minimum punctuality and service delivery rates of 95% and 97.5% respectively. KCRC would review what lessons could be learnt from the initial operation of WR so as to better prepare for the testing and commissioning of MOSR. In particular, he said that the technical and operational staff of KCRC had been involved in the testing of the signalling system from an early stage. The Chief Inspecting Officer (Railways) also said that HKRI had been closely monitoring KCRC's work in order to ensure the operational safety of the new railway.

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PT Plan

12. Members noted that taking into account local feedback received during public consultation as well as views expressed by members, the Transport Department (TD) had reviewed the preliminary public transport plan (PT Plan) to tie in with the opening of MOSR. In brief, the following modifications would be made:

- (a) The three cross harbour franchised bus routes from Ma On Shan (MOS) to Central/Sheung Wan would be retained with frequency reduction and relocation of the termini to Admiralty in order to improve the traffic conditions and environment in Central.
- (b) The cancellation proposals in respect of a few routes with major catchment fallen outside walking distance to MOSR would be withdrawn and replaced by frequency reductions instead.
- (c) The proposed changes in relation to a few routes covered under the preliminary PT Plan which overlapped the alignment of MOSR to a relatively small extent would be pursued separately and at a later stage.

13. Mr Albert CHAN welcomed the Administration's decision to retain some of the existing franchised bus routes pending a review of the actual change in travel pattern after the opening of MOSR. However, he considered that as MOSR would be opened for public use in a few months' time, both the Administration and KCRC should ensure that more detailed information in respect of the proposed fare level, interchange public transport arrangements and new feeder services, in particular those operated by new green minibus (GMB) routes, would be provided to the travelling public as soon as possible for consultation.

14. Mr LAU Kong-wah relayed the grave concern expressed by the local residents in MOS about maintaining a reasonable choice of public transport modes to meet their external transport need. As such, they strongly requested that the existing level of external franchised bus services be maintained during the initial operation of MOSR, and that any major service rationalization measures should be implemented progressively having taken into account the actual change of passenger demand. He sought the Administration's undertaking that it would not seek to reduce the frequency of the existing three cross harbour routes if passenger demand was maintained at more or less the same level after MOSR's opening.

15. Referring to the proposed frequency reduction of those bus routes with major catchments fallen outside walking distance to MOSR, the Chairman cautioned that the Administration should not ignore the transport need of the concerned residents.

16. Dr David CHU also said that taking into account the views of the local residents, the Administration should undertake not to introduce any major changes to the existing public transport services in the MOS area within three to six months of MOSR's opening.

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17. Mr WONG Sing-chi stated that according to the findings of an opinion survey he conducted, the local residents were strongly opposed to the proposed cancellation of the existing external franchised bus routes. As MOSR passengers would need to interchange with East Rail or MTR for destinations in the busy urban areas, he said that not too many local residents in MOS would switch to the new railway. It would be most important for the Administration to ensure a reasonable choice of other public transport modes for the passengers. In this connection, the Administration was requested to provide supplementary information on the comparison of the services provided by MOSR and franchised buses in terms of their transport performance and convenience for the passengers.

18. In response, the Assistant Commissioner for Transport/New Territories (AC for T/NT) confirmed that TD would closely monitor the actual traffic situation as well as the change in passenger demand after the opening of MOSR before implementing any major changes. He stressed that same as the opening of Tseung Kwan O Line, the Administration would refine the service adjustments and their implementation programme in consultation with the local communities.

19. DS for ETW supplemented that while other changes would be introduced gradually in light of on-the-ground observation of changes in travel pattern, feeder connections would be put in place or strengthened on Day One of the commissioning of MOSR to ensure good connectivity. TD had been consulting the views of the local community on such feeder services. In response to Mr Abraham SHEK, he said that the Administration had consulted and updated KCRC on the proposed changes to be introduced under the PT Plan.

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20. AC for T/NT added that TD would refine the PT Plan taking into account the views expressed by members at the meeting, and further consult the relevant District Councils in July/August. He undertook to provide details of the said modified PT Plan to members for their information after the meeting.

21. Mr LEUNG Fu-wah considered that it was incumbent upon the Administration to ensure that the proposed changes of public transport services brought about by the opening of MOSR would not bring about additional burden of transport cost on the passengers while ensuring a reasonable choice of public transport services for the passengers. Under this principle, the Administration should ensure that the passengers would not have to pay any fare for the additional leg of journey required as a result of the relocation of the termini of the cross-harbour franchised bus routes from Sheung Wan to Admiralty.

22. AC for T/NT replied that the modified PT Plan would include the provision of section fare and enhancement of bus-bus interchange concessions on services alternative to routes proposed to be discontinued, so that the affected passengers would not be worsen-off in terms of fare as a result of the change.

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23. Mr LAU Kong-wah asked whether KCRC would consider providing free shuttle bus service between MOSR and Kwong Yuen Estate. AC for T/NT advised that a GMB route was currently serving Kwong Yuen Estate and Shatin One. The Administration would encourage KCRC and the concerned GMB operator to co-operate and offer joint inter-modal discount to the passengers. SDT/KCRC, also said that as MOSR was built with substantial investment from the public coffers, KCRC was supportive of the Administration's move to re-organize the existing public transport services following the opening of the new railway. However, KCRC also recognized the need to minimize the impact on the businesses of existing operators.

24. Summing up the discussion, the Chairman invited the Administration and KCRC to take note of the views and concerns expressed by members regarding the implementation of the PT Plan, the fare level of MOSR and the testing and commissioning of the new railways. In case there was any new development, the Administration and KCRC should arrange to provide the relevant information to members for early consideration.

Admin/
KCRC

II Review of Railway Development Strategy 2000

(LC Paper No. CB(1)2242/03-04(03) - Information paper provided by the Administration)

25. The Acting Permanent Secretary for the Environment, Transport and Works (PSET(Atg.)) briefly introduced the Administration's paper on the subject (LC Paper No. CB(1)2242/03-04(03)), which updated members on the implementation of the railway projects recommended in the Railway Development Strategy 2000 (RDS-2000). PSET(Atg.) advised that the planning framework for further expansion of the railway network up to 2016 was provided under RDS-2000. Before a decision was taken to build any individual railway project, the Administration would revalidate the planning parameters and project assumptions, and conduct detailed engineering, environmental and financial studies. The timing of each project would be adjusted in line with the latest data available.

26. Mr Albert CHAN opined that the Administration should also duly consider the impact of railway development on the operation of other public transport modes when determining the timing of each railway project recommended under RDS-2000.

The Merger Negotiation

27. Mr CHENG Kar-foo considered that the way forward of the proposed merger of KCRC and MTRCL would have a significant impact on the planning for future railway development in the territory, in particular the Shatin to Central Link project.

28. PSET(Atg.) said that the corporations would conclude their negotiations and submit a report to the Government by 31 August 2004. Against this background, the corporations were now conducting a review on the railway projects in hand to see how the various projects could be carried forward in a manner that could best meet the

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transportation needs of the community.

29. Mr Abraham SHEK asked whether the Administration's arrangements for financing the development of new railway projects in future would in any way be affected by the outcome of the proposed merger.

30. In reply, PSET(Atg.) pointed out that both the two railway corporations were required to operate in accordance with prudent commercial principles and did not need any government subsidies for their operation. However, in considering the financing arrangement for new railway projects, the Government would assess whether financial assistance should be provided having regard to the circumstances of individual cases, so as to ensure that maximum benefits for the public would be achieved from railway development. The Government would only consider providing funding support to railway companies to finance otherwise not viable projects when these projects could generate substantial economic and transport benefits to the public. Prior to a decision being taken, the Administration would critically examine the traffic needs and transport benefits of the proposed projects. Based on the study findings, the Administration would then decide whether, and if so, in what form, financial support should be provided to allow the railway projects to comply with the principles of commercial operation. One form of providing Government support was by the grant of property development right. However, considering the impact of such on the overall housing supply, approval would not be given lightly.

Island Line Extensions

31. Mr LEUNG Fu-wah referred to the motion passed by the Transport Panel recently urging the Administration to shelve any further development and planning for South Hong Kong Island Line (SIL), and sought confirmation on the Administration's present position as regards the provision of the project. He also enquired about the implementation timetable of the North Hong Kong Island Line (NIL).

32. PSET(Atg.) said that according to RDS-2000, SIL was a longer-term possible railway scheme dependent on land use development and transport infrastructure planning for SIL. For the next stage of railway network expansion, the Administration would accord priority to the six projects recommended under RDS-2000. As regards the latest position of NIL, she advised that in view of the reduced population/employment on Hong Kong Island, the Government decided in January 2003 that completion of the project would be deferred to beyond 2016. The alignment of NIL was protected administratively.

Northern Link (NOL)

33. In view of the experience of West Rail's operation, Mr CHENG Kar-foo called on the Administration to expedite the implementation of the NOL project so as to complete the link between the East Rail (ER) and West Rail (WR) networks. Apart from improving the connectivity of the railway network, the provision of NOL could help improve the viability of WR. Similar view was expressed by Mr WONG Sing-chi.

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34. Mr Albert CHAN said that in view of the envisaged transport benefits of NOL, the Administration should consider providing adequate funding support to KCRC for its early implementation. Stressing the need for maintaining a balance in the operation of public transport market, he said that the Administration should also ensure that other public transport modes would be allowed to operate to the new railway boundary crossing.

35. Mr LAU Kong-wah considered that as the development of local railway network had more or less been completed, the Administration should focus its attention to enhancing the capacity of boundary railway services to meet the increasing demand for passenger and freight transport. As such, the Administration should plan for the early provision of NOL as well as Regional Express Line (REL) and Port Rail Line (PRL) all in one go.

36. PSET(Atg.) stated that in order to allow the Administration to better assess the transport and economic case for NOL, KCRC was requested to do further work on the technical, environmental and financial aspects of the project. It was expected that KCRC would submit its findings to the Administration in early 2005.

Regional Express Line

37. In reply to Mr LEUNG Fu-wah, PSET(Atg.) reported that the Administration had set up a Joint Expert Group with the Ministry of Railways to take forward the strategic planning of the Guangzhou-Hong Kong Express Rail Link (ERL), of which REL was the Hong Kong section. The Joint Expert Group had confirmed the strategic value of the rail link, and a study was now underway to establish the technical feasibility and commercial viability of ERL. Once the study was completed, the Administration would discuss with the Mainland authorities on the way forward.

38. Mr LAU Kong-wah considered that the Administration should give early consideration to adopting WR route option for REL with the proposed Canton Road Station (CAR) to be provided under the Kowloon Southern Link (KSL) as its terminus. In this respect, he reiterated his call for the Administration to ensure that KCRC and other concerned parties could make early planning for the necessary station facilities and safety requirements of CAR accordingly. Noting Mr LAU's view, PSET(Atg.) advised that the case of providing CAR under KSL was still being examined. Nonetheless, given the severe space constraints of CAR, the possibility of providing extra terminal facilities to serve ERL appeared limited.

Port Rail Line

39. Mr Albert HO asked whether the implementation of the PRL project had become obsolete in view of the economic downturn in recent years.

40. Mr LAU Kong-wah considered that as ER was already operating at capacity, the Administration should actively consider adopting WR as the route option for PRL.

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41. PSET(Atg.) responded that according to RDS-2000, the timing for this rail corridor from Lo Wu to a new port rail terminal at Kwai Chung would depend on the build-up of rail freight demand. Taking into account the relatively slow growth in port cargo throughput over the past few years, it was expected that the existing transport infrastructure could meet the demand for freight transport up to 2016. Nonetheless, the strengthening of the railway link would provide an opportunity for Hong Kong to gain deeper penetration into the inland cargo sources further north of the Pearl River Delta (PRD) Region. As such, KCRC was now studying the feasibility of this rail link to support the long-haul freight transport need between Hong Kong and the hinterland. As regards the choice of route options via either ER or WR, she said that it would mainly depend on the source of inland cargo for Hong Kong. Expressing support for PRL, the Chairman said that KCRC's study should take into account various latest development, such as the signing of the "9 + 2" Pan-PRD Regional Co-operation Frame Agreement which aimed at strengthening the co-operation and enhancing the overall competitiveness of the Pan-PRD Region through closer partnership.

42. Mr James TO however said that notwithstanding the provision of additional transport infrastructure, it would be very difficult to extend the cargo sources of the Hong Kong container port if the level of Terminal Handling Charge remained high in Hong Kong as the same would have a direct impact on the shippers' choice of port facilities.

43. Summing up the discussion, the Chairman said that members generally agreed that the Administration should review the need, timing and cost-effectiveness of individual railway projects recommended under RDS-2000 against the prevailing planning parameters and project assumptions. Due consideration should also be given to the impact of railway development on the operation of other public transport modes so that a balance could be maintained in the public transport market.

III Any other business

44. There being no other business, the meeting ended at 10:40 am.