

Legislative Council Panel on Transport

2005 Policy Agenda

Transport-related Policy Initiatives of the Environment, Transport and Works Bureau

Introduction

The 2005 Policy Agenda just issued sets out the Government's new and on-going initiatives. This note elaborates on those initiatives that are relevant to the transport portfolio of the Environment, Transport and Works Bureau. It also gives an account of the position of our initiatives set out in the 2004 Policy Agenda.

2005 Policy Agenda – New Initiatives

Vibrant Economy

Implement improvement measures to better coordinate the change in non-franchised bus services with demand and to enhance regulation of their operation

A descriptive account of the initiative

2. To address the concerns of the non-franchised bus (NFB) trade and other public transport operators regarding the over-supply of NFBs and the problem of unauthorised NFB services in recent years, the Government invited the Transport Advisory Committee (TAC) to set up a working group to review the regulation of NFB operation in end-2003. TAC completed the review in July 2004. The Legislative Council Panel

on Transport was briefed on 19 July 2004 on TAC's recommendations on better coordinating the change in NFB services with demand, and on improving the regulation of NFB operations. We have since then consulted the NFB trade and made certain adjustments to TAC's recommended measures to take account of the comments of the trade. We will brief the Legislative Council Panel on Transport on 2 February 2005 on the proposed measures to be implemented.

2005 Policy Agenda – On-going initiatives

Vibrant Economy

Pursuing the Hong Kong – Zhuhai – Macao Bridge as a priority project

Progress Made/Present Position

3. The Hong Kong – Zhuhai – Macao Bridge Advance Work Co-ordination Group (AWCG) set up by the governments of Hong Kong, Guangdong, Zhuhai and Macao has set up a project office in Guangzhou to undertake the advance planning for the Bridge, and has commissioned the China Highway Planning and Design Institute (HPDI) to conduct a feasibility study on the Bridge which consists of more than twenty topical studies. The HPDI has evaluated 10 alignment options for the Bridge and has recommended four of them for the consideration of AWCG. On Hong Kong's side, the Bridge will land on Northwest Lantau near the San Shek Wan Headland. For the western bank of the Pearl River Delta, the landing points recommended are at Gongbei/A Perola or Hengqin. The study results will be further considered by the three governments. Now that the study has been completed, we will soon proceed to the next stage of work after the official establishment of the project by the State Council.

4. On another front, with the funding approved by the Finance Committee of the Legislative Council, we have commenced an Investigation and Preliminary Design study for the section of the Bridge within Hong Kong and the connecting infrastructure linking the Bridge with the local transport network. The study will be completed by early 2005.

Discussing with the Mainland authorities concerned the best way to proceed with the proposed express rail link connecting Hong Kong, Shenzhen and Guangzhou upon finalisation of the relevant feasibility study

Progress Made/Present Position

5. The Expert Group set up by the Mainland authorities and the HKSAR Government to conduct a preliminary feasibility study on the Guangzhou-Shenzhen-Hong Kong Express Rail Link (ERL) has examined issues including alignment options, station locations, the interface between the Hong Kong and the Mainland sections of the ERL, the major technical standards, passenger forecast and financial viability. Taking into account the latest development of the town planning and traffic network planning on the two sides, both the Mainland authorities and the HKSAR Government are considering some new ideas for the Mainland and Hong Kong sections of the ERL respectively.

6. The Mainland side is studying the feasibility of using the Mainland section of the ERL to also cater for the Guangzhou-Shenzhen axis of the Pearl River Delta Rapid Transit System. On Hong Kong's side, we are studying the feasibility of using the West Rail and the Northern Link (NOL) to form the Hong Kong section of the ERL. The Kowloon-Canton Railway Corporation (KCRC) and the MTR

Corporation Limited (MTRCL) have included a preliminary analysis on the above-mentioned ideas in their joint report assessing the feasibility of a merger. We have also asked KCRC to do further planning in the context of its study on the NOL. We expect KCRC's studies on the NOL and ERL to be completed in a few months' time (see also paragraph 12 below).

Continuing discussions with the MTR Corporation Limited and the Kowloon-Canton Railway Corporation on a possible merger

Progress Made/Present Position

7. The Government invited MTRCL and KCRC to commence discussions on a possible merger on 24 February 2004. To ensure that the public can benefit from the merger exercise, the Government has set the following five key parameters for the merger discussion between the two railway corporations -

- adoption of a more objective and transparent fare adjustment mechanism;
- abolition of the second boarding charge and review of the fare structure with the objective of reducing fares;
- early resolution of interchange arrangements for new rail projects under planning, notably the Shatin to Central Link;
- ensuring job security for frontline staff at the time of the merger; and
- provision of seamless interchange arrangements in the long run.

8. The Government received a joint report by the two corporations on their assessment of the feasibility of a merger on 16 September 2004. The report also includes a joint assessment by the two corporations on how the Hong Kong section of the ERL can be accommodated in the overall railway network in Hong Kong, as requested by the Government.

9. The Financial Services and the Treasury Bureau and our bureau are assessing the joint report carefully and are conducting further discussions with the corporations. The bureaux are also discussing with MTRCL their proposals for the preliminary transaction terms for the possible merger.

10. The Government aims to complete the assessment and come to a view on the way forward as soon as possible. In considering the matter, a balance would have to be struck between public interests and the interests of MTRCL's minority shareholders if the merger terms were to be acceptable to both groups.

Continuing to actively pursue the planning of various proposed railway projects giving careful consideration to changing community needs. The work includes planning the Shatin to Central Link and Northern Link, and assessing the viability of the West Hong Kong Island Line and the South Hong Kong Island Line

Progress Made/Present Position

Shatin to Central Link (SCL)

11. After a comprehensive assessment of the proposals submitted by the two railway corporations in mid-2001, we awarded the proposed project to KCRC in June 2002. KCRC subsequently reviewed the SCL Scheme such that it would serve more population centres, including

Whampoa, Tsz Wan Shan and Hin Keng areas, and bring more transport benefits to the travelling public. KCRC submitted a draft Final Proposal to the Government in September 2004. We are examining the proposal and the proposed SCL Scheme in the joint report submitted by MTRCL and KCRC on their assessment of the feasibility of a merger, taking into account the latest land-use and planning parameters.

Northern Link

12. KCRC's preliminary study on NOL indicates that the project will generate considerable transport benefits. To better assess the transport and financial performance, and the implementation timetable of NOL, we have invited KCRC to carry out a further study on the engineering viability, environmental impact and financial evaluation of the project. In the context of the NOL study, we have also asked KCRC to explore the technical feasibility of using the existing West Rail and the proposed NOL to form the Hong Kong section of the ERL. It is anticipated that KCRC will complete the study in a few months' time and submit the project proposal to the Government shortly thereafter (see also paragraph 6 above).

West Hong Kong Island Line (WIL) and South Island Line (SIL)

13. We are assessing MTRCL's WIL/SIL project proposal, in particular its economic and transport performance, and its impact on other public transport modes. Based on the recent performance of the West Rail, we will re-examine the patronage forecast of WIL/ SIL as generated by the transport model so as to further validate the system configuration, the transport and other economic performance of the project and the size of the funding gap that need to be bridged by the Government. In parallel, we will continue with planning Route 4. We hope to decide on the way forward for WIL/SIL and Route 4 by early 2005.

Continuing the preparatory work for the construction of the Kowloon Southern Link, and to monitor the progress of the Disneyland Resort Line and the Lok Ma Chau Spur Line for timely commissioning in 2005 and 2007 respectively

Progress Made/Present Position

Kowloon Southern Link (KSL)

14. We invited KCRC to proceed with the detailed planning and design of KSL on 24 September 2002. The KSL scheme was gazetted under the Railways Ordinance on 26 March 2004. We are handling the relevant objections. We also gazetted proposed amendments to the KSL Scheme on 7 January 2005. The proposed amendments aim to minimise the disturbance the works may cause to the public. We expect that the KSL project will be completed in 2009.

Disneyland Resort Line (DRL)

15. The construction works for DRL have been progressing well. All the civil works have been substantially completed. The testing of the railway system will commence after the track laying and railway system works are completed around April this year, with a view to commissioning the railway by mid-2005 to tie in with the scheduled opening of the Hong Kong Disneyland.

Lok Ma Chau Spur Line

16. The construction works for the Spur Line started in end-2002. The progress of the Spur line is on schedule for target completion in 2007. Regarding the Passenger Bridge linking the Spur Line Terminus at Lok Ma Chau and the Shenzhen Metro, which the HKSAR Government is building jointly with the Shenzhen Municipal People's Government (SMPG), we have entrusted the construction of the Passenger Bridge to

SMPG for better coordination of works. The works began in end-2003 and are expected to be completed by 2007 to tie in with the commissioning of the Spur Line. As regards the provision of a public transport interchange (PTI) at the Lok Ma Chau Terminus, the design and construction of the PTI will be entrusted to KCRC in view of the need for works interface between the Spur Line Terminus and the PTI. The works are scheduled for completion in time for the commissioning of the Spur Line.

Continuing to monitor the construction of the Hong Kong-Shenzhen Western Corridor and Deep Bay Link for timely completion by end-2005 and subsequent commissioning

Progress Made/Present Position

Hong Kong-Shenzhen Western Corridor (HK-SWC) and Deep Bay Link (DBL)

17. Construction works for the HK-SWC and DBL commenced in June and August 2003 respectively and are progressing smoothly. Both projects are scheduled for completion by end-2005 and for subsequent commissioning in the second half of 2006 to tie in with the completion of the boundary-crossing facility at Shenzhen Bay.

Reviewing the existing cross-boundary vehicle quota system with a view to further facilitating vehicular movement across the boundary, in anticipation of the commissioning of the Hong Kong-Shenzhen Western Corridor

Progress Made/Present Position

18. We have started discussion with the Guangdong authorities. We aim to reach agreement on appropriate regulatory arrangements before the commissioning of the HK-SWC.

Continuing to monitor the construction of the new bridge at the Sha Tau Kok crossing for timely completion in early 2005 to increase capacity and improve traffic flow

Progress Made/Present Position

19. The new bridge has been completed and will be opened to traffic later this month.

Continuing to consider measures to regulate traffic including fiscal and traffic management means with a view to reducing congestion along major transport corridors and to consult the community on the proposals

Progress Made/Present Position

20. We will continue to explore all possible measures to improve the traffic flow along major transport corridors. We have been closely monitoring overseas experiences, vehicle growth rate, traffic patterns and technological developments, and will take into account all relevant considerations, such as privacy, cost implications to road users and impact on businesses, in developing the measures. We will consult the community before we make any decision.

Caring and Just Society

Discussing with the franchised bus companies to develop a more objective and transparent process for fare adjustment

Progress Made/Present Position

21. We briefed the Legislative Council Panel on Transport in August 2003 on the Administration's proposal to develop a more objective and transparent process for public transport fare adjustment. The proposed fare adjustment process is based on a price-cap model, which allows

transport fares to go up or down in light of the relevant factors and in accordance with a specified formula. We are discussing details of the proposed mechanism with the franchised bus operators. As for railway services, the Government has set the adoption of a more objective and transparent fare adjustment mechanism as one of the key parameters for the merger discussions between MTRCL and KCRC. The Government is studying the joint report submitted by the two corporations on the outcome of their discussions.

Environmentally Responsible Development

Promoting the use of environmentally friendly buses by adding a provision in new bus franchises on the adoption of the latest commercially available and proven environmentally friendly technologies for acquiring new buses, encouraging bus companies to deploy cleaner vehicles along busy corridors and including the provision of environmentally friendly measures as appropriate as a criterion in selecting operators for new bus route packages

Progress Made/Present Position

22. We have added a new provision in the franchises of Citybus Limited (North Lantau and Airport bus network), Long Win Bus Company Limited and New World First Bus Services Limited, which took effect in mid-2003. This provision requires them to adopt the latest commercially available and proven environmental protection technology in setting specifications for acquiring new buses. It is our plan to insert similar provisions in new franchises to be granted in the future.

23. We are working with franchised bus operators to promote the deployment of more environmentally friendly buses on busy corridors. By end-November 2004, all buses running on Yee Wo Street and about

78% of buses operating on Hennessy Road, Queensway, Des Voeux Road Central and Nathan Road are of Euro II and above standards.

24. We will also continue to adopt the provision of environmentally friendly measures as one of the criteria in future exercises for selecting operators for new bus route packages.

2004 Policy Agenda – New Initiatives

Vibrant Economy

Review the existing cross-boundary vehicle quota system with a view to further facilitating vehicular movement across the boundary, in anticipation of the commissioning of the Hong Kong – Shenzhen Western Corridor in end 2005

Progress Made/Present Position

25. This becomes an on-going initiative in the 2005 Policy Agenda. Please refer to paragraph 18 above.

Build a new bridge at the Sha Tau Kok crossing to increase capacity and improve traffic flow

Progress Made/Present Position

26. This becomes an on-going initiative in the 2005 Policy Agenda. Please refer to paragraph 19 above.

Review, through the Transport Advisory Committee, the regulation of non-franchised buses

Progress Made/Present Position

27. This is a new initiative in the 2005 Policy Agenda. Please refer

to paragraph 2 above.

Consider measures to regulate traffic including fiscal and traffic management means with a view to reducing congestion along major transport corridors and to consult the community on the proposals

Progress Made/Present Position

28. This becomes an on-going initiative in the 2005 Policy Agenda. Please refer to paragraph 20 above.

2004 Policy Agenda – On-going initiatives

Vibrant Economy

Pursuing the Hong Kong – Zhuhai – Macao Bridge as a priority project. A Co-ordination Group consisting of representatives from the Guangdong, Macao and Hong Kong governments has been set up to undertake preparatory work for the construction of the Bridge

Progress Made/Present Position

29. This continues to be an on-going initiative in the 2005 Policy Agenda. Please refer to paragraphs 3-4 above.

Implementing the project to build a new bridge to connect Lok Ma Chau and Huanggang to increase capacity and enhance traffic management

Progress Made/Present Position

30. The new boundary bridge between Lok Ma Chau and Huanggang was completed in December 2004 and will be opened to traffic later this month.

Discussing with the Mainland authorities the best way to proceed with the proposed express rail link connecting Hong Kong, Shenzhen and Guangzhou upon finalisation of the relevant feasibility study

Progress Made/Present Position

31. This continues to be an on-going initiative in the 2005 Policy Agenda. Please refer to paragraphs 5-6 above.

Deciding on the study findings of the merging of the MTR Corporation Limited and the Kowloon – Canton Railway Corporation

Progress Made/Present Position

32. This continues to be an on-going initiative in the 2005 Policy Agenda. Please refer to paragraphs 7-10 above.

Actively pursuing with the planning and implementation of various railways with careful consideration on changing needs and control of costs, including detailed design of the Kowloon Southern Link and Shatin to Central Link; constructing the Hong Kong – Shenzhen Western Corridor/Deep Bay Link for completion by end 2005; assessing the viability of the West Hong Kong Island Line and the South Hong Kong Island Line; monitoring the progress of the Tai Wai to Ma On Shan Rail Link and KCR Extension to Tsim Sha Tsui for timely commissioning

Progress Made/Present Position

33. This continues to be an on-going initiative in the 2005 Policy Agenda. Please refer to paragraphs 11-17 above.

Caring and Just Society

Reviewing the operating environment of public transport and developing a more rational process for fare adjustment

Progress Made/Present Position

34. This continues to be an on-going initiative in the 2005 Policy Agenda. Please refer to paragraph 21 above.

Environmentally Responsible Development

Promoting the use of environmentally friendly buses by adding a provision in new bus franchises on the adoption of the latest commercially available environmentally friendly technology for acquiring new buses, encouraging bus companies to deploy cleaner vehicles along busy corridors and including the provision of environmentally friendly measures as appropriate as a criterion in selecting operator for new bus route packages

Progress Made/Present Position

35. This continues to be an on-going initiative in the 2005 Policy Agenda. Please refer to paragraphs 22-24 above.

Environment, Transport and Works Bureau

January 2005