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Panel on Transport

Subcommittee on Matters Relating to Railways

**Minutes of meeting on
Monday, 13 June 2005, at 2:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
- Members attending** : Hon Fred LI Wah-ming, JP
Hon LEUNG Yiu-chung
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
- Members absent** : Hon Abraham SHEK Lai-him, JP
Hon Patrick LAU Sau-shing, SBS, JP

**Public Officers
attending**

: Agenda item I

Miss Cathy CHU
Deputy Secretary for the Environment, Transport and Works

Mr William SHIU
Principal Assistant Secretary for the Environment,
Transport and Works

Mr K H LO
Chief Inspecting Officer (Railways)
Hong Kong Railway Inspectorate Section
Environment, Transport and Works Bureau

Mr Albert YUEN
Assistant Commissioner for Transport/Bus and Railway

Agenda item II

Miss Cathy CHU
Deputy Secretary for the Environment, Transport and Works

Mr William SHIU
Principal Assistant Secretary for the Environment,
Transport and Works

Mr Martin GLASS
Deputy Secretary for Financial Services and the Treasury

Mr Albert YUEN
Assistant Commissioner for Transport/Bus and Railway

Mr CHAN Kin-kwong
Government Engineer/Railway Development
Highways Department

Mr K H LO
Chief Inspecting Officer (Railways)
Hong Kong Railway Inspectorate Section
Environment, Transport and Works Bureau

Agenda item III

Miss Cathy CHU
Deputy Secretary for the Environment, Transport and Works

Mr William SHIU
Principal Assistant Secretary for the Environment,
Transport and Works

Mr K H LO
Chief Inspecting Officer (Railways)
Hong Kong Railway Inspectorate Section
Environment, Transport and Works Bureau

**Attendance by
invitation**

: Agenda item I

Kowloon-Canton Railway Corporation

Mr Y T LI
Senior Director, Transport

Mrs Grace LAM
General Manager, Corporation Affairs

Agenda items II and III

MTR Corporation Limited

Mr Andrew McCUSKER
Deputy Operations Director

Mr Wilfred LAU
Head of Operations

Mrs Miranda LEUNG
General Manager – Corporate Relations

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

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)2

Ms Michelle NIEN
Legislative Assistant (1)3

Action

I Non-stopping of an East Rail train at Tai Wo Station on 28 April 2005

(LC Paper No. CB(1)1722/04-05(01) - Information paper provided by the Administration

LC Paper No. CB(1)1468/04-05(01) - Information paper provided by the Kowloon-Canton Railway Corporation for the meeting on 6 May 2005)

Mr Y T LI, Senior Director, Transport, Kowloon-Canton Railway Corporation (SDT/KCRC) apologized on behalf of the Kowloon-Canton Railway Corporation (KCRC) for the inconvenience caused to the public by the non-stopping of the East Rail train at Tai Wo Station on 28 April 2005. He briefly reported the results of the investigation and follow-up actions by highlighting the salient points of the information paper and the following improvement measures undertaken by KCRC in the light of the incident –

- (a) enhancing the signalling system so as to supervise the station stopping of trains operating in manual modes;
- (b) instructing drivers to pay attention to the signals inside the driving cab that reminded drivers to stop at stations; and
- (c) in the period before the signaling system modification works were completed, arranging a qualified member of staff to accompany the driver to remind the latter to call at stations if a passenger train had to be driven by a driver.

2. The Deputy Secretary for the Environment, Transport and Works (DS/ETW) said that the Administration was very concerned about the station-skipping incident. The Administration had analyzed thoroughly the past preventive measures implemented by KCRC and the present proposed measures, and considered that to prevent recurrence of similar incident, the focus should be on two aspects, namely, enhancement of the reliability of the Automatic Train Operation (ATO) System and staff training. The three improvement measures proposed by KCRC in the light of the incident were in the right direction and could help prevent recurrence of similar incidents.

3. Mr LAU Kong-wah noted that the incident on 28 April 2005 was the third recurrence of station-skipping incidents, the first two having occurred in 2001. While KCRC had blamed the present incident on human error, it had failed to explain why a system to prevent station-skipping, which it had undertaken to install after the two station-skipping incidents in 2001, had not yet been installed. He enquired about the progress of installation of the system and what improvements had been made since the last two incidents. He also pointed out that it was fortunate that the present incident had not affected passenger safety. With a speed of 80 kilometres per hour and the non-provision of platform screen doors, station-skipping could easily have resulted in injuries on passengers waiting at the platform. SDT/KCRC said that following the

Action

two station-skipping incidents in 2001, KCRC had introduced the ATO system in 2002. The ATO system replaced the driver for controlling the train speed and ensured that trains would stop when approaching the platforms and operate the designed speed control profile. However on 28 April 2005, as the ATO system did not function properly, the train had to be driven by the driver according to the Automatic Train Protection (ATP) system which was a safety critical system and its major function was to prevent trains from speeding, collision and derailment. Due to the carelessness of the driver, the train had not stopped at the Tai Wo Station in order to allow passengers to alight and board. DS/ETW added that KCRC had implemented a series of improvement measures following the two station-skipping incidents in 2001 and its performance was being regularly monitored by the Administration.

4. Mr Andrew CHENG said that he had written to KCRC regarding the incident and was given to understand that the fault rate of the ATP system was 0.016%. He noted that the present incident was a result of carelessness of the driver who had to operate the train according to ATP signals as the ATO system was not functioning then. He was concerned about the serious consequence of recurrence of the incident if both ATP and ATO systems were not functioning. He also enquired about the arrangements for a qualified member of staff to accompany the driver if a passenger train had to be driven by a driver under ATP control. SDT/KCRC explained that the ATP system was used to control and monitor the safe operation of East Rail trains. The system ensured that there was a safe distance between trains and that a train could proceed only if it was safe to do so. Meanwhile, the ATO system was a supplementary system used for controlling the train speed and ensuring that trains would stop when approaching the platforms. In the event that both the ATP and ATO systems had broken down, the train would have to rely on the track-side fixed signals. Arrangements would then be made to offload passengers and return the train to the depot for repair. Following the incident on 28 April 2005 and before the signaling system modification works were completed, a qualified member of staff would accompany the driver if the ATO system did not function and the passenger train had to be driven under ATP control. In such cases, the train would be returned to the depot for repair and efforts would be made to avoid manual operation as far as practicable.

5. SDT/KCRC further explained in response to Mr TAM Yiu-chung and Mr LAU Kong-wah that while the ATO system would reduce the train speed when approaching stations, the existing ATP system could not do so as it was only capable of ensuring a safe distance between trains. With the enhancement of the signalling system, the improved ATP system would be able to reduce the train speed when approaching stations, even when the ATO system was not functioning. The cost of the enhancements works would amount to \$6 million.

6. Mr WONG Kwok-hing enquired whether the station-skipping incident occurring on 28 April 2005 was due to the decommissioning of the audible alert signal on 2 April 2005. Sharing similar concern, Mr Jeffrey LAM enquired if any studies were made on the reliability of the ATO system before the decommissioning of the audible alert signal. SDT/KCRC said that the audible alert signal was installed as a

Action

temporary and supplementary measure to remind drivers to call at stations following the two station-skipping incidents in 2001. It was intended that the signal would be dispensed with upon installation of the ATO system. As the ATO system had achieved a certain level of reliability after operating for one and a half years, the audible alert signal had been decommissioned on 2 April 2005. In the light of the incident, KCRC reinstated the audible alert signal on 29 April 2005. Upon the completion of the enhancement works of the signalling system, KCRC would decide on the continuation of the audible alert signal.

7. Mr WONG Kwok-hing was of the view that there would be a need to continue with the use of the audible alert signal to remind the drivers to call at stations. SDT/KCRC said that apart from the audible alert signal, there were passenger train indicators which would alert the drivers to call at stations. Besides, the driver could actually hear the passenger announcements on the train and see from the driving cab the arrival of the trains at the stations. Therefore, the need for the continuation of the audible alert signal would be reviewed upon the completion of the enhancement works of the signalling system in late 2005. Mr WONG Kwok-hing said that in the light of the incident, there was a need to increase the vigilance of drivers. He therefore requested that members be consulted before a decision was made to decommission the audible alert signal.

8. Mr LAU Kong-wah enquired about the fault rate of the ATO system, adding that it might be a wrong judgment to decommission audible alert signal based on the performance of the ATO system. SDT/KCRC said that there were 37 trains operating at 540 trips per day at the East Rail and the average fault rate due to the malfunction of the ATO system was 16 times a month. With enhanced maintenance following the station-skipping incident in April 2005, the fault rate in May 2005 had been improved to nine times per month. Meanwhile, the fault rates for February, March and April 2005 were 13, 11 and 19 times per month respectively. DS/ETW said that the performance of ATO system of the East Rail was not ideal because there were on average 16 malfunction incidents each month, representing one incident every two days. This compared unfavorably with the performance of Mass Transit Railway which recorded only one system malfunction since the end of last year. As the maintenance and repair of the ATO system of the East Rail would need to be further improved, KCRC had been requested to provide monthly statistics on the malfunctioning of the ATO system to the Transport Department for reference until such time when the performance of the system had been stabilized.

9. Mr Andrew CHENG enquired about the measures to be taken by the Administration if KCRC could not be able to make improvements to its systems, which might in turn affect public safety. DS/ETW said that the ATP system would ensure the operational safety of trains and the ATO system would enhance the efficiency of the system and ensure that trains would stop when approaching the platform. The performance of East Rail would be affected if the ATO system failed to function properly. The Administration would remind KCRC on the need for improvements to enhance its service to the public and would impose penalty as appropriate if safe operation of the railway was affected.

Action

10. Mr Jeffrey LAM enquired whether the ATO system of KCRC was compatible with that adopted by the MTR Corporation Limited (MTRCL), since the two companies were now engaged in talks about a possible merger. SDT/KCRC said that both companies had adopted similar automated systems to operate their trains but as these were being provided by different suppliers, there were some differences in their operation mode. Responding further to Mr Jeffrey LAM on whether efforts would be made to ensure their compatibility, SDT/KCRC said that due to the differences in the railway operating systems, each would operate their own railway lines.

11. Responding to Mr Andrew CHENG on the difference in the operation of Light Rail and East Rail, SDT/KCRC said that as the Light Rail was operating along at-grade roads, the train drivers would have to observe traffic signals and traffic conditions and as such they could not have as much reliance on the automatic system as compared to drivers for the East Rail. The Light Rail train drivers would receive training for nine weeks, which was much shorter as compared to the 17-week training for East Rail drivers as the latter would have to be trained to use the ATO and ATP systems. Sufficient training would be provided for Light Rail and East Rail train drivers and licences to drive trains would be issued for the purpose.

12. Mr Albert CHAN was concerned about the psychological pressure with which drivers were exposed to in operating the trains. He said that with increased automation, there was a tendency for drivers to be overly reliant on the automated system and hence unaccustomed to manual operation. Therefore, they might have adjustment difficulties when reverting to manual operation when the automated system failed to function. In this connection, he enquired if there was any training on manual operation of the trains and any measures which would help relieve the psychological pressure of drivers. SDT/KCRC said that KCRC was aware of the need for drivers to be well trained in the manual operation of the train. Hence drivers were required to operate the trains manually in and out of the depot when there were no passengers on board. Efforts would be made to ensure that the drivers had enough rest in between shifts and that they would have a rest after four to five hours of work. In addition, psychiatric services were provided to help relieve drivers from psychological pressure. Drivers were encouraged to share their work experience with their colleagues and through this interchange, they would be able to be relieved of their pressure while the management would be made aware of their difficulties.

Admin 13. Concluding the discussion, the Chairman requested that a performance report on the ATO system of the East Rail for the next few months be provided for members' reference and that the subject be followed up by the end of the year based on its performance.

Action

II Disneyland Resort Line

- (LC Paper No. CB(1)1722/04-05(02) - Information paper provided by the Administration
- LC Paper No. CB(1)1374/04-05(01) - Information paper provided by the MTR Corporation Limited for the meeting on 6 May 2005
- LC Paper No. CB(1)1408/04-05 - Background brief on "Disneyland Resort Line" prepared by the Legislative Council Secretariat)

14. DS/ETW said that the Administration had provided in response to members' request at the meeting on 6 May 2005 the background to the financing arrangements for the Disneyland Resort Line (DRL) and the principles behind Government's dividend waiver of \$798 million as funding support for DRL. She said that starting from 2002, the Government had gradually waived its claim for \$798 million of dividends otherwise payable by MTRCL to Government as a shareholder. The waiver of dividend was completed in 2004.

15. Mr WONG Kwok-hing was worried that if DRL turned out to be not profitable, MTRCL would use this as an excuse to increase fare levels in order to meet its project internal rate of return, as in the case of the toll increase for the Eastern Harbour Crossing. Mr Jeffrey LAM also enquired if there would be a further subsidy from Government if DRL's patronage was much lower than expected. DS/ETW said that dividend waiver of \$798 million was meant to be an one-off financing arrangement to meet the funding gap for the construction of DRL which would otherwise be financially non-viable. Should DRL under-perform, MTRCL would have to bear the commercial risk of operation as it would have no recourse to the Government for additional financial support. As regard the fare level, MTRCL would need to consult the Panel on Transport and the Transport Advisory Committee on the proposed level of adjustment and to conduct a survey on the public acceptance of such. As a listed company, MTRCL would have the autonomy to set a competitive level of fares.

16. Mr WONG Kwok-hing said that since Government had already subsidized MTRCL in the construction of DRL, it should try to defend public interest by maintaining the fares at a reasonable level. DS/ETW said that in setting the level of fares for public transport, the Corporation would take into account factors such as economic situation, operating condition, public affordability and market competition.

17. On Mr WONG Kwok-hing's request for an undertaking from MTRCL that it would not seek to increase the fare levels of DRL, Mr Andrew McCUSKER, Deputy Operations Director, MTRCL (DOD/MTRCL) said that as DRL would be an extension of the MTR system, the fare levels would be set in accordance with market conditions. MTRCL would bear the commercial risks if DRL failed to perform according to projections.

Action

18. Mr LEE Wing-tat was concerned about the financial viability of DRL despite the huge subsidy provided by the Government through its waiver of dividends. He enquired whether, in the event that DRL suffered from an operating deficit, MTRCL would try to reduce the deficit by increasing the fares for other MTR lines. DOD/MTRCL said that according to MTRCL's financial assumptions, there would be a projected attendance of around 5.5 million visitors to the Hong Kong Disneyland Theme Park in the first year of operation and a projected total market share of around 30 to 40% for DRL. These projections were robust and at this stage, it did not appear that DRL would be making a loss.

19. Referring to the low patronage and financial non-viability of the Airport Express Line (AEL), Mr LEE Wing-tat said that financial assumptions might not always be correct. He sought an undertaking from the Administration and MTRCL that if DRL turned out to be financially non-viable, it should try to balance its own accounts and not rely on subsidies from other MTR lines. DOD/MTRCL said in response that MTRCL was a composite business which operated as one entity and its projections were very robust at this time. DS/ETW said that as a listed company, MTRCL had the responsibility to ensure that its services were financially sound and that its business was conducted under prudent commercial principles.

20. Mr Jeffrey LAM enquired whether there would be cross-subsidy between DRL and other MTR lines, and whether DRL would be offering concessions when it turned out to be highly profitable. DOD/MTRCL said that MTRCL would be operating all lines together as one entity and would assume all commercial risks in its operation. He reiterated that the fares would be set at a competitive level and in accordance with market conditions. As DRL was an extension of the MTR system, concessions which would apply on the existing systems would apply to DRL as well.

21. Mr Jeffrey LAM further enquired whether consideration could be given to offering discounted fares for DRL if its patronage was much higher than expected. DS/ETW explained that since most visitors to the Hong Kong Disneyland Theme Park would ride on the Tung Chung Line before transferring to DRL, it would not be practicable to offer concessions for DRL only.

22. Mr LAU Kong-wah enquired whether concessions would be provided to improve the patronage of DRL in the event that it failed to achieve projected total market share of 30% to 40%, and if so, how long would it take to observe the situation before concessions were given. He said he would not wish to have a repeat of the experience of AEL in which concessions were only granted at a very late stage when the patronage had dropped to an unacceptable level, which resulted in the loss of its competitive edge. DOD/MTRCL said that since the patronage would vary with the seasons, it would take up to six months before deciding on whether fare levels should be changed.

23. Noting MTRCL's assertion that that fare levels should be set according to operating conditions and public affordability, Mr Andrew CHENG was of the view that as MTRCL was able to secure huge returns amounting to over \$4.4 billion per

Action

year and that it could afford the high remuneration for its Chief Executive Officer amounting to over \$8 million per year, there should be room for reduction on fare levels to take account of public affordability. It should also be requested to repay to the Government the dividend waiver of \$798 million.

24. The Deputy Secretary for Financial Services and the Treasury (DS/FST) explained that the vast bulk of the \$4.4 billion earnings by MTRCL last year were derived from property development and not from railway operation. Property development had assisted in the build up of the MTR system at minimum expense to taxpayers. In accordance with the Project Agreement signed with MTRCL in 2002 for the financing, design, construction and operation of DRL, MTRCL would assume all the commercial risks relating to the project. The Agreement had been explained to members on four occasions in July 2002. As a majority shareholder of MTRCL, Government would effectively be drawing a considerable portion of the dividend if DRL's performance turned out to be better than expected. DS/ETW added that as the waiver of dividends was completed in 2004, Government had been collecting its share of dividends from MTRCL as from 2004.

25. Noting that the actual parameters of the project, including the fare revenues and the internal rate of return, would not be available until the end of the franchise period, Mr LAU Kong-wah enquired about when the expected rate of return could be reached. DS/FST said that the rate of return was calculated over a period of 40 years and as such the final figure would not be known until after 40 years.

26. Mr Tommy CHEUNG said that he was not worried about the level of fares as this remained a commercial decision on the part of MTRCL. What he found hard to accept was that the rate of return could only be calculated in 40 years' time. He said that there must be a formula for calculating the rate of return taking into account the estimated patronage and fare level. As Government was a major shareholder of MTRCL, the public should have the right to know the accounts of DRL and as such there was a need to publicize its accounts. DS/FST said that it would not be possible to predict what the market would be like in ten years' time, let alone 40 years.

27. Mr Albert CHAN was of the view that by refusing to disclose its accounts, MTRCL was operating within a black box. Through the construction of DRL, MTRCL was able to promote its international image with the use of public money. The funding support through the waiving of dividends had not gone through the proper funding channels and had deviated from general principles set out under the Public Finance Ordinance. Such collusion between Government and MTRCL had undermined public interest. Furthermore, with an investment of \$2 billion on DRL, MTRCL would only be able to collect about \$30 million of fares per year from the operation of DRL and this had not taken into account the operating cost. Judging from these figures, DRL would not be a sound investment and the public and shareholders would be set to lose. He therefore considered it necessary that MTRCL should reveal its accounts on DRL so that the public would be able to find out if the financial projections for DRL were correct.

Action

28. DOD/MTRCL said that the financing arrangements for DRL were made known to members of the Subcommittee in 2002 before its construction. It was recognized that MTRCL was obliged to make a commercial rate of return on its investment in any new railway projects, which was considered to be between 1% and 3% above the estimated weighted average cost of capital. DS/FST did not agree that Government and MTRCL were operating within a black box as the financing of DRL had been fully transparent. As regard the financial projections for DRL, he said that these were based on a reasonable set of assumptions made by MTRCL in terms of the size of the market which was consistent with Disney's expectation of its Theme Park and the market share of 30% to 40% which was in line with AEL. These projections were worked out having regard to economic growth and expected patronage and were considered the best estimates to be made of the future.

29. The Chairman said that the concerns raised by members were based on a pessimistic view on the financial viability of DRL. Whether their concerns were valid would remain on the performance of DRL upon commissioning of the Disneyland Theme Park. The Subcommittee would be following up on the progress of DRL after it had been in operation for some time.

III Retrofitting of platform screen doors at MTR stations

- (LC Paper No. CB(1)1722/04-05(03) - Information paper provided by the MTR Corporation Limited
- LC Paper No. CB(1)1722/04-05(04) - Questions raised by Hon WONG Kwok-hing dated 26 May 2005
- LC Paper No. CB(1)1722/04-05(05) - Written reply from the Administration to the questions raised by Hon WONG Kwok-hing
- LC Paper No. CB(1)1406/04-05(03) - Information paper provided by the MTR Corporation Limited for the meeting on 6 May 2005
- LC Paper No. CB(1)1891/99-00(01) - Information paper on "Mass Transit Railway and Airport Express Line Fares for 2000" provided by the MTR Corporation Limited
- LC Paper No. CB(1)205/00-01(05) - Information paper on "Improvement to Mass Transit Railway Service after Privatisation" provided by the MTR Corporation Limited for the meeting on 24 November 2000
- LC Paper No. CB(1)309/00-01 - Extracts of the minutes of meeting on 24 November 2000
- LC Paper No. CB(1)341/00-01(01) - Supplementary information requested by members at the meeting on 24 November 2000)

Action

30. The Chairman said that in response to members' request at the last Subcommittee meeting on 6 May 2005, MTRCL had provided further information on the collection of 10 cents per Octopus MTR journey as funding assistance for the MTR Platform Screen Door (PSD) Retrofit Programme (the Retrofit Programme). Meanwhile, written reply to Mr WONG Kwok-hing's questions relating to the retrofitting of PSDs had been provided by the Administration.

31. DS/ETW said that in mid-1996, MTRCL started to consider the benefits and feasibility of retrofitting PSDs at existing MTR stations which were built in the 1970s and 1980s. Upon completion of a three-year feasibility study in 1999, MTRCL decided to proceed with the PSD Retrofit Programme. However as substantial costs amounting to over \$2 billion were required in retrofitting PSDs and these were not covered in the original investment plan of the urban lines of MTR, funding assistance from passengers was needed. Since July 2000, MTRCL had been collecting 10 cents per Octopus journey from passengers for subsidizing the programme. It was expected that the contribution would continue until it reached \$1 billion, being half of the capital cost for the project. DOD/MTRCL said that PSDs were not envisaged at the time when MTR systems were first built but these were improvement measures which would enhance operational efficiency. As the project was highly expensive, MTRCL would need to look for sharing of costs.

32. Mr WONG Kwok-hing enquired about the cost for the Retrofit Programme since according to an earlier information paper provided by MTRCL under LC Paper No. CB(1)1891/99-00(01), the cost for contract works awarded in 2000 was \$910 million and not \$2 billion as claimed. DOD/MTRCL said that originally the cost for the Retrofit Programme was estimated at \$2.5 billion but it was later brought down to \$2 billion. The paper referred to by Mr WONG had set out the costs for the contract works for manufacturing and installing PSDs amounting to \$690 million and that of the first contract works for the modification to the air conditioning and ventilation system amounting to \$223 million. The said paper only covered some of the initial contract works and subsequently there were a series of contracts for modification to air conditioning, ventilation, electricity supply, and signaling systems.

33. Mr LAU Kong-wah enquired about how much had been spent on the Retrofit Programme and the actual cost for the installation of PSDs. The General Manager-Corporate Relations, MTRCL (GMCR/MTRCL) said that the retrofitting of PSDs at existing stations was a complex project requiring a lot of modification works. Before the installation of PSDs, piston effect generated by the running of trains brought fresh air into tunnel for ventilation. While the retrofitting of PSDs could reduce the loss of cool air from platform, the tunnels and stations were separated after the retrofitting of PSDs. Modification works had to be carried out to ventilation and smoke extract systems. On-going maintenance costs for the operation of PSDs were not included in the project costs. The income derived from advertisement had been reduced following the retrofitting of PSDs.

Action

34. Mr WONG Kwok-hing enquired whether the funding assistance by way of passenger contribution would apply in the retrofitting of PSDs at the eight at-grade or above ground stations. GMCR/MTRCL said that as feasibility studies for retrofitting PSDs at the eight at-grade or above ground stations had yet to be conducted, the retrofitting cost could not be worked out at this stage. Hence it was too early to talk about the funding mechanism. She however said that members would be consulted. Mr WONG Kwok-hing said that he hoped that MTRCL would shoulder the retrofitting costs without having to share out with passengers.

35. Noting that the study on the feasibility of retrofitting of PSDs at at-grade and aboveground stations would only be conducted upon completion of the Retrofit Programme in 2006, Mr WONG Kwok-hing enquired about the time frame for the provision of PSDs at the eight at-grade and aboveground stations since this would affect the interest of the 73 900 blind people in Hong Kong, whose concerns had been reflected to the management of MTRCL in an earlier meeting with the Society for the Blind. DOD/MTRCL said that MTRCL would need to further study the experience and passenger acceptability of DRL with the objective of examining the feasibility of retrofitting PSDs, platform gates or any other alternatives at at-grade and aboveground stations. The feasibility study would expect to commence in early 2006 and would require four to six months to complete as the retrofitting of PSDs at at-grade and aboveground stations was much more complex than that of underground stations.

36. Referring to MTRCL's statistics that a total of 13 cases involving visually impaired persons falling onto railway tracks were recorded in the past ten years, Mr LEUNG Yiu-chung was of the view that the retrofitting of PSDs was a necessity rather than a concession because it affected the safety of passengers. There was a need for the early retrofitting of PSDs at the eight at-grade or aboveground stations, in particular the Tsuen Wan Station which had a high accident rate, as the absence of PSDs would pose a threat to passengers. As such, he did not agree with MTRCL that it should await the completion of the present retrofit programme in 2006 or to make reference to the experience of the Sunny Bay Station before proceeding with the feasibility study on the retrofitting of PSDs at at-grade or aboveground stations. He considered it unfair that passengers had to contribute to this safety measure simply because MTRCL had not envisaged the need for PSDs when the MTR system was first built. He opined that MTRCL should bear the consequence of its failure to include PSDs in the original investment plan and should not request passengers to share out the retrofitting costs.

37. DOD/MTRCL said that the Sunny Bay Station platforms had been designed with half-height Automatic Platform Gates (APGs). Studies would have to be made on the public acceptability of these APGs and the feasibility of retrofitting APGs or any other alternatives at at-grade or aboveground stations. Feasibility studies on the retrofitting of PSDs at at-grade or aboveground stations would commence in early 2006. There was a need to assemble as much information as possible given that the technical constraints in the retrofitting of PSDs at existing at-grade or aboveground stations.

Action

38. Mr Fred LI requested that the feasibility studies on the retrofitting of PSDs at the three at-grade stations in Kwun Tong, Kowloon Bay and Ngau Tau Kok be expedited because these stations were patronized by a large number of passengers every day, particularly after the opening of the apm shopping mall in Kwun Tong. He said that as the situation at these stations would be very different from that of Sunny Bay Station which served a resort line, it would be irrelevant to take experience from the latter in planning for PSDs for existing stations. He urged for the early provision of PSDs at these stations, adding that if full provision could not be possible, a partial provision could be made in the mean time.

39. GMCR/MTRCL said that MTRCL was the world's first railway to undertake retrofitting of PSDs at underground stations in a metro system already in operation. The project was progressing well and the retrofitting of PSDs at underground stations would be expected to complete in 2006. As the retrofitting of PSDs at existing at-grade or above ground stations was more complex and would have more technical constraints, reference had to be made to the experience of using half-height automatic platform gates at the Sunny Bay Station.

40. Mr Andrew CHENG referred members to the minutes of meeting of the Panel on Transport on 24 November 2000 regarding the discussion on the retrofitting of PSDs. He said that members of the Panel were opposed to the collection of 10 cents per Octopus MTR journey as funding assistance for the Retrofit Programme as they considered it unfair that the cost of retrofitting of PSDs should be borne by passengers. The construction cost of \$2 billion of the project was however not mentioned at the meeting. Subsequently, a letter was provided by the Administration after the meeting informing members that the 10 cents contribution from passengers would help defray about half of the total cost of \$2 billion for the project over the life cycle of PSDs. He found it hard to accept that with its huge profits, MTRCL should be collecting 10 cents per passengers per journey for a considerable length of time for the retrofitting of PSDs which were necessary for passenger safety. He said that he would be moving the following motion and he hoped members would support it-

“That this Subcommittee strongly urges MTRCL to stop collecting 10 cents per ride from passengers upon completion of the PSD Retrofit Programme in 2006”

Chinese translation

「本會強烈要求地鐵於幕門工程完成後，並即停止向乘客收取每程一毫的費用，同時應交待獨立安裝的收支帳目及研究興建地面幕門的時間表。」

41. Mr Tommy CHEUNG enquired about the outcome of deliberation at the meeting of the Panel on Transport on 24 November 2000 to facilitate his consideration on the motion to be moved by Mr Andrew CHENG. The Chairman briefly took members through the extract of minutes of meeting at LC Paper No. CB(1)309/00-01. She said that members had raised concerns about the 10 cents contribution per

Action

Octopus journey from passengers which was announced on 16 June 2000 as they were worried that MTRCL might try to increase its fares under the pretext of surcharges for future improvement works. They had requested for information on the project cost and the share of such cost from passenger contribution. The requisite information was subsequently provided and no further discussion was held on the subject.

42. Mr WONG Kwok-hing however noted from paragraph 26 of the extract of minutes of the meeting that the Chairman had concluded that “MTRCL should stand by its statement that the additional charge for retrofitting PSDs was well and truly the only exception and no other surcharges would be levied again.” Judging from the conclusion, it would appear to him that members had not objected to the 10 cents contribution from passengers. If this was the case, he would have reservations in supporting the motion to be moved by Mr Andrew CHENG.

43. Mr Andrew CHENG pointed out that at the meeting on 24 November 2000, he and Mr Albert CHAN as well as Mr Andrew WONG were all opposed to the 10 cents contribution from passengers for the funding of the Retrofit Programme and the latter had requested the Administration to bear the retrofitting cost. However, the attention of the meeting was later drawn to the concern that MTRCL might try to increase its fares under the pretext of surcharges for future improvement works and the Administration’s confirmation that no other surcharges would be levied again. It was on this basis that the Chairman’s conclusion was drawn. He said that members were under the impression that the 10 cents contribution would cease in 2006 upon completion of the Retrofit Programme. However, it was only until the last Subcommittee meeting on 6 May 2005 that members were made aware that the contribution would have to continue for about 15 years until it reached \$1 billion, being half of the capital cost for the project. He said that as the Administration had been so generous with the MTRCL in its waiver of dividends for the construction of DRL, it should also be prepared to bear the remaining retrofitting cost. DS/ETW said that as MTRCL was operating on commercial principles, the Administration would not be subsidizing its operation.

44. Mr WONG Kwok-hing said that he wished to amend Mr Andrew CHENG’s motion by requesting MTRCL to shoulder the cost of retrofitting PSDs at the eight at-grade and aboveground stations. The Chairman said that the proposed amendment should not be allowed as it fell outside the scope of the original motion.

45. Mr Tommy CHEUNG said that it might not be appropriate to urge MTRCL to stop collecting 10 cents per ride from passengers upon completion of the PSD Retrofit Programme in 2006 as the discontinuation of funding might have a disruptive effect.

46. Mr LAU Kong-wah said that he would abstain from voting as it was his understanding that the 10 cents contribution from passengers would continue until it reached \$1 billion and not upon completion of the PSD Retrofit Programme in 2006 as stated in the motion. He also said that he would support that the retrofitting of PSDs at the eight at-grade and aboveground stations be included as part of the existing Retrofit Programme.

Action

47. Mr WONG Kwok-hing said that he would also abstain from voting as he would need to pursue with MTRCL the retrofitting of PSDs at the eight at-grade and aboveground stations for the benefit of the visually impaired.

48. The Chairman put the motion to a vote. As two members voted for the motion, two members voted against the motion and three members abstained, the Chairman exercised her casting vote and voted against the motion in accordance with the usual practice as this would have the effect of maintaining the status quo. The motion was negated.

IV Any other business

49. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1
Legislative Council Secretariat
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