

立法會

Legislative Council

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Panel on Transport

**Minutes of special meeting held on
Friday, 21 October 2005, at 8:30 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon LAU Kong-wah, JP (Chairman)
Hon Andrew CHENG Kar-foo (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, SBS, JP
Hon Albert Jinghan CHENG
- Members absent** : Hon LAU Chin-shek, JP
Hon Abraham SHEK Lai-him, JP
Hon LEE Wing-tat
Hon LEUNG Kwok-hung
- Public Officers attending** : Dr Sarah LIAO
Secretary for the Environment, Transport and Works
- Mr Joshua LAW
Permanent Secretary for the Environment, Transport and Works
(Transport)

Mr Thomas CHOW
Deputy Secretary for the Environment, Transport and Works
(Transport) 1

Miss Cathy CHU
Deputy Secretary for the Environment, Transport and Works
(Transport) 2

Ms Annie CHOI
Deputy Secretary for the Environment, Transport and Works
(Transport) 3

Mr Patrick HO
Deputy Secretary for the Environment, Transport and Works
(Transport) 4

Mr Alan WONG
Commissioner for Transport

Mr C K MAK
Director of Highways

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

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Ms Anita SIT
Senior Council Secretary (1)9

Miss Winnie CHENG
Legislative Assistant (1)5

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I Briefing by Secretary for the Environment, Transport and Works on relevant policy initiatives in the Chief Executive's Policy Address 2005/2006
(LC Paper No. CB(1)14/05-06(01) - Information paper provided by the Administration

- Address by the Chief Executive at the Legislative Council meeting on 12 October 2005 - "Strong Governance For the People"; and
- The 2005/2006 Policy Address - "Policy Agenda"

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At the invitation of the Chairman, the Secretary for the Environment, Transport and Works (SETW) briefed members on the various new and on-going initiatives under the transport portfolio of the Environment, Transport and Works Bureau (ETWB).

Fare adjustment mechanisms for franchised bus and railway services

2. On the Administration's work on developing a more transparent and objective fare adjustment mechanism to allow franchised bus fares to be adjusted upwards or downwards, Mr WONG Kwok-hing opined that in developing the mechanism, special consideration should be given to the disabled and those who needed to travel long distances to work. Mr WONG also enquired whether there was room for reduction of railway fares before and after the merger of the two railway corporations.

3. Mr TAM Yiu-chung said that residents in Tung Chung had been enduring relatively high bus and railway fares. He understood that with the opening of the Hong Kong Disneyland, the patronage and fare revenue of MTR Tung Chung Line had increased. He asked if there was room for reduction of bus and railway fares for residents in Tung Chung.

4. Mr CHENG Kar-foo pointed out that merger of the two railway corporations involved complicated issues. Taking into account the lead time required for working out the detailed arrangements and enactment of relevant legislation, it was unlikely that the merger could be materialized within 2006. He urged the Government, being the sole owner of the Kowloon-Canton Railway Corporation (KCRC) and the majority shareholder of MTR Corporation Limited, to lower the railway fares in the interim without awaiting the materialization of the merger.

5. Mr Albert CHAN also urged early implementation of new fare adjustment mechanisms for franchised bus and railway services together with meaningful extents of fare reduction.

6. Regarding the fare adjustment mechanism for franchised bus service, SETW advised that the Administration was developing a detailed proposal based on a price-cap model which took into account the cost of living and other relevant economic and operational factors. The Administration planned to report the details of the proposal to Legislative Council in November 2005. She confirmed that special consideration would be given to those who needed to travel long distances to work, including residents in Tung Chung, in formulating the proposal.

7. As regards railway fares, SETW advised that "adoption of a more objective and transparent fare adjustment mechanism" and "abolition of the second boarding charge and review of the fare structure with the objective of reducing fares" were two of the five key parameters set by the Government for the merger discussion between MTRCL and KCRC. The merger discussion had reached the final stage but there was no implementation timetable at this stage. However, the Administration had all along been

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encouraging the two railway corporations to provide fare concessions in the light of prevailing economic and social circumstances.

8. SETW further said that MTRCL was a listed company in Hong Kong. The governance of the corporation was subject to the rules and regulations of the relevant regulatory regime. The Government played the dual roles of the majority shareholder and the monitoring authority. Under the law and the relevant project agreements, MTRCL had autonomy on fare determination for its railway lines. As such, the Administration must ensure that the proposal for a new fare adjustment mechanism for MTRCL's railway service was pursued in compliance with the law and other relevant rules and regulations. The Administration considered that pursuing the proposal in the context of the merger of the two railway corporations was an appropriate arrangement, though it might entail a longer lead time for materialization.

9. Mr Albert CHAN opined that in pursuing the merger of the two railway corporations, the Administration should put in place proper mechanisms to ensure that the new corporation resulting from the merger would honour its social responsibilities and be accountable to the public, whilst maintaining quality railway service. SETW responded that there was an inherent tension between toll level and service quality, but the Administration concurred that the railway corporations, at present and after the merger, should continue to be sensitive to and give due consideration to the demands of the public in making their decisions.

Special concessionary bus fares for the elderly on public holidays

10. Mr TAM Yiu-chung said that some franchised bus companies had offered \$1 flat concessionary fare for the elderly on Sundays and public holidays for about a year in 2003-04 and this initiative had been very well received by the elderly. He asked the Administration to encourage franchised bus companies to revive this concessionary measure. Mr Albert CHAN echoed Mr TAM's view and stressed that the concessionary measure in fact would benefit both the elderly and the franchised bus companies. He considered it acceptable if the flat concessionary fare was to be pitched at a slightly higher level.

11. SETW said that encouraging the integration of the elderly and the disabled with the community was a priority consideration of the Administration in drawing up the proposals for new fare adjustment mechanisms for franchised bus and railway services. Pointing out that railways and franchised buses had spare capacity during weekends and public holidays, she concurred that providing further fare concession for the elderly on these days could benefit both the elderly and the public transport operators.

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Railway incidents and performance of the railway systems

12. Mr CHENG Kar-foo said that apart from fare reduction, the public expected that after the merger, there should not be an increase in the number of railway incidents. It was therefore important to include relevant measures in the merger plan to improve the train service performance of the new corporation resulted from the merger.

13. SETW said that all along, the Administration accorded high priority to the upkeeping of the safety and reliability of the railway systems of two railway corporations. As regards Mr CHENG's concern about the performance of the railway systems, she advised that there were standard Performance Requirements, which were internationally recognized standards, for measuring train service performance. Over the past few years, over 99% of the train trips of both MTRCL and KCRC had been able to meet the Performance Requirements. It should be borne in mind that substantial increases in reliability would require much higher initial capital costs and annual lifetime maintenance costs with more upgrades during the asset lifecycle. Hence, setting and achieving even higher performance measures against existing performance criteria might not offer the most benefit to the commuting public. That said, the Administration would continue to vigilantly monitor the performance of the railway systems to upkeep public confidence in their operation.

Traffic in Northwest New Territories

14. Mr CHEUNG Hok-ming and Mr TAM Yiu-chung pointed out that at present, traffic congestion often occurred on Tuen Mun Road (TMR) especially at the section in Tuen Mun Town Centre. They were concerned that with the increase in cross-boundary traffic upon the commissioning of the Hong Kong - Shenzhen Western Corridor (HK-SWC), the congestion situation would be aggravated. They enquired about the short-term and long-term measures to meet the increasing traffic demand in Northwest New Territories (NWNT).

15. SETW said that the Administration had been closely monitoring the traffic conditions in NWNT and had discussed the subject with the Panel a number of times in recent years. According to the latest traffic and infrastructure review for NWNT conducted by the Administration, the existing road network could in general cope with the traffic demands and would operate within manageable levels up to 2016. Route 3 (Country Park Section) together with TMR would provide adequate combined corridor capacity for the NWNT traffic. As regards the diversion of traffic from TMR to Route 3, she advised that the Administration had been in active discussion with the operator of Route 3, with a view to coming up with agreed arrangements to boost its utilization.

16. The Deputy Secretary for the Environment, Transport and Works (Transport) 1 (DS/ETW(T)1) supplemented that TMR had a design daily capacity of 125 000 vehicles. The daily traffic on TMR in 2004 was 102 000 vehicles. Upon the commissioning of HK-SWC in 2006, it was estimated that the initial traffic volume of HK-SWC would be in the region of about 31 000 vehicles per day. Some 6 000 additional vehicles would be

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using TMR compared to 2004. The overall traffic on TMR would become 109 000 vehicles per day, which would still be below its design capacity. For the long term planning horizon, the Administration had drawn up a number of transport infrastructure packages and a broad implementation timeframe to meet the traffic needs of NWNT and North Lantau. In the meantime, the Administration would implement traffic improvement measures to increase the capacity of the Town Centre Section of TMR and carry out investigation and engineering feasibility studies of the various possible highway projects, such that once the future development picture in respect of NWNT and North Lantau became clearer, the optimal option could be implemented at the earliest opportunity.

Outlying islands ferry services

17. Noting that the operators of outlying islands ferry services had applied for fare increase, Mr TAM Yiu-chung said that whilst the operators claimed that they had been operating at a loss, fare increase would add to the financial burden of the residents of outlying islands. He considered that the Administration should explore viable measures to address the problem.

18. SETW responded that the applications for fare increase from ferry service operators were under consideration. She remarked that ferry services for outlying islands had improved over the past few years with the replacement of old ferries by new ones and the adoption of more frequent service schedules and longer service hours. However, these improvements had resulted in higher operating costs. She concurred with Mr TAM that there was a need to review the policy regarding ferry services with a view to sustaining viable operation of the services while maintaining the fares at reasonable levels.

Voluntary registration scheme for vehicle mechanics

19. On the proposed voluntary registration scheme (VRS) for vehicle mechanics, Ms LI Fung-ying enquired about the anticipated participation rate and measures to promote the scheme among the trade. She also asked if the Administration had made any assessment of the impact of the scheme on the employment situation of the trade. Referring to the proposal of the Education and Manpower Bureau to establish a qualifications framework (QF) with industry training specifications, Ms LI asked if there was a need to coordinate the work on the VRS and the QF scheme to avoid duplication and causing confusion to the vehicle maintenance trade.

20. SETW said that the main objective of the VRS was to enhance the standard of the vehicle maintenance trade thereby enhancing road safety, while that of the QF scheme was to help identify the training needs of workers and provide clear progression pathways for aspiring workers to upgrade themselves. That said, both schemes would serve to provide an infrastructure to give recognition to the knowledge, skills and experience of the holder of the relevant qualification. The future implementation of the QF scheme or otherwise would not affect the VRS.

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21. The Permanent Secretary for the Environment, Transport and Works (Transport) (PS/ETW(T)) advised that to gauge the views of the trade on different aspects of the proposed registration scheme, the Administration had conducted a survey covering 750 vehicle maintenance workshops in late 2004. The survey results indicated that 49.3% of the workshop operators only supported a voluntary scheme and 23.7% supported either scheme. Thus, over 70% of the workshop operators supported a voluntary scheme. The support rate for a voluntary scheme among the vehicle mechanics surveyed was also around 70%. Based on the survey results, the Administration was not concerned about the participation rate of the voluntary registration scheme.

22. The Deputy Secretary for the Environment, Transport and Works (Transport) 3 (DS/ETW(T)3) advised that it was on consideration of the need to minimize the impact on the employment situation of the trade that the Administration proposed to adopt an incremental approach i.e. to start off with a voluntary registration scheme for vehicle mechanics. The Administration would launch a series of promotional activities among vehicle maintenance workshops and vehicle mechanics when the scheme was about to be implemented. Preparatory work to set up a committee with representatives from professional institutions, trade associations and training institutes was underway. There would be incentive measures to encourage participation in the scheme, such as the award of a certificate to registered persons for display at vehicle maintenance workshops and publication of the registration list on the Internet.

Impact of railway development on road-based public transport trades

23. In reply to Ms LI Fung-ying's enquiry, SETW confirmed that the impact on the employment situation of other road-based public transport trades had been and would be taken into account in pursuing railway projects. Assessment of the impact was included in the relevant feasibility studies which were conducted at the early planning stage. Moreover, rationalization of existing public transport services was always one of the main objectives of railway projects.

Cross-boundary traffic

24. Ms Miriam LAU opined that in deciding the arrangements for the construction and operation of the Hong Kong – Zhuhai – Macao Bridge (HZMB), the Administration should not only focus on the interest of the market in investing in the project, it should also give particular regard to the business conditions of the local logistics industry. Given that the local logistics industry was facing very strong price competition from their counterparts in the Mainland, the toll levels of HZMB would be critical to the utilization of the Bridge as well as the development of the local logistics industry.

25. Ms Miriam LAU also pointed out that the capacity of the Hong Kong Special Administrative Region (HKSAR) to handle cross-boundary traffic would be about doubled with the commissioning of HK-SWC and would be further expanded with the operation of HZMB. As such, the existing quotas for and other restrictions on

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cross-boundary vehicles should be relaxed. She asked whether the Administration would actively take up the matter with the Mainland authorities.

26. Mr Jeffrey LAM asked if the Administration had any plans to facilitate diversion of some existing cross-boundary traffic to HK-SWC upon the latter's commissioning. He also pointed out that at present, some cross-boundary vehicles especially private cars were allowed to use one designated control point only. When incidents occurred affecting the operation of a control point, the affected cross-boundary vehicles might not be allowed to use other control points. He considered that there was an urgent need to relax this restriction to facilitate vehicle and passenger flows, and with the impending of HK-SWC, it was opportune to review this restriction with the Mainland authorities.

27. SETW responded that when establishing the need for the HZMB in 2002, it was agreed that HZMB should be positioned as a land transport link between HKSAR and the Pearl River West, which would contribute to the development of tourism, logistics, finance and trade in HKSAR, and promote the economic integration between HKSAR and the Pearl River West. The current intention was to involve private sector participation in funding and operating HZMB. The three governments concerned and the Central Government were examining the matter with a view to coming up with a satisfactory arrangement. In the course of deliberation, they would draw reference from the experiences in Build-Operate-Transfer projects in Hong Kong and various countries/places and would listen to views from interested parties. The governments recognized that the tolls of HZMB should be competitive and be able to achieve the Bridge's intended objectives.

28. SETW acknowledged that at present, cross-boundary vehicular traffic was subject to various restrictions due to the limited handling capacity on both sides. There was indeed the need to make continuous improvements. With the commissioning of HK-SWC, the capacity would be substantially increased and more flexibility could then be allowed. All along, the HKSAR Government (HKSARG) had been undertaking active liaison with the Guangdong Government and the responsible bureau of the Central Government to see how improvements could be made to enhance cross-boundary traffic flows. SETW pointed out that the Mainland authorities needed to carefully assess the impact on the traffic conditions on the Mainland side if the existing restrictions were relaxed. She also requested Mr Jeffrey LAM to relay his concerns to the Mainland side through the channels available to the business community.

29. With regard to the diversion of some existing cross-boundary traffic to HK-SWC upon the latter's commissioning, PS/ETW(T) advised that the HKSARG was now actively working out the details of the future cross-boundary vehicular quota system for HK-SWC with the Guangdong Government. One of the possible arrangements being considered was to give priority to existing cross-boundary vehicles to use the HK-SWC control point if they were prepared to give up their quotas for existing control points.

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Traffic distribution among the road harbour crossings and congestion problem at access roads

30. Ms Miriam LAU highlighted the urgent need to address the traffic congestion along the Connaught Road Central (CRC) / Harcourt Road (HR) / Gloucester Road (GR) corridor. She said that if the problem was not satisfactorily addressed, the effectiveness of any measures to even out the traffic distribution of the three road harbour crossings would be much undermined. She appreciated that the long-term solution to the congestion problem was the construction of the Central-Wanchai Bypass, but considered that the Administration should explore measures to relieve the congestion in the interim.

31. SETW concurred with Ms LAU that the traffic volume along the CRC/HR/GR corridor had reached a critical level. For some motorists, they might choose to use Hennessy Road or Lockhart Road instead. As regards traffic management measures to alleviate the traffic congestion on the corridor, The Commissioner for Transport (C for T) advised that Transport Department (TD) had undertaken a comprehensive re-engineering of bus routes and bus schedules, resulting in a reduction of 17% or 2 600 bus trips per day on the corridor. The Journey Time Indication System, with overhead panels to indicate journey time required using the satellite-based global positioning system, had been put into operation at Gloucester Road, and the approach roads of Island Eastern Corridor and the Aberdeen Tunnel. Since August 2005, the respective journey time from Hong Kong Island to Kowloon of the three road harbour crossings based on the real-time traffic conditions was shown on TD's website.

32. C for T also remarked that a number of improvements to the operation of the Emergency Transport Coordination Centre had been implemented since May 2005. TD maintained close communication with the Police to attend to any incident occurred on CRC/HR/GR corridor, and with the media to disseminate timely traffic information to the public. TD would also explore the feasibility of disseminating timely traffic information through mobile phones. Whilst these traffic management measures could alleviate the traffic congestion on CRC/HR/GR corridor, in the long term, it was necessary to construct Central-Wanchai Bypass to solve the traffic congestion problem.

Use of public transport services as opposed to private cars

33. Ir Dr Raymond HO opined that more should be done to encourage the public to use public transport services. For example, to facilitate the use of franchised bus services, the information panels at bus stations showing bus routes, fares and schedules should be more user-friendly in terms of positioning and presentation.

34. SETW responded that it was government policy to encourage the public to use public transport services. At present, over 90% of passenger journeys in Hong Kong were conveyed by public transport services. This percentage was relatively high among metropolitan cities, though more could still be done to raise the percentage. She also advised that all along, the Administration had encouraged franchised bus companies to

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improve the dissemination of bus service information to the public by using modern technologies.

35. On Ir Dr Raymond HO's comment that there had been little growth in public transport passenger journeys over the past few years, SETW explained that apart from the fact that there had been very low population growth in the past few years, quite a lot of passenger traffic during weekends and public holidays had been diverted to the Mainland, resulting in a net reduction in overall passenger journeys in Hong Kong.

II Any other business

36. There being no other business, the meeting ended at 9:30 am.

Council Business Division 1
Legislative Council Secretariat
10 November 2005