

立法會

Legislative Council

LC Paper No. CB(1)2756/08-09
(These minutes have been seen
by the Administration)

Ref : CB1/PL/TP/1

Panel on Transport

**Minutes of meeting held on
Friday, 22 May 2009, at 8:30 am
in Conference Room A of the Legislative Council Building**

Members present : Hon CHEUNG Hok-ming, SBS, JP (Chairman)
Hon Andrew CHENG Kar-foo (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon LEUNG Kwok-hung
Hon Ronny TONG Ka-wah, SC
Hon KAM Nai-wai, MH
Hon WONG Sing-chi
Hon IP Wai-ming, MH

Member absent : Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Public officers attending : **Agenda item IV**

Ms Eva CHENG
Secretary for Transport and Housing

Miss Shirley YUEN
Deputy Secretary for Transport and Housing
(Transport) 2

Mrs Avia LAI
Principal Assistant Secretary for Transport and
Housing (Transport)

Ms Carolina YIP
Acting Commissioner for Transport
Transport Department

Mr Don HO
Assistant Commissioner for Transport
Transport Department

Mr Ken HUI
Chief Transport Officer
Transport Department

Agenda item V

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mrs Hedy CHU
Principal Assistant Secretary for Transport and
Housing (Transport)

Mr Albert YUEN
Assistant Commissioner/Bus & Railway
Transport Department

Miss Alice AU YEUNG
Principal Transport Officer/Bus & Railway 2
Transport Department

Agenda item VI

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Alan CHU
Deputy Secretary for Transport and Housing
(Transport)

Miss LUI Ying
Assistant Commissioner/Administration &
Licensing
Transport Department

Mr Honson YUEN
Chief Transport Officer/Driving Services
Transport Department

Agenda item VII

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Philip YUNG
Deputy Secretary for Transport and
Housing (Transport) 1

Mr K C CHING
Deputy Commissioner for Transport/Planning and
Technical Services
Transport Department

Mr LAM Hon
Chief Traffic Engineer/Kowloon
Transport Department

Attendance by invitation : **Agenda item V**

MTR Corporation Limited

Mr Y T LI
Deputy Operations Director

Mr Vincent LUK
General Manager – Human Resources

Ms Ida LEUNG
Senior Manager – External Affairs

Agenda item VII

Barrier-free Access Community Concern Group

Mr WONG Tak-chi
Convener

Hong Sing Garden Focus Group

Mr WONG Yiu-wai
Convener

Ms FONG Kwok-shan
Member (also Sai Kung District Councillor)

Choi Hung Friends' Association

Mr MOK Kin-wing
Chief Executive (also Wong Tai Sin District
Councillor)

Choi Wan Community Concern Association

Ms TAM Mei-po
Chairperson

King Lai Residents Service Group

Mr CHAN Chi-heng
Representative

Clerk in attendance : Ms Joanne MAK
Chief Council Secretary (1)2

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Miss Winnie CHENG
Legislative Assistant (1)5

Action

- I Confirmation of minutes**
(LC Paper No. CB(1)1611/08-09 - Minutes of the meeting held
on 20 March 2009)

The minutes of the meeting held on 20 March 2009 were confirmed.

II Information papers issued since last meeting

- (LC Paper No. CB(1)1512/08-09(01) - Administration's response to the submission on drink driving from members of the public issued vide LC Paper No. CB(1)1186/08-09
- LC Paper No. CB(1)1513/08-09(01) - Submission complaining about the driving behaviour of a bus captain from a member of the public
- LC Paper No. CB(1)1513/08-09(02) - Submission on regulatory arrangements for cross-boundary vehicles from a member of the public
- LC Paper No. CB(1)1513/08-09(03) - Submission on environmental issues related to Central Kowloon Route from the Central Kowloon Route Environmental Issues Concern Group
- LC Paper No. CB(1)1615/08-09(01) - Further submission on environmental issues related to Central Kowloon Route from the Central Kowloon Route Environmental Issues Concern Group
- LC Paper No. CB(1)1617/08-09(01) - Administration's paper on 836TH – Improvement to Sham Tseng Interchange)

2. Members noted the above papers issued since the last meeting.

III Items for discussion at the next meeting scheduled for 26 June 2009

- (LC Paper No. CB(1)1613/08-09(01) - List of outstanding items for discussion
- LC Paper No. CB(1)1613/08-09(02) - List of follow-up actions)

3. Members agreed to discuss the following items at the next regular meeting on Friday, 26 June 2009, at 8:30 am –

- (a) legislative proposals to combat drink driving;
- (b) review of results from random breath testing; and

(c) safety of taxi drivers and installation of safety devices in taxis.

4. As proposed by Ms LI Fung-ying and Mr WONG Kwok-hing, members agreed to further discuss "Changes made by MTRCL to staff welfare" at the June meeting and to invite MTRCL's staff organizations to participate in the discussion.

(Post-meeting note: With the concurrence of the Chairman, discussion on "Legislative proposals to combat drink driving" was deferred from June to July, and the agenda item on "Safety of taxi drivers and installation of safety devices in taxis" was replaced by "Recent fatal traffic accident in Mong Kok and safety of public light buses".)

5. Ms Miriam LAU proposed to discuss the operational difficulties encountered by and measures to increase the non-fare box revenue of outlying island ferry operators. Members agreed. The Panel further agreed to discuss the "Operation of outlying island ferry services" early next session.

IV Regulation of charging taxi fares according to meters

(LC Paper No. CB(1)1613/08-09(03) - Administration's paper on changes in operating conditions after taxi fare adjustments and overseas study and discussions with taxi trade on charging according to meters

LC Paper No. CB(1)1672/08-09(01) - Extract from the report of the Subcommittee on Road Traffic (Public Service Vehicles) (Amendment) Regulation 2008

LC Paper No. CB(1)1672/08-09(02) - Extract from minutes of meeting on 11 December 2008)

6. The Secretary for Transport and Housing (STH) briefed members on the changes in the taxi trade's operating conditions after the recent taxi fare adjustments, the regulatory requirements and experience in other cities regarding charging according to meters, and relevant discussions with the taxi trade at the Transport Department (TD)'s taxi conferences. According to the Administration, enacting legislation was not an effective means to eliminating the problem of fare bargaining and that the issue should, rather, be tackled through the market mechanism. Moreover, with the implementation of the new fare structure of "raising short-haul fares and lowering long-haul fares" (the

new fare structure), the problem of fare bargaining had been alleviated and the discounts offered to passengers had dwindled. The Administration would continue to monitor changes in the operating conditions of the taxi trade and strengthen publicity and education to enhance the awareness of drivers and passengers of calculating taxi fares according to meters. The Police would also make sustained efforts in enforcement work.

The operating environment of the taxi trade

7. Mr WONG Kwok-hing said that the taxi trade had reflected to him that their operating environment was not as positive as that presented by the Administration, and in fact the number of short-haul passengers for urban taxis had decreased after the fare adjustments. The net income for urban and New Territories (NT) taxi drivers had increased mainly because of the decrease in the price of liquefied petroleum gas. Ms LI Fung-ying also expressed concern that taxi drivers' net income might decrease very soon because of the escalating insurance premiums, not to mention that fuel price might go up again.

8. In response, STH and the Acting Commissioner for Transport (Atg C for T) explained that in working out the changes in the average revenue and operating costs for taxi drivers before and after the fare adjustments, the data used had been collected by tracking changes in the meter revenue as recorded in taxi meters. Besides, TD had collected information and views from the trade through various channels, including TD's taxi conferences which were participated by taxi associations representing more than 90% of the trade. The trade had confirmed that the meter data could reflect the actual situation, and that although the meter revenue had been affected by the economic downturn, they generally considered that the new fares had had positive impact on the operating environment as the number of long-haul passengers had increased. The Administration considered that the fare adjustment enabled taxi drivers to maintain stable income amidst the economic downturn.

9. Pointing out that the economic conditions had further deteriorated after March 2009, Ms Miriam LAU considered it necessary for the Administration to continue to monitor changes in the meter revenue and operating costs for taxi drivers for three to six months more to ensure that timely actions could be taken to remedy any problem that might arise. The Deputy Secretary for Transport and Housing (Transport)2 (DS(T)2) responded that the Administration had continued to collect meter data on a monthly roll-over basis as taxi meters were returned for checking biannually. Ms LAU requested the Administration to update the Panel on the operating environment of the taxi trade six months later. She also expressed concern whether the enactment of the legislation to ban idling vehicles with running engines would affect taxis' business in summer.

The need to enact legislation to regulate charging according to meters

10. Mr WONG Kwok-hing questioned the Administration's decision not to enact legislation to regulate charging according to meters, pointing out that relatively more members of the urban and NT taxi trades supported such course of action. He considered that while there was reduced room for the operation of discount taxis, the new fare structure was not sufficiently effective in combating discount gang activities as it could not prevent the gangs from further offering discounts to long-haul passengers. Ms Miriam LAU considered that the Administration should consider introducing legislation to regulate charging according to meters notwithstanding the enforceability issues involved. She pointed out the existing legislation which prohibited taxi drivers from soliciting passengers by offering fare discounts was also difficult to enforce. She urged the Administration to explore effective measures to regulate charging according to meters.

11. STH responded that care had to be exercised in deciding whether to pursue the legislative option considering its impact on the trade and the public, and enforceability issues. She pointed out that as overseas experience had shown, legislation was not an effective means to eliminating the problem of fare bargaining. She added that the proposed legislation might have little deterrent effect if penalties were not laid down under the legislation.

12. The Deputy Chairman opined that legislation to regulate charging according to meters should be enacted considering the publicity effect that could be achieved and in order to be fair to those law-abiding taxi drivers. He believed that discount gang activities would be less rampant in places where legislation against undercharging was enacted. He urged the Administration to introduce legislative measures to ensure a level playing field for the taxi trade as soon as possible. He cautioned that with the economy and the operating conditions further deteriorating, the new fare structure might only lead to cut-throat competition within the trade. He added that the recent drastic increase in taxi insurance premiums had already led to increases in operating costs.

13. STH responded that legislation to regulate charging according to meters might serve little purpose in combating discount gang activities if it was unenforceable as shown by overseas experience. The Administration was of the view that the most effective solution was to tackle the problem through the market mechanism by suitably adjusting the fare structure and level to bring them in line with market conditions. At the same time, the Administration had also stepped up public education and publicity efforts.

14. While agreeing that market forces were important in combating discount gang activities, Ms Miriam LAU considered legislative measures necessary. She urged the Administration to legislate against undercharging by

clearly stipulating in the law that passengers should pay the metered fares. She requested the Administration to provide information on the legal provisions related to the prohibition against charging below metered fares in the eight cities covered in the Administration's research study as well as the penalties imposed under the relevant legislation. The Deputy Chairman opined that to ensure public acceptance of the proposed legislation, those exemptions as highlighted in the Administration's paper could be provided. The legislation could also be introduced in the form of a white bill first for public consultation. He considered that allowing passengers to bargain fares was a loophole and, unless plugged, discount gang activities would persist.

15. STH pointed out that all the respondent cities imposed fines on either taxi drivers; taxi companies or drivers; or taxi companies and no penalties were laid down against passengers. DS(T)2 added that the regulatory mechanisms of the respondent cities mainly aimed at prohibiting taxi drivers from overcharging, and none of them were able to provide any statistics on successful enforcement actions. Some even admitted that no enforcement action had been taken in recognition of the great enforcement difficulties, as taxi fare discounts were mutually agreed between drivers and passengers.

16. Ms LI Fung-ying opined that if the Administration did not pursue legislation due to enforcement difficulty, it should explore what other feasible measures could be taken to ensure a level playing field for the operating environment of the taxi trade. STH drew members' attention to the recommendations made by the Transport Advisory Committee (TAC) following its review on the mode of operation and quality of taxi services in Hong Kong conducted in April 2007. The review had identified a number of improvement measures to broaden the taxi trade's business opportunities and enhance the competitiveness of taxi services, e.g. introduction of premium taxis and the business mode of personalized "fixed route fixed fare taxi services". The Administration would make reference to these recommendations in helping the trade to improve its operating environment further.

17. Mr WONG Kwok-hing maintained that the Administration should introduce legislation to make it clear to the public that taxi fare bargaining was illegal. STH and DS(T)2 responded that the current legislation already prohibited drivers from overcharging. It also stipulated that passengers should pay the legal fare chargeable under the relevant regulations. As such, there was protection for both drivers and passengers and, even if a passenger asked for a discount, the driver under the law could refuse it.

18. Mr Albert CHAN opined that discount gang activities had been caused by the conflicts of interests among the different categories of taxi operators aggravated by the Government's taxi policy and the economic climate. He opined that while the new fare structure could reduce room for the operation of discount gangs, their activities still persisted. He also expressed concern about

the phenomenon that the taxi licence had become an investment tool, and that taxi owners often sought to increase taxi rentals when meter revenue increased. He called for the introduction of measures to control taxi licence speculation by imposing more restrictions on the transfer of taxi licence ownership.

19. STH explained that the Government was not in the position to control taxi rentals, as taxi rentals were determined by demand and supply in the market. It was unlikely that the present economic climate would encourage taxi owners to raise taxi rentals. Moreover, some taxi owners had earlier agreed not to increase taxi rentals for six months after the fare adjustments had taken effect.

20. Mr IP Wai-ming opined that persistence of discount gang activities notwithstanding the new fare structure might have been caused by the existing transport policy, which in his view was seriously tilted in favour of rail transport, leaving little room for other public transport services to operate. As such, unless the Government reviewed the policy, implementation of the recommendations of TAC might serve no purpose in improving the operating environment of the trade. STH responded that one of the objectives of introducing the new fare structure was to align the taxi fare structure with the fare structures of other public transport modes such as railways, franchised buses and green minibuses (GMBs) to enhance the competitiveness of taxis as recommended in the report of TAC's taxi review, which had found that for railways, franchised buses and GMBs, the average fares of long-haul trips per kilometre were in general lower than the average fares of short-haul trips per kilometre. STH further pointed out that different public transport modes served different target passengers. For example, NT taxis mainly provided feeder service to railway stations. As such, the business for taxis would not be affected by the transport policy if their fare structure was reasonable.

Others

21. Mr. Albert CHAN noted and welcomed MTRCL's proposal to offer concessionary fares to a certain group of persons with disabilities which was announced the day before the meeting.

22. Summing up, the Chairman concluded that no member was opposed to introducing legislation to regulate charging according to meters. He directed that as proposed by Mr WONG Kwok-hing, this subject should be revisited with deputations from the trade invited to give views at a meeting in September 2009. The Panel would further consider whether another meeting should be scheduled to be held six months later, as proposed by Ms Miriam LAU, to follow up on the need to introduce legislation to regulate charging according to meters.

V Changes made by MTRCL to staff welfare

- (LC Paper No. CB(1)1613/08-09(04) - Paper on MTR staff salary and benefits matters after the merger from MTR Corporation Ltd
- LC Paper No. CB(1)691/08-09(01) - Submission from Hong Kong Railway Employees Union
- LC Paper No. CB(1)1672/08-09(03) - Further submission from the Hong Kong Railway Employees Union
- LC Paper No CB(1)1672/08-09(04) - Submission from a group of Light Rail train captains
- LC Paper No CB(1)1672/08-09(05) - Submission from Hong Kong Railway Workers General Union
- LC Paper No. CB(1)1672/08-09(06) - Extract from the report of the Bills Committee on Rail Merger Bill)

23. The Under Secretary for Transport and Housing (USTH) said that the Administration considered that overall speaking, the MTR Corporation Limited (MTRCL) had been able to honour the undertakings it had made upon merger with Kowloon-Canton Railway Corporation (KCRC) (the merger) on the following aspects (the undertakings) –

- (a) protection of job security for frontline staff;
- (b) protection of salary, benefits and salary scale; and
- (c) major terms and conditions of employment.

USTH further pointed out that the Administration noted that MTRCL was keeping up communication with staff and had made adjustments in certain arrangements as necessary to address their concerns.

24. The General Manager – Human Resources of MTRCL (GM-HR/MTRCL) and the Deputy Operations Director of MTRCL (DOD/MTRCL) took turns to brief members on matters relating to the salaries and benefits of the staff of the post-merger corporation.

Whether MTRCL could honour the undertakings

25. Ms LI Fung-ying referred to the cases and concerns highlighted in the submissions from various staff organizations of MTRCL, and expressed doubt on the Administration and MTRCL's claim that the Corporation had honoured

the undertakings. She considered that when trying to achieve the goal of "One Company, One Team", MTRCL had failed to respect the pre-merger terms and conditions of employment of KCRC as shown in the following examples –

- (a) When reducing certain KCRC staff's working hours from 45 to 42 hours per week, the half-hour paid lunch break which they used to enjoy every day before the merger had been cut;
- (b) In the pre-merger days, Grade 7 of KCRC staff used to be a supervisory grade. Upon the merger however, the grade was downgraded to "non-supervisory" with the working hours increased from 39 hours to 42 hours per week without any compensation; and
- (c) KCRC used to allow its staff organizations to post their views on its notice boards without censorship. This was no longer the case and sometimes notices of staff organizations were withheld by MTRCL's management for months. This was not conducive to maintaining good communication with staff.

26. Ms LI Fung-ying considered that, as the majority shareholder of MTRCL, the Government had the responsibility to ensure that MTRCL had really honoured the undertakings.

27. USTH responded that the Administration noted the staff's submissions. He said that according to the task force under the Transport Department designated to monitor MTRCL's compliance with the undertakings, MTRCL was in general able to do so. It was believed that where there were diverse views over specific work-related arrangements such as roster arrangements and rest time, the management was able to resolve staff's concerns through active communication.

28. Responding to the cases quoted above, DOD/MTRCL and GM-HR/MTRCL made the following clarifications –

- (a) Paid lunch break was not a standard arrangement for KCRC staff even during pre-merger days but was provided on the basis of operational needs, in particular on whether the staff concerned had to stand by during lunch time. As to MTRCL, the contract working hours for all its staff, regardless of their work nature or post, did not cover their meal hours. When the above work-related arrangements were standardized after the merger, paid lunch breaks were abolished across the board. Notwithstanding, with the basic salary of the affected staff remaining unchanged, their hourly rate and hence the pay they received for overtime work had indirectly increased. In fact,

their incomes in general had increased by some \$600 after the merger;

- (b) For KCRC staff whose working hours were originally 39 hours per week and their job category in the merged company had standard working hours at 42 hours per week, they were given the right to choose between maintaining the working hours at 39 hours per week or converting to 42 hours per week. If they chose to retain their original working hours at 39 hours per week, their basic salary and benefits would remain the same as they had enjoyed before the merger. If they chose to convert their working hours to 42 hours per week, they could receive work-related allowances applicable to their jobs and other discretionary benefits provided by the merged corporation; and
- (c) To facilitate communication, MTRCL had clear guidelines regarding notices posted in their premises, and would not have any problem in posting the notices if they were not inaccurate, defamatory, or inciting hatred.

29. Mr WONG Kwok-hing pointed out that the staff organizations of the two railway corporations and Legislative Council Members had supported the merger only taking into account the undertakings. He opined that any deterioration in staff's terms and conditions of employment would be unacceptable. In standardizing them, they should only be made better and not worse. The Deputy Chairman pointed out that the picture presented by MTRCL was very different from that by its staff organizations. He was concerned that MTRCL staff allowances might in fact have been cut while their working hours increased. He was also concerned whether their freedom of speech was narrowed and about the impacts of service outsourcing.

Principles and procedures followed when aligning working conditions

30. Mr Jeffrey LAM highlighted the importance of maintaining good communication with staff when aligning the two railway corporations' employment terms and benefits after the merger to achieve consistency, and enquired about the principles adopted during the process. GM-HR/MTRCL responded that MTRCL only aimed to standardize work-related benefits. In so doing, various principles had been observed, e.g. operational needs of the combined network when adjusting roster arrangements and lunch breaks, and the arrangements of the two railway corporations before the merger and market practices. In recognition of the importance which staff attached to their benefits, close communication with staff had been kept up whenever their benefits were reviewed, and staff's views would be incorporated in the adjustments as appropriate. As a result, when in November 2008 MTRCL appointed an independent consultant to conduct a corporate-wide Staff Attitude

Survey, the overall results were very favourable. The perceptions of MTRCL staff on salary, benefits and non-monetary recognition were more favourable when compared to the results from other organizations in Hong Kong.

31. In response to Mr Jeffrey LAM on whether benefit cuts, if any, would be compensated with improvements on other aspects, GM-HR/MTRCL said that on the whole, the various arrangements in this regard after the merger were comparable to the arrangements before the merger. They were also comparable to those in the market, and better than before in many cases. In particular, improvement in the provision of dead early and dead late allowance had been made, resulting in an increase in the number of staff eligible for the allowance by 2 000. USTH added that in the Administration's view, the most important thing was that MTRCL could honour its undertakings regarding protection of the job security for frontline staff and staff's basic salaries, benefits and salary scale. Details of work-related arrangements should be agreed between MTRCL and its staff with sufficient consultation.

32. Pointing out that MTRCL staff in general seemed to have the impression that their employment terms had deteriorated after the merger, Mr Jeffrey LAM questioned whether consultation and communication were adequate during the alignment process. GM-HR/MTRCL responded that as early as December 2006, a handbook highlighting the above salary protection principles in aligning employment terms had been published. The principles had also been explained to staff time and again during the past two years.

Remunerations

33. Mr WONG Kwok-hing considered it regrettable that the Administration had not satisfactorily addressed the concerns expressed in the staff organizations' submissions months after receiving them, and that the Administration still defended MTRCL and regarded that the Corporation could honour the undertakings. He highlighted the claim in the submission from a group of Light Rail (LR) train captains (LC Paper No. CB(1)1672/08-09(04)) that their monthly pay was some \$3,000 to \$6,000 less than that in and before November 2008, and that the accumulated overtime pay MTRCL owed them ranged from 30 to 100 hours per staff member.

34. DOD/MTRCL responded that the hourly rate and hence overtime pay received by these LR staff had in fact increased because their working hours had been reduced from 45 hours per week to the current 42 hours per week after the merger while their basic salary remained unchanged. Their pay only seemed to have reduced because of the diminishing need for overtime work as a result of the increase in their staffing establishment by 60, and the decreasing need to attend meetings and workshops organized to help staff cope with the merger. He opined that these staff should not compare their pay with that they received in the past year, during which substantial overtime work had been incurred from

attending the above meetings and workshops.

35. Ms Miriam LAU opined that considering the need to align two different work systems under the merger, changes might inevitably have to be made to staff's salaries and benefits to avoid inconsistency in this regard. However, to avoid implicating on operating cost and railway fares, it might be more preferable to compensate staff whose allowances/benefits had been reduced as a result of the merger by providing them other allowances/benefits, so as to ensure that their take-home pay would not be reduced. She requested a paper to be provided comparing the remuneration, including allowances/benefits, of staff before and after the merger. The Administration and MTRCL noted her views and requests.

Working hours

36. Mr WONG Sing-chi noted from paragraph 140 of the report of the former Bills Committee on Rail Merger Bill that the "two railway corporations have advised that staff of MTRCL currently working at 42 hours per week will maintain the same working hours; while those working at 39.25 hours per week will have their weekly working hours reduced to 39 hours. For KCRC, staff currently working at 45 hours per week will have their weekly working hours reduced to 42 hours, equivalent to a 7% reduction; while those working at 39 hours will maintain the same hours". He questioned why MTRCL had sought to change the working hours of staff under the pretext of "One Company, One Team". He further opined that the reduction of certain KCRC staff's working hours from 45 hours per week to the current 42 hours per week by cutting the half-hour paid lunch break which they used to enjoy every day before the merger was unreasonable and non-compliant with the above undertaking. He urged the Administration to ensure that MTRCL would genuinely honour the undertakings.

Admin

37. GM/HR/MTRCL and the Senior Manager – External Affairs of MTRCL reiterated that despite the abolition of the above staff's daily paid lunch break, their actual working hours had not been lengthened but had remained at 42 hours. Moreover, due to the above reduction in their nominal working hours with their basic salary remaining unchanged, their hourly rate and hence overtime allowance had in fact increased. As a result, their pay had in general increased by some \$600 after the merger.

38. Mr IP Wai-ming shared Mr WONG Sing-chi's views on the abolition of the paid lunch break of certain KCRC staff, and opined that MTRCL should not unilaterally change the employment terms of these staff. DOD/MTRCL responded that MTRCL had honoured its undertaking regarding the employment terms of staff because it had already provided job security to the more than 8 000 frontline staff and provided salary protection for all staff as committed in the context of the merger. Non-managerial staff also enjoyed additional

protection on salary scale. However, while staff benefits protected covered those grading-related benefits such as monthly housing allowance, retirement benefits, medical benefits, paid annual leave, free MTR travel, etc, matters such as roster arrangements and lunch breaks could be adjusted as necessary because they were not employment terms but work-related arrangements.

39. Mr IP Wai-ming was unconvinced, pointing out that the half-hour paid lunch break was an employment term because the staff concerned had enjoyed the arrangement for some twenty years. Mr Albert CHAN also considered that the arrangement should not be unilaterally abolished without any consultation. It was also unfair that while the remuneration of MTRCL's senior management had been increased significantly, meagre benefits such as paid lunch breaks had been cut.

40. DOD/MTRCL responded that on the contrary, certain MTRCL staff enjoyed benefits better than those before the merger as a result of the alignment of benefits to ensure consistency. For example, the "split shift" arrangement (i.e. work in two split shifts on the same day) had been removed. After the merger, the additional paid rest breaks of operating staff and bus captains who worked for long shifts of 9 hours or more were all aligned to 15 minutes. Apart from the above additional paid rest break for long shifts, MTRCL had also gradually introduced an additional 10-minute buffer time before and after the assigned meal time for bus captains, so that their lunch breaks were at least 40 minutes long. After the merger, the paid walking time for meal breaks had also been increased for pre-merger KCRC train captains. As such, while some benefits had been reduced, others had been increased. All in all a balance had been achieved to safeguard staff's interests.

41. In response to Mr WONG Sing-chi and Mr Albert CHAN on the Government's stance regarding the abolition of the half-hour paid lunch break of certain KCRC staff, UTSH said that the Administration was satisfied that MTRCL had in general been able to protect the job security of frontline staff and staff's basic salaries, benefits and salary scale as appropriate. As to adjustments to the working hours and rest/lunch breaks, the staff and the management of MTRCL should resolve any differences in this regard through communication and work out better arrangements.

Outsourcing

42. The Deputy Chairman opined that outsourcing would affect staff morale and hence rail safety and the safety of the travelling public, in particular the outsourcing of such work procedures as maintenance. He said that MTRCL had not addressed concern raised by the Hong Kong Railway Employees Union (the Union) in its submission (LC Paper No. CB(1)1672/08-09(03)) about MTRCL's plan to contract out further customer service centres and the auto fare collection system. The Administration also

seemed to be more concerned about protecting MTRCL's interests rather than public interests.

43. USTH responded that the Government had been using the same criteria to evaluate MTRCL's service before and after the merger and had not found any deterioration in service reliability. However, to safeguard public interests, the Government had required MTRCL to ensure that outsourcing of its services would not affect rail safety and service reliability. DOD/MTRCL added that the tasks outsourced only made up a very small part of MTRCL's maintenance work, and was necessary because the professional maintenance of certain equipment required expertise only available from the relevant supplier, and also because the operational need for the service concerned was temporary. MTRCL would exercise care to ensure outsourcing of the services would not affect overall service quality and rail safety, and that staff would not be made redundant as a result. If outsourcing would necessitate redeployment of affected staff, training would be provided to help them adapt to the new postings. In short, outsourcing would not affect MTRCL's service to the public, and even staff of MTRCL's contractors were provided adequate training and subject to equally high performance requirements.

44. Ms Miriam LAU considered it unfair to claim that MTRCL staff's dissatisfaction with outsourcing and changes to their working conditions might affect rail safety. She believed that notwithstanding such discontent, MTRCL staff would perform their duties professionally to ensure high service quality and rail safety. The Deputy Chairman highlighted the submission from the Hong Kong Railway Workers General Union (LC Paper No. CB(1)1672/08-09(05)), which also pointed out that both outsourcing and changes to work-related arrangements would affect service quality.

Staff's freedom of speech

45. Ms Miriam LAU opined that MTRCL staff's freedom of speech should not be undermined after the merger. She highlighted the importance of good communication between the management and staff of MTRCL, and urged MTRCL to maintain established practices regarding posting of staff organizations' notices that had been in place before the merger.

46. Mr IP Wai-ming considered that staff unions had the right to comment on company practices and denial of such rights might constitute discrimination against staff unions. He requested MTRCL to stop subjecting notices of staff unions to censorship. In this regard, Mr Albert CHAN pointed out that there was a genuine need to invite MTRCL's staff organizations to participate in the continued discussion of this item at the next meeting of the Panel.

The way forward

Admin 47. Mr WONG Kwok-hing requested the Administration to provide a paper setting out in tabular form the problems highlighted by MTRCL's staff organizations and MTRCL's response as well as the Administration's stance for further discussion. He also suggested that the Administration should also address the staff organizations' concern about the impacts of the outsourcing of certain works/services of MTRCL, which in his view would affect not only its staff but also rail safety. The Chairman considered that the latter issue concerned railway operations and should be followed up by the Subcommittee on Matters Relating to Railways.

Admin 48. At the Deputy Chairman's request, the Administration also agreed to provide a paper on remunerations of different levels of MTRCL staff in general and detailed responses to the written submissions provided by relevant railway staff organizations.

VI Private driving instructors' licences

- (LC Paper No. CB(1)1333/08-09(01) - Administration's paper on Private Driving Instructor's Licences
- LC Paper No. CB(1)1613/08-09(05) - Submission from Hong Kong Commercial Vehicle Driving Instructors Association
- LC Paper No. CB(1)1614/08-09 - Paper on Private Driving Instructor's Licences)

49. USTH briefed members on the outcome of the biennial review conducted by TD in early 2009 on the need to issue new Private Driving Instructor's (PDI) licences. Members noted that according to the 2009 review, the average numbers of PDI licences for the existing three PDI groups had all dropped below the benchmarks by more than 10% during the review period, thereby reaching the triggering points for consideration of issue of new PDI licences. TD had therefore conducted a review on the need to issue new PDI licences and consulted the relevant PDI Associations. Taking into account the views of the PDI trade, TD would proceed to issue new PDI licences up to the benchmark in each group.

The plan to issue new Private Driving Instructor's licences

50. Ms Miriam LAU welcomed the Administration's plan to issue new PDI licences. She said that the driving instructor trade also saw the need for new blood to ensure the trade's sustainability and long-term development. She pointed out that the gap between the average numbers of PDI licences and the

relevant benchmarks might be even greater than that found in the 2009 review given that many PDIs were inactive.

51. Also being supportive of the plan to issue new PDI licences, Mr IP Wai-ming asked why the Administration had such a plan when there was a decrease in the market demand for driver training as evidenced by the drop in the number of test forms sold. To avoid creating any adverse impact on the operating environment of the trade, he urged the Administration to ensure that the planned new PDI licences would be issued in an orderly manner.

52. In response, the Assistant Commissioner/Administration & Licensing, Transport Department (AC for T/A&L) confirmed Mr IP Wai-ming's observation above, and said that this might be the result of improvements to public transport services and hence decreased need to drive, or the persistent drop in birth rate. However, after consultation with the trade, and considering that many PDI licence holders might no longer be engaged in driver training and therefore become "inactive" in the market, the Administration had decided to issue new PDI licences up to the benchmark in each group regardless of the decrease in test forms sold. She drew members' attention to the fact that as a result of a review in 1999, it had been decided that the Commissioner for Transport would conduct a review at two-year intervals on the number of driving instructors' licences for PDIs, before he determined the number of new licences to be issued each time.

The merger proposal

53. Ms Miriam LAU referred to the submission from Hong Kong Commercial Vehicle Driving Instructors Association (LC Paper No. CB(1)1613/08-09(05), and urged the Administration to examine the Association's proposal that the present three groups of PDI licences be merged into one, which as she understood enjoyed general support from the trade. She considered that notwithstanding the transitional arrangements required to be made, the proposed merger was necessary and should be taken forward as soon as practicable to benefit the trade and the public.

54. AC for T/A&L responded that the merger proposal would affect the respective benchmarks of different PDI groups and might even necessitate legislative amendments, as the present qualifications required for applying for each of the three PDI groups were different. Moreover, to ensure road safety, overseas countries also had similar grouping arrangements to impose restrictions on the types of vehicles in respect of which PDIs with different qualifications could give instructions. As such, if the merger proposal was to be taken forward, detailed examination and wide consultation would be required.

55. Ms Miriam LAU, however, pointed out the trade had long called for the permission of PDIs holding Group 3 PDI licences of medium goods vehicles,

heavy goods vehicles and articulated vehicles to provide instruction to learner drivers of Group 1 vehicles. She said that this proposal had been actively considered a few years ago but was then shelved because of the transfer of the responsible officers. She requested the Administration to provide information on relevant overseas regulatory mechanisms and explain why the merger proposal was not pursued. She urged the Administration to examine with the trade the merger proposal, so as to allow greater flexibility with regard to the types of vehicles in respect of which PDIs could give instructions. She opined that the number of PDIs for each PDI group should not be rigidly set, having regard to the fact that this number would change with the times and market conditions.

56. AC for T/A&L responded that to ensure the quality of driver training and road safety, there was a need to require applicants for PDI licences to be in possession of valid driving licence(s) for not less than 3 years for the type(s) of vehicles concerned. USTH added that the Administration had actively responded to changes in market conditions and in 1999 re-organized the then seven groups of PDIs into three groups, allowing more flexibility in driving training. He pledged that the Administration would continue to monitor the situation and conduct the research study on overseas regulatory mechanisms as proposed by Ms Miriam LAU above.

Admin

VII Establishment of an assessment system for provision of hillside escalator links and elevator systems

(LC Paper No. CB(1)1613/08-09(06) - Administration's paper on Establishment of an assessment system for provision of hillside escalator links and elevator systems)

Presentation of views by deputations

Barrier-free Access Community Concern Group
(LC Papers Nos. CB(1)1672/08-09(07) and (08))

57. Mr WONG Tak-chi, Convener of the Concern Group, briefed members on the salient points of the Concern Group's views as detailed in its submissions. The Concern Group welcomed the establishment of the proposed assessment system for provision of hillside escalator links and elevator systems (enhanced pedestrian facilities) in consideration of their effect in promoting health and environmental protection, and in enhancing choice for the public and social integration. Under the proposed assessment system, due regard should be given to community needs, and "catchment" should not be rigidly defined as the area within the radius of 300 metres from every entrance/access point of the proposed facility. In fact, many public rental housing estates in Tsuen Wan,

Kwai Chung and Tsing Yi which were situated on the hillside of isolated locations should be given priority for consideration under the proposed assessment system.

*King Lai Residents Service Group
(LC Papers Nos. CB(1)1672/08-09(09) and (10))*

58. Mr CHAN Chi-heng, representative of the Service Group, briefed members on the salient points of the Service Group's views as detailed in its submissions. The Service Group welcomed the establishment of the proposed assessment system and shared the views of the Barrier-free Access Community Concern Group on the benefits that could be brought about by enhanced pedestrian facilities. He also made the following points –

- (a) The Government should assess requests for enhanced pedestrian facilities on the basis of needs rather than for the sake of promoting infrastructural development. In assessing needs, it should also take into consideration the lack of choice in public transport services for persons with disabilities in certain areas. For example, the Lai King area was mainly served by green minibuses unless connected to the nearby MTR station by pedestrian facilities;
- (b) There was a need to explain how the criterion of "steadiness of existing pedestrian flow" was assessed;
- (c) If such beneficial factors as "improvement to existing traffic conditions" and "tourism promotion" were evaluation criteria, Kwai Chung and Tsing Yi might be disadvantaged considering the lack of tourist attractions there; and
- (d) Where circumstances warranted, the provision of enhanced pedestrian facilities should not be affected by land title problems.

Choi Hung Friends' Association

59. Mr MOK Kin-wing, Chief Executive of the Association, briefed members on the views of the Association. He pointed out that the criteria which the Government adopted in ensuring barrier-free access might need to be fine-tuned, and enhanced pedestrian facilities should be provided notwithstanding the availability of ramps if the latter was sub-standard and the pedestrian flow in the area concerned was high. For example, there was a need for providing enhanced pedestrian facilities for the MTR entrance near to Choi Hung Estate because the existing sloping walkway there was too steep and long.

Hong Sing Garden Focus Group
(LC Paper No. CB(1)1722/08-09(01))

60. Mr WONG Yiu-wai, Convener of the Focus Group, briefed members on the salient points of the Focus Group's views as detailed in its submission. He said that the Group welcomed the early finalization of the proposed assessment system to help enhance accessibility to uphill areas. The Group also hoped that enhanced pedestrian facilities could be provided near Hong Sing Garden, Tsui Lam Estate and King Ming Court to enable the residents concerned to use MTR service and the community facilities in Po Lam. Ms FONG Kwok-shan, member of the Group and a Sai Kung District Councillor, added that provision of enhanced pedestrian facilities for connection with the Po Lam area was justified because the residents concerned numbered over 30 000, and for the past twenty years they had to spend a long time waiting for buses and public light buses (PLB) to go to Po Lam. She further referred members to the plans attached to the Group's submission, and elaborated on the need and feasibility of the proposed facility.

Choi Wan Community Concern Association

61. Ms TAM Mei-po, Chairperson of the Association, pointed out that Choi Wan East, Choi Wan South and Choi Wan West together had a population of some 40 000 and many schools. Due to insufficient public transport service, the residents there had to walk 15 minutes to Ngau Chi Wan for transfer to more convenient modes of public transport, the use of community facilities and buying cheaper food and groceries at Ngau Chi Wan market. The sloping walkway to Ngau Chi Wan however was narrow and overcrowded during peak hours. Choi Wan Estate, which was over 30 years old, also had an ageing population. Since the estate was near to Choi Hung Station but was up on the hillside, the provision of a hillside escalator to connect it with Choi Hung Station would greatly benefit the elderly residents.

Briefing by the Administration

62. With the aid of Power-point, USTH and the Chief Traffic Engineer/Kowloon, Transport Department briefed members on the Administration's paper. Members noted that under the proposed assessment system, proposals which passed the proposed initial screening would be evaluated by the proposed scoring system based on a set of evaluation criteria classified into circumstantial, beneficial and implementation factors. According to the relative importance of the circumstantial, beneficial and implementation factors, weightings of 40, 35 and 25 were allocated to the factors respectively to form a total score of 100. Relevant proposals would then be prioritized according to the relative rankings determined on the basis of the scores given.

(*Post-meeting note:* The presentation material was issued to members by e-mail on 25 May 2009.)

Discussion

The assessment outcome

Admin 63. Mr WONG Kwok-hing, who was also the Chairman of the Panel on Housing, said that the Housing Panel had recently discussed provision of the aforementioned enhanced pedestrian facilities in public housing estates (PHEs). He welcomed the establishment of the proposed assessment system, and requested the Administration to update the Panel on the list of requests for provision of enhanced pedestrian facilities which had been short-listed for assessment under the proposed assessment system in due course, as well as the assessment outcome when available. Highlighting the great demand for enhanced pedestrian facilities in every district, Ms Miriam LAU was also keen to learn when the assessment outcome would be available with the relevant implementation schedule worked out.

Admin 64. The Deputy Commissioner for Transport/Planning and Technical Services (DC for T/P&TS) responded that the Administration was well aware of the great demand in districts for the enhanced pedestrian facilities. He said that the Administration aimed at finalizing the proposed assessment system as soon as possible and would proceed thereafter with the assessments of proposals / requests already received in six months' time. At Ms LAU's request, he agreed to provide the Panel with the assessment outcome after the six months' period. Assessments of proposals received after this meeting might have to be completed beyond this period.

65. Mr Albert CHAN was dubious whether the list could be worked out in six months' time given the large demand for relevant facilities. USTH said that proposals which were infeasible or unjustifiable would be screened out. He referred members to the characteristics highlighted in paragraph 4 of the Administration's paper for screening out proposals in order to allocate resources to more urgent and needy projects instead.

The evaluation criteria

66. Referring to the evaluation criteria under the proposed assessment system, Mr WONG Kwok-hing opined that priority should also be accorded to uphill areas where PHEs clustered, so as to make up for the Administration's failure to ensure accessibility of those PHEs which were developed twenty to thirty years ago, such as those in the uphill areas of Kwai Chung and Lai King, where residents were mostly old and poor, and could not afford use of bus or PLB feeder services for the downhill trip to the town centre. In this regard, he expressed appreciation for the design of Yiu Tung Estate in Sai Wan Ho, which

was conveniently linked to the town centre by pedestrian facilities.

67. DC for T/P&TS responded that TD recognized the need to take into consideration the above factor highlighted by Mr WONG, and had already incorporated it in the evaluation criteria, such as "existing population of 65 year-old or above within catchment", "existing population/employment within catchment" and "topographical conditions, i.e. steep gradient/level difference". As PHEs entailed high population and usually a relatively large size of elderly population, a proposal involving PHE clusters in uphill areas should score high marks under the proposed assessment system.

68. Mr WONG Sing-chi shared Mr WONG Kwok-hing's views above, and stressed the need for better co-ordination between the development of PHEs and transport infrastructures. He urged the Administration to make improvements to Kwong Fai Circuit in Kwai Chung Estate, where provision of these pedestrian facilities had long been delayed despite the conspicuous need. USTH acknowledged the need to strive for better coordination between housing and infrastructural development. He added that the priorities of all relevant requests would be determined in an objective manner under the proposed assessment system.

69. Ms Miriam LAU opined that the criteria of "revitalization of/benefits to local community" and "tourism promotion" should not rank too high under the proposed assessment system, because residential areas normally did not have scope for revitalization or tourism promotion. Enhanced pedestrian facilities should also be provided for such purposes as reducing reliance on vehicular transport to improve air quality, and encouraging the habit of walking. She pointed out that the connectivity of Hong Sing Garden to the Tseung Kwan O Line could be greatly improved with the provision of enhanced pedestrian facilities. In this regard, she further opined that the criterion of "connectivity with existing/committed mass public transport facilities within catchment" should be adjusted in such a way that housing estates outside the radius of 500 metres of a MTR station within the same district could also be considered for provision of enhanced pedestrian facilities under the proposed system. She considered that this would be in line with the transport policy of promoting the use of rail-based transport. USTH responded that all comments received would be taken into consideration in finalizing the proposed assessment system. He stressed that in working out the relevant scores, local residents' needs would also be duly taken into account.

70. Ms Miriam LAU stressed the need to exercise flexibility when deciding whether to provide enhanced pedestrian facilities in recognition of the success of the Central-Mid-Levels Escalator and Walkway System in revitalizing the areas covered, the popularity of these pedestrian facilities among residents of uphill areas, and the benefits these pedestrian facilities could bring to the environment and people's health by enabling them to go to the town

centre on foot instead of by vehicular transport. She questioned why the Administration had refused to provide these pedestrian facilities in Braemar Hill under the excuse that it was a school area where usage was confined to certain short periods of the day. She pointed out that the traffic flow arising from the schools had already caused Braemar Hill to suffer from serious traffic congestion during the morning peak hours. She considered that flexibility should be exercised to provide these pedestrian facilities for Braemar Hill to reduce its need for public transport notwithstanding the "school area" criterion.

71. USTH responded that considering the Audit Commission's criticisms of the under-utilization of certain facilities in the past, enhanced pedestrian facilities should be provided for Braemar Hill if it could satisfy the evaluation criterion of "steadiness of existing pedestrian flow" while at the same time achieving "cost-effectiveness". However, he believed that TD would also take into account the traffic impact caused by school area to its nearby places under the proposed assessment system.

72. Mr WONG Kwok-hing highlighted the concerns raised at the meeting of the Panel on Welfare Services on 11 May 2009 about the inaccessibility of the proposed Kwai Chung Integrated Rehabilitation Services Centre (IRSC) to be located at Kwai Shing Circuit, and urged the Transport and Housing Bureau and TD to liaise with the Social Welfare Department on the feasibility of constructing a lift tower at Kwai Shing Circuit connecting to Hing Sing Road, so as to enhance the accessibility of the new Kwai Chung IRSC and the South Kwai Chung Jockey Club Polyclinic nearby. In his view, it would be more cost-effective to incorporate the provision of the lift tower into the IRSC development than retrofitting it later. USTH agreed to follow up the case with relevant departments.

73. While supportive of the establishment of the proposed assessment system, Mr Albert CHAN expressed doubt on whether it could be implemented smoothly considering the existing accessibility problems with various railway stations (such as Tsuen Wan Station and Nam Cheong Station) and housing estates (such as Lei Muk Shue Estate, Shek Wai Kok Estate and Choi Wan Estate). He opined that as the improvement works required (e.g. provision of ramps and lifts) would be complicated, the Administration should implement the works as soon as practicable by systematically co-ordinating with the various departments concerned and securing adequate resources required for the works. He requested the Administration to provide a detailed action plan on the implementation of works to systematically improve the accessibility of various facilities and premises concerned, in particular railway stations and housing estates, and to give an account of the financial resources required for such works.

Admin

74. USTH responded that the establishment of the proposed assessment system was aimed at providing a more comprehensive set of objectives and transparent evaluation criteria in determining the merits and priority of proposals on these pedestrian facilities. The proposed initial screening would help screen out proposals which were obviously infeasible or unjustifiable for implementation. Proposals which passed the proposed initial screening would then be prioritized for implementation under the proposed assessment system, and higher scores would be given to proposals which were comparatively more beneficial, ready for construction and cost-effective. It was believed that based on the scores so obtained, the relative rankings among various proposals on these pedestrian facilities could be determined in an objective manner notwithstanding their great number. Highlighting the varying complexity of the works involved in improving accessibility, Mr Albert CHAN urged the Administration to make reference to the phased approach adopted in retrofitting noise barriers on existing roads, so that while big improvement projects inevitably had to go through the relevant normal procedure, small projects could go ahead early as local minor works to ensure all necessary works would be implemented in due course regardless of their scale.

Other views and concerns

75. Mr Albert CHAN opined that to encourage the habit of walking, covered walkways to provide shelter from the sun and rain should also be provided as necessary. Greening should be carried out for such walkways to enhance the pleasure of walking. He urged the Administration to increase provision of covered walkways alongside the implementation of the proposed assessment system. USTH responded that where new development of facilities was planned, consideration would be given to the provision of covered links. Retrofitting of cover for existing walkways, however, would need to be examined on a case-by-case basis taking into account technical constraints and resource implications. To further elaborate his views in this regard, Mr Albert CHAN said that he might provide a submission on the existing problems and improvements required to the Administration for consideration.

76. Mr Albert CHAN added that in promoting a barrier-free pedestrian environment, the Administration should provide more low floor type buses to facilitate passengers in need.

VIII Any other business

77. There being no other business, the meeting ended at 12:20 pm.