

# 立法會

## Legislative Council

LC Paper No. CB(1)922/09-10

(These minutes have been  
seen by the Administration)

Ref : CB1/PL/TP/1

### Panel on Transport

#### Minutes of meeting held on Friday, 23 October 2009, at 8:30 am in the Chamber of the Legislative Council Building

- Members present** : Hon CHEUNG Hok-ming, GBS, JP (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 IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
- Members absent** : Hon Andrew CHENG Kar-foo (Deputy Chairman)  
Hon WONG Sing-chi
- Public officers attending** : **Agenda item III**  
Ms Eva CHENG, JP  
Secretary for Transport and Housing  
  
Mr Francis HO, JP  
Permanent Secretary for Transport and Housing  
(Transport)

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

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

Miss Shirley YUEN, JP  
Deputy Secretary for Transport & Housing  
(Transport) 2

Mr. Alan CHU  
Deputy Secretary for Transport & Housing  
(Transport) 3

Mr. Joseph LAI Yee-tak, JP  
Commissioner for Transport  
Transport Department

Mr. WAI Chi-shing, JP  
Director of Highways  
Highways Department

**Agenda item IV**

Ms Eva CHENG, JP  
Secretary for Transport and Housing

Miss Shirley YUEN, JP  
Deputy Secretary for Transport & Housing  
(Transport) 2

Miss Janet WONG  
Principal Assistant Secretary for Transport &  
Housing

Mr. Joseph LAI Yee-tak, JP  
Commissioner for Transport  
Transport Department

Mr Albert YUEN, JP  
Assistant Commissioner for Transport  
Transport Department

**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

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Action

**I Information papers issued since the last regular meeting on 17 July 2009**

- (LC Paper No. CB(1)2351/08-09(01) — Revised version of submission complaining about bus service in Tai Po from a member of the public
- LC Paper No. CB(1)2365/08-09(01) — Referrals from Legislative Council Members' Meeting-cum-luncheon with Kwun Tong District Council on 7 May 2009 regarding public transport services in Kwun Tong and offer of bus fare discounts for Octopus card users
- LC Paper No. CB(1)2380/08-09(01) — Administration's paper on the financial information submitted by the Western Harbour Tunnel Company Limited
- LC Paper No. CB(1)2389/08-09(01) — Submission on MTR Corporation Limited's day pass from a member of the public
- LC Paper No. CB(1)2389/08-09(02) — Submission on measures to tackle the problem of illegal car racing from a member of the public
- LC Paper No. CB(1)2389/08-09(03) — Submission on left hand drive vehicles from a member of the public
- LC Paper No. CB(1)2389/08-09(04) — Administration's response to the submission complaining about bus service in Tai Po from a member of the public

- issued to members vide LC Paper No. CB(1)2261/08-09(01) dated 14 July 2009
- LC Paper No. CB(1)2415/08-09(01) — Administration's paper on Western Harbour Crossing and Route 3 (Country Park Section) Tolls
- LC Paper No. CB(1)2421/08-09(01) — Paper on new statutory tolls for Tai Lam Tunnel from Route 3 (CPS) Company Limited
- LC Paper No. CB(1)2449/08-09(01) — Administration's paper on regulation of cargo compartments placed at roadside
- LC Paper No. CB(1)2468/08-09(01) — Administration's paper on road safety (Road Safety Bulletin)
- LC Paper No. CB(1)2469/08-09(01) — Referral from Legislative Council Members' meeting-cum-luncheon with Sai Kung District Council members on 7 May 2009 regarding the policy of positioning railways as the backbone of the public transport network
- LC Paper No. CB(1)2470/08-09(01) — Referral from the Panel on Development regarding provision of bicycle parking spaces for commuters, promoting cycling as a means of transportation, and review of legislation governing cycling in the street
- LC Paper No. CB(1)2492/08-09(01) — Submission on transport fare concessions for the elderly from a member of the public
- LC Paper No. CB(1)2492/08-09(02) — Submission on public transport services in Tseung Kwan O from a member of the public
- LC Paper No. CB(1)2492/08-09(03) — Administration's response to the submission on left hand drive vehicles from a

- member of the public issued to members vide LC Paper No. CB(1)2389/08-09 (03) dated 30 July 2009
- LC Paper No. CB(1)2493/08-09(01) — Referral from Legislative Council Members' meeting-cum-luncheon with Yuen Long District Council members on 2 July 2009 regarding transport services in Yuen Long
- LC Paper No. CB(1)2550/08-09(01) — Referral from Legislative Council Members' Meeting-cum-luncheon with Sha Tin District Council members on 4 June 2009 regarding issues related to bus services at Sha Tin
- LC Paper No. CB(1)2681/08-09(01) — Referral from Legislative Council Members' meeting-cum-luncheon with Tuen Mun District Council members regarding overall planning of Tuen Mun and construction of Northern Link)

Members noted the above papers issued since the last regular meeting on 17 July 2009.

**II Items for discussion at the next meeting scheduled for 27 November 2009**

- (LC Paper No. CB(1)65/09-10(01) — List of outstanding items for discussion
- LC Paper No. CB(1)65/09-10(02) — List of follow-up actions)

2. Members agreed to discuss the following items at the next regular meeting on Friday, 27 November 2009, at 8:30 am –

- (a) Measures to enhance safety of public light bus (PLB) operations; and
- (b) Further discussion on changes made by MTR Corporation Limited (MTRCL) to staff welfare.

3. Members also agreed to add the item on "Improving pedestrian environment" to the Panel's list of outstanding items for discussion for joint discussion with the Panel on Development in due course.

### **III Briefing by the Secretary for Transport and Housing on the transport policy initiatives featuring in the 2009-2010 Policy Address**

(LC Paper No. CB(1)33/09-10(01) — Administration's paper on policy initiatives of the Transport and Housing Bureau under the 2009-2010 Policy Address and Policy Agenda

Address by the Chief Executive at the Legislative Council meeting on 14 October 2009 - "Breaking New Ground Together"

The 2009-2010 Policy Address - "Policy Agenda")

4. The Secretary for Transport and Housing (STH) briefed members on the new and on-going transport-related policy initiatives of the Transport and Housing Bureau (THB) featured in the 2009-2010 Policy Address.

#### Cross-boundary transport infrastructure projects

##### *The Hong Kong-Shenzhen Western Express Line*

5. In response to Mr WONG Kwok-hing on the implementation timetable of the Hong Kong-Shenzhen Western Express Line (WEL), STH advised that the railway line was still under planning. She said that instead of simply serving as a rail connection between the Hong Kong International Airport (HKIA) and Shenzhen Airport as originally planned, WEL had been further planned to be a multi-purpose railway to complement the planning and development of Qianhai (a new development area of Shenzhen under planning), Shenzhen and the northwestern part of the New Territories (NWNT), as well as to maximize the synergy from the close co-operation of the two airports. Hong Kong and Shenzhen both saw the need for a cross-border checkpoint in Qianhai, and to link the railway through a spur line to the New Development Area of Hung Shui Kiu (HSK) in NWNT to encourage travellers from the Pearl River Delta (PRD) to use HKIA or visit Hong Kong. The scale and pace of the development of Qianhai would thus affect the patronage and implementation timetable of WEL, and the Administration was liaising with the Shenzhen side on the relevant details.

6. Mr WONG Kwok-hing enquired whether WEL would be planned in conjunction with the Northern Link (NOL). In response, STH advised that

NOL was not a part of WEL. NOL would be planned separately in due course.

7. Mr Ronny TONG pointed out that consultation on WEL had not been conducted early and thoroughly enough. The need for WEL had therefore been queried by stakeholders. Noting from the Administration's paper that the number of Mainland cities covered by the Shenzhen Airport's domestic network was 70 whereas the number of those covered by HKIA was 40, i.e. only 30 less, Mr TONG queried the need for WEL. He also expressed concern that the construction of WEL to facilitate use of the Shenzhen Airport might instead affect the development of Hong Kong as a regional aviation centre. Since no other places had constructed such a long rail connection to link up a domestic airport and an international airport, he considered that there was a need to conduct a study to ascertain whether the claimed synergy from the complementary strengths of the two airports could really be achieved.

8. In response, STH explained that the provision of a station and possibly a border crossing in Qianhai would greatly help facilitate people from PRD to use HKIA. The construction of WEL could achieve a win-win situation for the two airports instead of only benefiting the Shenzhen Airport. As she understood, both Cathay Pacific Airways (CX) and the Dragon Air welcomed the WEL project for the above benefit. She further clarified that the above contemplated spur line between Qianhai and HSK was only at the investigation stage.

9. Mr Ronny TONG opined that Hong Kong should aim to develop more direct flights instead of relying on Shenzhen for domestic connections. STH responded that efforts had been made to work in this direction, and Hong Kong had been liaising with the Civil Aviation Administration of China on new flight routes to more Mainland cities. She added that the construction of WEL could be pursued in parallel.

10. Mrs Regina IP also expressed similar concern. She said that she noted that CX did not believe in the idea of a split hub, i.e. with Shenzhen handling domestic flights and Hong Kong focusing on international routes. She expressed doubt about whether there was a genuine need for the provision of WEL. She queried whether the construction of WEL might encourage more travellers to use not only the Shenzhen Airport but also the Baiyun Airport in Guangzhou. Moreover, since Qianhai would be a Free Trade Zone, construction of WEL to link up Hong Kong with Qianhai might even affect Hong Kong's leading air freight industry.

11. STH responded that according to a study conducted by an international aviation organization, the concept of a split hub was feasible if seamless connection in ticketing and luggage handling could be ensured to benefit both airports. She assured members that the Administration would implement WEL only when the prerequisite of seamless connection could be satisfied and when a border crossing was provided in Qianhai. To achieve this purpose,

city check-in service would be ensured, and customs clearance service, when required, would be provided at the Hong Kong Boundary Crossing Facilities of the Hong Kong-Zhuhai-Macao Bridge (HZMB) directly linked to HKIA. She also clarified that while CX had at the early stage of relevant talks expressed concerns, it had indicated that if the prerequisite of seamless connection and a border crossing in Qianhai could be provided, the construction of WEL might help encourage travellers from PRD to use HKIA. She further clarified that WEL would not be used for freight. The establishment of a Free Trade Zone in Qianhai would therefore not affect Hong Kong's air freight business. In response to concerns expressed by Mrs Regina IP, STH said that the Administration had been closely monitoring developments in Qianhai.

12. Mr Jeffrey LAM indicated support for WEL and other transport-related policy initiatives of THB featured in the 2009-2010 Policy Address, and pointed out that Hong Kong was already lagging behind other Mainland cities in implementing transport infrastructure projects, in particular those cross-boundary projects necessary for the creation of a "One-hour Economic and Living Sphere" in PRD. Highlighting the rapid development of railways and airports in the Mainland, Ir Dr Raymond HO also considered it necessary that Hong Kong should make more efforts to catch up. He then declared interests as a member of the Airport Authority, and pointed out that WEL was very important to achieving a win-win situation for HKIA and the Shenzhen Airport. The Administration noted the views of Mr LAM and Ir Dr HO.

*The Guangzhou-Shenzhen-Hong Kong Express Rail Link and other cross-boundary projects*

13. Mr LEUNG Kwok-hung opined that the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and other cross-boundary projects might not be really necessary but had been imposed on Hong Kong. The claimed employment opportunities so arising were also short-lived. The financial resources so incurred could in fact be put to better uses such as buying back the two franchised road harbour crossings (RHCs) to relieve congestion at the Cross-Harbour Tunnel, or buying out MTRCL to keep railway fares low. He expressed concern that XRL would only boost railway fares to the detriment of the commuting public.

14. Mr Ronny TONG commented that disputes over XRL had arisen because consultation on it was insufficient. He and Mr Jeffrey LAM saw a need for improvements in this regard. In response, STH clarified that discussion in the community on XRL had commenced as early as 2000, and in fact different options of taking it forward had been thoroughly explored.

15. Mr Albert CHAN considered it ironic that with the construction of XRL, journeys between West Kowloon and Guangzhou would be shorter than those between Tuen Mun and Central. In his view, this meant that the



Administration was attaching greater importance to the development of PRD than to Hong Kong people's transport needs. STH responded that the Administration was also planning various local railway lines such as NOL and highway projects in the New Territories. Moreover, the contemplated spur line between Qianhai and HSK could serve NWNT.

16. Mr Jeffrey LAM requested the Administration to expedite the implementation of important cross-boundary projects to catch up with development on the Mainland. STH responded that while active efforts would be made to expedite these projects, compliance with the relevant statutory process, including environmental impact assessment, public consultation and handling of objections, was also important. As such, in assessing the progress of projects, the great difference between the relevant planning systems of Hong Kong and the Mainland should be taken into account. Moreover, as shown in the advancement to 2012 of the completion of the Beijing-Wuhan section of the national high-speed rail network, the Mainland was able to mobilize resources within a short time to expedite projects where necessary. There was also a need to note specific technical difficulties. For example, in the case of XRL, while its Mainland section was mostly constructed on viaducts, out of environmental concerns the Hong Kong section would run in a 26-km tunnel, making the works concerned much more complicated. She however assured members that the Administration would keep up close liaison with the Mainland to take forward cross-boundary projects efficiently. To facilitate smooth implementation, expert groups would also be formed as necessary to ensure consistency in the aspects of design, specifications, operation and maintenance, etc.

17. Stressing the importance of cross-boundary projects and co-operation, Ir Dr Raymond HO sought details of the institutional arrangements in place to promote such endeavours. The Deputy Secretary for Transport & Housing (Transport) 1 (DS(T)1) responded that close co-operation with the Mainland on cross-boundary matters had in general been kept up through the Hong Kong/Guangdong Co-operation Joint Conference co-chaired by the Chief Executive and the Governor of Guangdong Province, where the Administration was actively liaising with the respective institutions of the Mainland on various issues through working meetings. The Administration was also closely co-operating with the Mainland on individual projects through different co-ordinating committees such as the HZMB Advance Work Co-ordination Group, the joint working group with the Mainland's Ministry of Railways for XRL, etc. Through such co-operation channels, the projects concerned were making satisfactory progress.

#### The transport and railway policy

18. While agreeing that railway transport was more convenient, efficient and environment-friendly, Ms LI Fung-ying expressed concern that over-reliance on railways as the backbone of Hong Kong's transport system

might impact on the business of other public transport services and hence the employment opportunities of the grassroots. In response to her on whether the Administration had made any assessment in this regard, STH pointed out that the policy of developing railways as the backbone of Hong Kong's transport system had long been in place in recognition of the need for a sustainable and environment-friendly transport policy for a densely populated place like Hong Kong. She however assured members that upon commissioning of every railway line the Administration would take measures such as providing new feeder services to better feed passengers to the railway stations concerned. She also pointed out that the construction of XRL (Hong Kong section) was expected to create 11 000 job opportunities during the peak period. When completed, the high-speed rail system, together with related business establishments, was expected to employ 10 000 people.

19. Ms LI Fung-ying pointed out that the above jobs created as a result of implementation of railway projects might be short-lived only. She opined that to facilitate public debate on the pros and cons of individual railway projects, details of the above benefits as claimed by the Administration should be provided in the financial proposals concerned to be submitted to the Legislative Council for approval. While agreeing to provide such details if relevant studies were conducted, STH emphasized that the value of XRL (Hong Kong section) should be assessed from its importance in accelerating Hong Kong's economic integration with the Greater PRD, thereby paving the way for more room for growth for Hong Kong's economy in the long run. In fact, with the estimated patronage of XRL in 2016 for the high case going up to 116 000, it was believed that other sectors would also benefit from the new express rail link. Ms LI, however, pointed out that many railway lines under planning were not cross-boundary but local lines, which would directly affect the business of other road-based public transport services.

20. Mr LEUNG Kwok-hung opined that other public transport operators could hardly compete with MTRCL because of the monopoly it enjoyed as a result of the transport policy tilted in favour of rail transport. Moreover, MTRCL was also allowed to make great profits from property development without being obliged to maintain service quality.

21. Mr IP Wai-ming highlighted the Motor Transport Workers General Union's view that the Government's tilted transport policy had limited the commuting public's choice of public transport services, and was unfair to other public transport operators and their workers. He said that these workers were concerned whether they could continue to make a living from driving for long. In his view, the emergence of taxi discount gangs was also a result of such a tilted transport policy.

22. STH responded that route or frequency adjustments upon commissioning of new railway lines was necessary to minimize the overlapping of services, which was not conducive to effective use of social resources and

environmental protection. Notwithstanding, other public transport modes could still maintain their competitiveness by repositioning their services or, in the case of taxis, by aligning their fare structure with those of other public transport modes so as to enhance the competitiveness of the taxi service in the long-haul transport sector. She assured members that the Administration would exercise great care when making public transport service adjustments upon commissioning of new railway lines, and would keep the Panel posted of the findings of related studies.

23. Highlighting the significant wealth disparity in Hong Kong, Mr Albert CHAN stressed the need to reduce the burden of travelling expenses on the grassroots, whose quality of life had suffered because their wages had failed to go up as quickly as transport fares in the past 20 years due to MTRCL's monopoly. He further suggested that the Administration should consider operating or subsidizing public transport services as many other places did to improve the situation. STH responded that the Administration would continue its efforts to keep public transport fares affordable.

24. Ms Miriam LAU pointed out that when it was decided in 1999 that railway should form the backbone of Hong Kong's transport system, the target was that it should handle about 40% of the total transport journeys by 2016. However, after the publication of the Railway Development Strategy in 2000, railway development had undergone many changes, with railway lines such as the Kwun Tong Line Extension newly introduced and the South Island Line expedited. In recognition that this development would affect the future of other public transport services, Ms LAU was also concerned that with railway development proceeding so quickly, other public transport services might not be able to catch up to play a complementary role by providing feeder services, not to mention that the need for such services might also diminish with the provision of pedestrian facilities to facilitate access to railway stations. Highlighting the valuable roles which different public transport services had played at different times, she urged the Administration to conduct an overall review of its transport policy to help them survive.

25. STH responded that the Administration was in principle acting in accordance with the 2000 Railway Development Strategy, and was seeking to maintain the competitiveness of other public transport services to provide the travelling public greater choice, in particular when new railway lines were commissioned.

26. Mr KAM Nai-wai opined that the Administration should still explore the feasibility of extending the Island Line to Siu Sai Wan to reduce the roadside pollution and traffic congestion problems there. DS(T)1 explained the engineering problem involved in extending the Island Line to Siu Sai Wan and advised that the problem could not be resolved yet. The Administration would however closely monitor the feeder services for Siu Sai Wan and other districts, which at present were considered acceptable. The Administration would also

make efforts to improve them as appropriate.

27. Mr Albert CHAN considered it unfair that while railway stations on the Hong Kong Island were located at very short intervals, the distance between stations in NWNT was so long that every station had to serve a much greater population. In his view, the above situation amounted to class discrimination and should be addressed.

28. Mr Albert CHAN highlighted the inadequacy of vehicular transport connection to various border control points resulting from the alleged need to control the access of public transport vehicles thereto due to security considerations, and called for relaxation of such control to provide the public greater convenience. In response, STH agreed to liaise with the Security Bureau to see if control could be relaxed taking into account, among other things, security implications.

#### Transport-related environment-friendly measures

29. Referring to the 2009-2010 policy initiative of encouraging bus companies to deploy cleaner vehicles along busy corridors and enhancing bus service rationalization to reduce pollution and congestion and, highlighting complaints from the Tai Po District Council about the use of old buses not equipped with seatbelts on Tolo Highway, Ms Miriam LAU stressed the importance of striking a balance between local needs and wider policy considerations. The Deputy Secretary for Transport & Housing (Transport) 2 (DS(T)2) responded that in promoting the deployment of more environment-friendly buses on busy corridors, the Administration would balance the needs of local communities and the needs of specific passenger groups such as persons with disabilities' need for low-floor buses. Meanwhile, the Administration had also been urging franchised bus companies to replace their bus fleet with buses of Euro II or above standards. It was expected that pre-Euro and Euro I buses would all be replaced by 2012 and 2015 respectively. Those of Euro II standard would all be replaced by 2019.

30. Highlighting the serious roadside air pollution in Central, Mr KAM Nai-wai expressed dissatisfaction with the progress of bus replacement. In his view, because of the diminishing role of bus in the transport system, bus companies were unwilling to invest heavily in bus replacement. As such, bus replacement could only be accelerated if the use of environment-friendly buses was subsidized by the Government or made a contractual condition in bus franchises. He also urged that the co-operation between THB and the Environment Bureau (ENB) should be enhanced.

31. In response, STH assured members that THB had already been working closely with ENB, and both bureaux were involved in discussions with bus companies on environment-related issues. However, there was a need to guard against the implications of the implementation of environment-friendly

measures on bus fare levels. DS(T)2 added that notwithstanding the fare consideration, the adoption of the latest commercially available and environment-friendly technologies for acquiring new buses had already been made a provision in all bus franchises. Pending replacement of Euro II and III buses, bus companies were also required to install diesel particulate filters on these buses to reduce pollution.

#### Other views and concerns

32. Mr WONG Kwok-hing urged for the early establishment of the assessment system on the provision of hillside escalator links and elevator systems to ensure barrier-free access for all. In response to his enquiry on progress in this regard, the Commissioner for Transport advised that with a view to establishing the system by the end of 2009, the Administration was actively finalizing the system in the light of the views solicited through consultation with the Panel and the Transport Advisory Committee. The Panel would be briefed on the finalized system in due course.

33. Mr KAM Nai-wai enquired about the annual provision to be set aside for the provision of hillside escalator links and elevator systems upon establishment of the relevant assessment system. DS(T)1 responded that the merits and priority of proposals on the above pedestrian facilities would be determined after the system was established. Efforts would then be made to secure resources as far as practicable for the implementation of proposals so prioritized.

34. Ms Miriam LAU expressed concern about measures that would be taken to improve the traffic distribution among the three RHCs, and sought details on the relevant consultancy study which would be completed before the end of 2009. STH and the Permanent Secretary for Transport and Housing (Transport) responded that a comprehensive study was necessary to ensure that the proposed measures would be feasible in transport, financial and legal terms and take into account the capacity of the connecting road network of each crossing. In addition, the study could help quantify the traffic benefits of the proposed measures. Upon completion of the study, the Administration would report back to the Panel as soon as practicable.

#### **IV Review of Fare Adjustment Arrangement for Franchised Buses**

(LC Paper No. CB(1)65/09-10(03) — Administration's paper on review of fare adjustment arrangement for franchised buses

LC Paper No. CB(1)79/09-10 — Background brief on the fare adjustment arrangement for franchised buses prepared by the Legislative Council Secretariat)

35. STH briefed members on the outcome of the review of the fare adjustment arrangement for franchised buses.

The bus fare adjustment mechanism

36. Mr LEE Wing-tat and Ms LI Fung-ying indicated agreement with the Administration's decision not to accede to the bus companies' request to add a fuel price change element to the bus fare adjustment formula (the Formula). In Ms LI's view, the request would lead to very drastic upward and downward movements of the Formula outcome and hence controversies.

37. Highlighting the great burden of travelling expenses on the grassroots, Ms LI Fung-ying called for measures to help alleviate the burden. STH pointed out that in considering bus fare adjustment, the Executive Council took balanced consideration of all relevant factors under the bus fare adjustment arrangement. The Formula did not operate as an automatic determinant of fare adjustment but its outcome was only one of the above factors considered, which also included changes in operating costs and revenue since the last fare adjustment; forecasts of future costs, revenue and return; the need to provide the operator with a reasonable rate of return; the quality and quantity of service provided; and public acceptability and affordability.

38. Ms LI Fung-ying considered it undesirable to make reference to the magnitude of change in median household income in considering the public acceptability and affordability of bus fare adjustment because, as a result of the significant wealth disparity in Hong Kong, the median household income might not be able to reflect the true economic situation. In response to her call for a comprehensive review of the Formula, STH and DS(T)2 explained that apart from the median household income, reference would be made to changes in the Composite Consumer Price Index (CCPI), which could reflect the macro economic situation.

39. Mr Albert CHAN opined that the existing bus fare adjustment mechanism could only facilitate upward but not downward adjustments. In particular, the Formula had failed to reflect the actual profit situations of the bus operators because, as he understood, the substantial revenue of the operators from property development and advertising would not be taken into account. The recent review of the Formula had also failed to genuinely address the public affordability issue. As a result, travelling expenses had taken up a significant part of the incomes of new town residents and adversely affected their livelihood.

40. In response, STH clarified that the non-fare box revenue of bus companies would also be taken into account in calculating their revenue. She further reiterated that in assessing franchised bus fare adjustment for the purpose of making recommendations to the Chief Executive-in-Council, the Administration would take into account a basket of factors. By balancing the

basket of factors, the Administration could take public affordability into sufficient consideration.

Bus-bus interchange schemes and section fares

41. Mr LEE Wing-tat pointed out that as a result of the rationalization of bus routes, many residents of remote new towns often had to interchange to other bus routes to meet their transport needs. However, because of the insufficiency of the fare discounts offered in the relevant bus-bus interchange (BBI) schemes and the reluctance of the franchised bus companies to implement section fares, these residents had to bear travelling expenses greater than otherwise required if point-to-point service was available. In response to Mr LEE's call to rectify the above unfair situation, STH assured members that the Administration would continue to encourage bus companies to offer greater interchange discounts. DS(T)2 also drew members' attention to the need for BBI schemes to ensure sustainable bus services for new towns and to reduce roadside pollution.

Admin

42. Mr LEE Wing-tat remained of the view that there was a need for the Administration to play a greater co-ordinating role to ensure that the BBI schemes for new towns could really meet residents' needs for bus service, and that section fares would be implemented to keep fares affordable. He urged the Administration to conduct an overall review in this regard and provide a paper to the Panel. Mr KAM Nai-wai shared his views. While agreeing to consider the request, STH emphasized that overlapping of services was not conducive to effective use of social resources and environmental protection. The rationalization of bus routes through BBI schemes was therefore necessary, particularly upon commissioning of new railway lines. DS(T)2 added that the offer of section fares had in fact increased over the past few years and, as at present they were already available on more than 70% of the existing 570 bus routes.

43. Pointing out that section fares were normally available only at the end part and not throughout the bus journey of long-haul routes, Mr KAM Nai-wai urged the Administration to ensure the provision of distance-based section fares on all long-haul franchised bus routes, so that short-haul passengers boarding the bus at the beginning of the bus journey or midways needed not pay full fares when travelling on such routes. DS(T)2 responded that it might not be feasible to implement distance-based section fares because, to facilitate crowd control passengers had to get on and off the bus at separate doors under current operation. As such, there was difficulty in ascertaining the distance travelled by individual passengers. Notwithstanding, the Administration would continue to follow up the matter.

44. Mr Albert CHAN opined that the introduction of distance-based section fares on long-haul bus routes could provide the public greater convenience by enabling them to take short rides on long-haul buses at fares similar to those charged on short-haul buses plying the same section of routes. The synergy so

arising might help reduce these passengers' bus waiting time. DS(T)2 responded that there was a need to strike a balance between the efficiency and affordability of bus service, and the efficient management of bus fleet. If distance-based section fares were offered as proposed and more short-haul passengers were induced to ride on long-haul buses, the journey time of the long-haul passengers concerned would be lengthened as a result of the need for more frequent stop of the buses to enable short-haul passengers to board. Notwithstanding, she agreed that, where feasible, the Administration would examine how long-haul buses could be effectively deployed to fill service gaps.

45. Mr LEUNG Kwok-hung pointed out that long-haul buses would in any event have to stop frequently to enable long-haul passengers to alight. DS(T)2 reiterated that if more passengers were encouraged to use long-haul buses by the offer of distance-based section fares, the journey time concerned would inevitably be longer and adversely affect the service frequencies.

46. Mr LEUNG Kwok-hung and Mr Albert CHAN considered that the time involved in boarding activities was minimal. Moreover, the offer of distance-based section fares could attract more passengers to make use of the remaining capacity of buses, thereby enhancing the efficient use of bus resources and increasing bus companies' incomes. DS(T)2 noted the members' views for consideration.

#### Other views and concerns

47. Mr LEUNG Kwok-hung opined that travelling expenses in Hong Kong were great because the Administration was too intent on ensuring that great corporations could make profits. He said that to keep transport fares affordable, the Government should operate public transport services itself and use all profits made to stabilize fares, such as by introducing a monthly pass that could be used for all modes of public transport at discounted fares. Mr Albert CHAN shared his view on the need for the Government to operate public transport services itself. In response, STH clarified that the Administration was not adopting a profit guarantee approach in the provision of public transport services as Mr LEUNG perceived.

48. Mr KAM Nai-wai opined that the Administration might need to give franchised bus companies greater certainty in their investment return from operation of bus services so that they would be willing to make investment in bus replacement without passing on the cost concerned to passengers. He considered it necessary for the Administration to review its transport policy tilted in favour of rail transport. STH reiterated that THB was already closely working with ENB to encourage bus companies to use cleaner buses. While ENB was responsible for allocating resources to improve air quality, THB would support its work by helping to minimize the impact of environment-friendly measures on bus fare levels.



**V Any other business**

49. There being no other business, the meeting ended at 10:20 am.

Council Business Division 1  
Legislative Council Secretariat  
21 January 2010