

# 立法會

## *Legislative Council*

LC Paper No. CB(1)442/10-11  
(These minutes have been  
seen by the Administration)

Ref : CB1/PL/TP/1

### **Panel on Transport**

#### **Minutes of special meeting held on Tuesday, 29 June 2010, at 5:30 pm in the Chamber of the Legislative Council Building**

- Members present** : Hon CHEUNG Hok-ming, GBS, 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 LI Fung-ying, BBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon KAM Nai-wai, MH  
Hon WONG Sing-chi  
Hon IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon LEUNG Kwok-hung
- Members absent** : Hon Miriam LAU Kin-ye, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Albert CHAN Wai-yip

**Public officers attending : Agenda item I**

Mr YAU Shing-mu  
Under Secretary for Transport and Housing  
Mrs Hedy CHU  
Principal Assistant Secretary for Transport  
and Housing (Transport)<sup>4</sup>

Mr Albert YUEN  
Assistant Commissioner for Transport/ Bus and  
Railway

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

**Attendance by invitation : Agenda item I**

MTR Corporation Limited

Ms Jeny YEUNG  
General Manager - Marketing and Station  
Commercial

Mr Eddie SO  
Senior Manager – Transport Planning

Mr Jeff LEUNG  
Senior Manager – External Affairs

**Clerk in attendance :** Ms Joanne MAK  
Chief Council Secretary (1)<sup>2</sup>

**Staff in attendance :** Ms Sarah YUEN  
Senior Council Secretary (1)<sup>6</sup>

Miss Angela LAM  
Legislative Assistant (1)<sup>5</sup>

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Action

- I Adjustment to MTR fares in 2010**
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|---------------------------------|-------|--|
| LC Paper<br>CB(1)2333/09-10(01) | No. — | Paper on adjustment to MTR fares in 2010 from MTR Corporation Limited  |
| LC Paper<br>CB(1)2333/09-10(02) | No. — | Extract from the minutes of the meeting on 23 April 2010   |
| LC Paper<br>CB(1)2041/09-10(02) | No. — | Submission on fare increase by the MTR Corporation Limited from the North Tin Shui Wai Transport Concern Group         |
| LC Paper<br>CB(1)2333/09-10(03) | No. — | Further submission on fare increase by the MTR Corporation Limited from the North Tin Shui Wai Transport Concern Group |
| LC Paper<br>CB(1)1648/09-10(05) | No. — | Administration's paper on adjustment to MTR fares in 2010  |
| LC Paper<br>CB(1)1648/09-10(06) | No. — | Paper on adjustment to MTR fares in 2010 from MTR Corporation Limited  |
| LC Paper No. CB(1)1649/09-10    | —     | Extract from the report of the former Bills Committee on Rail Merger Bill  |
| LC Paper<br>CB(1)1662/09-10(01) | No. — | Submission from Tseung Kwan O Transport Concern Group  |
| LC Paper<br>CB(1)1714/09-10(01) | No. — | Submission from a District Council member  |
| LC Paper No. CB(1)1961/09-10    | —     | Information paper provided by MTR Corporation Limited on adjustment to MTR Fares in 2010                               |
| LC Paper<br>CB(1)2391/09-10(01) | No. — | Submission on fare increase by the MTR Corporation Limited from  |

Tseung Kwan O  
Transport Concern  
Group)

The Chairman said that the special meeting was convened to address public concerns about the adjustment to MTR fares in 2010.

2. Mr WONG Kwok-hing requested the Administration and MTR Corporation Limited (MTRCL) to respond to his concerns and views as follows –

- (a) It was unfair and unreasonable that while there were monthly passes and feeder bus service for West Rail Line (WRL) and East Rail Line (ERL), similar promotions were not available for the Tung Chung Line (TCL), and that Tung Chung residents had few options other than to ride on TCL;
- (b) It was undesirable that for around 100 journeys MTR Single Journey fares were lower than Octopus fares. To compensate the passengers concerned, concessionary offers should be made, such as the offer of \$20 supermarket shopping vouchers as in the case of purchase of monthly passes for use in July or August 2010; and
- (c) Regarding the “Ride MTR for Summer Spending Promotion”, under which Adult Octopus cardholders could redeem a \$5 MTR Shops cash coupon for every \$100 of MTR fares deducted from the same Octopus card from Monday to Friday of each week between 14 June and 8 August 2010, the cardholders concerned should receive the reward automatically instead of having to monitor fare deduction and make redemption requests.

3. In response, the General Manager – Marketing and Station Commercial, MTRCL (GM-M&SC/MTRCL) made the following points –

- (a) Monthly passes were promotions offered from time to time to achieve a win-win situation for both passengers and MTRCL. Although monthly pass had yet to be made available for TCL, passengers would with effect from 9 July 2010 be able to enjoy for six months a higher discount of \$1.5 when using the same Adult Octopus card to interchange

between MTR and several New Lantao Bus routes in Tung Chung including 37/37P, 38/38P and N38 within one hour;

- (b) As to the 100 journeys under which MTR Single Journey fares were lower than Octopus fares, it should be noted that the following principles had to be applied when MTRCL made adjustment to individual fares:
  - (i) Adjustments to Octopus fares were rounded to the nearest 10-cents; and
  - (ii) Adjustments to Single Journey fares were rounded to the nearest 50-cents;

In calculating individual fares in accordance with the above principles however, some Single Journey fares would have a substantial increase if they were to be adjusted by 50 cents. MTRCL had therefore decided not to adjust these Single Journey fares until later. Although the arrangement would mean that for 100 journeys the Single Journey fares were lower than the corresponding Octopus fares, passengers using Octopus would still pay a lower fare than using Single Journey tickets in most journeys. Moreover, members' proposals on additional fare promotions would also be seriously examined; and

- (c) Since the rewards for “Ride MTR for Summer Spending Promotion” would be cash coupons and not bonus points, automatic redemption would be difficult. Notwithstanding, as many as some 40 000 passengers had redeemed the coupons in the week before, indicating that passengers had little problem benefitting from the rewards.

4. Noting the response, Mr WONG Kwok-hing opined that MTRCL should report back in due course on the outcome of its consideration of additional fare promotions. At his request to install fare savers at Yat Tung Estate, as one quarter of its residents were recipients of Comprehensive Social Security Assistance, GM-M&SC/MTRCL explained that since Yat Tung Estate was not within walking distance of Tung Chung Station and residents using rail service also had to travel by bus, fare discount for interchange between MTR and relevant bus routes rather than fare savers would be provided.

### The 2010 fare adjustment

5. Mr IP Wai-ming considered the adjustment to MTR fares in 2010 (the 2010 fare adjustment) unacceptable because as a result the MTR Single Journey fares for around 100 journeys were unreasonably lower than Octopus fares. He also pointed out that although the fare from Po Lam to Central had increased from \$11.2 to \$11.5 only, the increase was in fact some 5% because no fare concession was available for this journey for Adult Octopus cardholders. The Senior Manager-Transport Planning, MTRCL (SM-TP/MTRCL) responded that the above adjustment, which was the adjustment from \$11.2 to \$11.5 or 2.7% increase, was in fact the adjustment made to the Octopus fare for Po Lam to Central. There was misunderstanding that there was no Octopus concession for the journey mainly because the corresponding Single Journey Fare had not been increased during the 2010 fare adjustment exercise, so that it was also \$11.5.

6. Mr WONG Sing-chi considered it undesirable that the fare for the Lo Wu service had been increased by some 3.7%, much higher than those for the domestic lines. Moreover, the original fare for Sheung Shui to Lo Wu, which was only a short journey, was already very high. SM-TP/MTRCL responded that apart from distance, market circumstances had also been taken into consideration when determining the fares. Considering that the main service target of the Lo Wu service was different from the domestic railway services, there were reasons to maintain a different fare structure for it. Its fare level was however still comparable to that of cross-boundary bus service. Mr WONG pointed out that comparability with the fares for cross-boundary bus service was meaningless because bus journeys were long-winded. He considered it inappropriate and unfair that the fares of the Lo Wu service and those for the domestic service had both been increased instead of increasing the former to help maintain a relatively low fare level for the latter. As a result, residents of the Northern District would unfairly suffer the most. In response, SM-TP/MTRCL pointed out that the fare between Lo Wu/Lok Ma Chau and urban area had not been increased, and reiterated that market circumstances, which included market competitiveness, patronage and travelling pattern, were the major consideration in determining fares. Mr WONG expressed regrets at the response on behalf of the residents of the Northern District.

Fare concessions

7. Mr IP Wai-ming considered the “Ride MTR for Summer Spending Promotion” impractical and suspected that by replacing the "Ride-10-Get-One-Free" fare concession with this promotion, MTRCL was not offering genuine concessions. GM-M&SC/MTRCL responded that since passengers could genuinely benefit from this promotion by using the reward coupons at the many MTR shops, the promotion would in effect amount to a 5% fare rebate, which should more than offset the overall rate of the 2010 fare adjustment at +2.05%. The promotion was therefore considered fair.

8. Highlighting the social benefits of rail transport, in particular the environmental benefits it could bring to the community as a whole, Mr LEE Wing-tat opined that as the majority shareholder of MTRCL, the Government should encourage MTRCL to provide more fare concessions such as monthly pass or "Ride-10-Get-One-Free" to promote use of the MTR service. It was therefore regrettable that monthly passes had not been introduced for rail lines serving the New Territories, and that fare savers were only provided for lines competing with bus service.

9. In response, the Under Secretary for Transport and Housing confirmed that it was Government's policy to position railways as the backbone of Hong Kong's transport system, and it was believed that the efficiency and reliability of rail transport would attract patronage. He further explained that the introduction of monthly passes and other fare concessions would have impact on the income of MTRCL. As such, fare promotions should be left for MTRCL to decide taking into account market circumstances and commercial considerations as appropriate. The Administration would, however, continue to encourage MTRCL to provide fare concessions. GM-M&SC/MTRCL added that to ensure the sustainability of both fare concessions and MTRCL itself, there was a need to ensure a win-win situation would be achieved. Moreover, fare promotions offered by MTRCL already amounted to an annual cost of some \$ 1.1 billion. In response to members' views, the promotion whereby elderly could enjoy paying a flat fare of only \$2 for each MTR journey taken on Wednesdays and public holidays (excluding Sundays) would also be enhanced to include Saturdays as well starting from 1 September 2010 to 31 August 2011. In fact, MTRCL had already been providing various fare promotions to attract more people to use rail service. The some one million members of MTR Club could also redeem free journeys or cash vouchers from time to time under its bonus points scheme.

10. Noting the response above, Mr LEUNG Kwok-hung pointed out that if cost-effectiveness and sustainability were as important as highlighted above, the Tseung Kwan O (TKO) Extension and LOHAS Park Station would not have been constructed considering their low patronage. He suspected that the reason for providing the LOHAS Park Station irrespective of its commercial viability was that its provision was a condition deliberately included in the relevant land lease at the request of the developer concerned to enhance the attractiveness of the LOHAS Park development. The Administration noted his comments.

11. Mr LEUNG Kwok-hung further opined that if MTRCL lived up to its pledge that MTR was constructed for the people of Hong Kong, MTRCL would readily introduce weekly, quarterly and monthly passes. He expressed regret at the rail merger, which in his view had further secured MTRCL's monopoly. He considered that the Administration had failed to protect the interests of the public and the poor vis-à-vis the interests of MTRCL's shareholders. To improve the situation, the Government should buy out MTRCL.

12. GM-M&SC/MTRCL responded that MTRCL had introduced fare reductions up to some 6% upon the rail merger. Since the merger, MTRCL had also extended the fare concession for the elderly as explained above, and extended the student fare discount originally provided to students travelling on the pre-merger MTR network to ERL, WRL and the Ma On Shan Line. MTRCL had also started to offer fare discount of about 50% to persons with disabilities since 22 December 2009.

13. The Chairman referred to the recent cessation of the fare concession of \$1.5 per trip to passengers using four outlying island ferry routes and interchanging to MTR, and urged MTRCL to continue the concession considering the benefits it would bring to MTRCL's image, the insignificant income so foregone, island residents' high transport expenses, and the various measures taken by the Government to sustain island ferry services. GM-M&SC/MTRCL responded that the above concession ended because few islanders used it. The Chairman, however, opined that if the usage rate was low, as a big company MTRCL should be all the more willing to continue the concession to fulfil its corporate social responsibility. GM-M&SC/MTRCL agreed to consider reintroducing the concession in the light of the feedback concerned, and assured members that MTRCL was regularly reviewing the need and feasibility of fare concessions.

14. Mr LEUNG Kwok-hung shared the Chairman's views on the need to reintroduce the above fare concession for islanders, and stressed the need to provide suitable and affordable means of transport for them, especially as the LOHAS Park Station had been provided for residents of LOHAS Park although their number was small, and that they were much better off than the islanders. He requested MTRCL to provide its estimates of the patronage of the LOHAS Park Station before deciding to provide the station, the actual patronage, and the impact of the provision of the station on the TKO Line. GM-M&SC/MTRCL responded that rail service involved long-term investment and hence no service would be lightly scrapped once found not sufficiently cost-effective. She further explained that fare concessions were short-term promotional measures and might cease or continue upon review as necessary.

*(Post-meeting note: The above requested information provided by MTRCL was issued vide LC Paper No. CB(1)2792/09-10 on 1 September 2010.)*

#### Platform screen doors

15. Mr IP Wai-ming pointed out that Members belonging to The Hong Kong Federation of Trade Unions considered it undesirable that MTRCL was quick to increase fares but slow in improving its service, and had yet to complete retrofitting of platform screen doors (PSDs) at ERL. Under the circumstances, the \$0.1 per Octopus MTR journey presently collected as contribution from passengers for the PSD retrofitting programme should be reimbursed to passengers. The Senior Manager-External Affairs, MTRCL (SM-EA/MTRCL) responded that in taking forward the PSD and Automatic Platform Gates (APG) retrofitting programme, which covered 30 underground stations and eight at-grade or above ground stations in the pre-merger MTR system, contribution from passengers to the capital cost was considered necessary after communication with the Legislative Council. Notwithstanding, the \$0.1 passenger contribution would be collected until 2017. Moreover, it was not collected from ERL passengers because the retrofitting programme did not cover stations of the pre-merger KCR Network, which was merged with the MTR Network only after the retrofitting programme had commenced.

16. Noting the response above, Mr IP Wai-ming pointed out PSDs for Kowloon Bay and Kwai Fong Stations, which were within the pre-merger MTR system, were yet to be retrofitted. In response to him on the relevant completion dates, SM-EA/MTRCL advised that the retrofitting

works concerned, to commence in due course, were expected to complete within two years.

17. In response to Mr IP Wai-ming on when APGs would be retrofitted for ERL stations, SM-EA/MTRCL explained that considering the wide gaps between a train and a curved edge at ERL station platforms, an automatic mechanical gap filler (MGF) system should first be installed at these platforms before retrofitting of APGs could proceed. The result of the technical studies and trials on MGF's feasibility was however unsatisfactory because of low reliability and additional train dwell time at platform. As such, to avoid affecting the overall train service, there might be a need to improve the signaling system before MGFs and hence APGs could be installed.

## **II Any other business**

18. There being no other business, the meeting ended at 6:25 pm.

Council Business Division 1  
Legislative Council Secretariat  
23 November 2010