

立法會  
*Legislative Council*

LC Paper No. CB(1)2867/10-11  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/TP/1

**Panel on Transport**

**Minutes of meeting held on  
Thursday, 2 June 2011, at 4:30 pm  
in the Chamber of the Legislative Council Building**

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

**Members attending** : Hon Albert HO Chun-yan  
Hon Emily LAU Wai-hing, JP  
Hon LEE Wing-tat

**Members absent** : Hon IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon LEUNG Kwok-hung

**Public officers attending** : **Agenda item IV**

Mrs Apollonia LIU LEE Ho-kei  
Principal Assistant Secretary (Transport) 5  
Transport and Housing Bureau

Mr. Peter LAU Ka-keung  
Director of Highways

Mr. TSANG King-man  
Assistant Director / Development  
Highways Department

**Agenda item V**

Ms Rebecca Pun Ting-ting  
Deputy Secretary for Transport and Housing  
(Transport) 2

Mr Frank TSANG Chun-man  
Assistant Secretary for Transport and Housing  
(Transport) 2A

Mr Aaron LIU Kong-cheung  
Principal Assistant Secretary for Commerce and  
Economic Development (Communications &  
Technology) A

Mr Albert SU Yau-on  
Assistant Commissioner / Management & Paratransit  
(Acting)  
Transport Department

Mr KWAN Chi-wah  
Senior Engineer / Project 4  
Electrical & Mechanical Services Department

Mr MA Po Ho  
Chief Telecommunications Engineer (Advisory and  
Spectrum Mgt)  
Office of the Telecommunications Authority

**Agenda item VI**

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

Ms Rebecca Pun Ting-ting  
Deputy Secretary for Transport and Housing  
(Transport) 2

Mrs Hedy CHU POON Kit-man  
Principal Assistant Secretary for Transport and Housing  
(Transport) 4

Mr Albert SU Yau-on  
Assistant Commissioner / Management & Paratransit  
(Acting)  
Transport Department

Mr Ken WONG Pak-kin  
Chief Transport Officer/Planning/Ferry Review  
Transport Department

**Attendance by invitation : Agenda item VI**

**Individual**

Ms Amy YUNG Wing-sheung  
Islands District Council member

三島聯盟

Mr CHAN Chi-lin  
Spokesperson

Ms LIU Fun-nei  
Spokesperson

Individuals

Ms LEE Kwai-chun  
Islands District Council member

Ms YU Lai-fan  
Islands District Council member

Peng Chau Union

Mr WONG Chi-lam  
Chairman

Mr WONG Kai-chi  
Member

Mui Wo Resident's Affairs Development Committee

Dr KAM Shui-yung  
Secretary

Mr FUNG Chi-chung  
Vice Chairman

Lantau Education Concern Group

Dr Rosa MA  
Convenor

Individual

Mr WONG Fuk-kan  
Islands District Council member

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

**Staff in attendance :** Ms Sarah YUEN  
Senior Council Secretary (1)2

Ms Emily LIU  
Legislative Assistant (1)2

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Action

**I Confirmation of minutes**

- (LC Paper No. CB(1)2085/10-11 - Minutes of the joint meeting on 28 February 2011  
LC Paper No. CB(1)1699/10-11 - Minutes of the joint meeting on 18 March 2011)

The minutes of the joint meetings held on 28 February and 18 March 2011 respectively were confirmed.

**II Information papers issued since last meeting**

- (LC Paper No. - Administration's response to the submission on the fuels used by taxis from Taxi & P.L.B. Concern Group, which was issued vide LC Paper No. CB(1)1976/10-11(01) CB(1) 1586/10-11(03) dated 15 March 2011
- LC Paper No. - Submission from YMCA of Hong Kong on coach embarkation point in Hankow Road for AsiaWorld-Expo  
CB(1)1976/10-11(02)
- LC Paper No. - Memo referring to the Panel a submission from Cheung Chau Kai-fong Society on the holiday fare of ferry route from Central to Cheung Chau  
CB(1)1992/10-11
- LC Paper No. - Administration's response to the submission from a member of the public on the licence period of outlying island ferry services, which was issued vide LC Paper No. CB(1)2048/10-11(01) CB(1)1895/10-11(01) dated 13 April 2011
- LC Paper No. - Submission from a member of

CB(1)2048/10-11(02)		the public complaining about the denial of interchange concession for a particular MTR journey
LC Paper CB(1)2048/10-11(03)	No. -	Submission from a member of the public on the ad hoc quota trial scheme for cross-boundary private cars at the Shenzhen Bay Port
LC Paper CB(1)2206/10-11(01)	No. -	Memo from Complaints Division referring to the Panel the concerns raised at a meeting of LegCo Members with Yau Lai Concern Group on 19 April 2011 on Lam Tin Interchange
LC Paper CB(1)2238/10-11(01)	No. -	Submission from Taxi & P.L.B. Concern Group on the public transport arrangements relating to the Hong Kong Boundary Crossing Facilities at the Hong Kong-Zhuhai-Macao Bridge)

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

**III Items for discussion at the next meeting scheduled for 24 June 2011**

(LC Paper CB(1)2275/10-11(01)	No. -	List of outstanding items for discussion
LC Paper CB(1)2275/10-11(02)	No. -	List of follow-up actions)

3. Members agreed to discuss the following items proposed by the Administration at the next regular meeting on 24 June 2011 at 8:30 am –

- (a) Measures to enhance safety of reversing goods vehicles; and
- (b) Improvements in the design of block paving for pavements and its foundation.

4. Members also noted the letter dated 16 May 2011 from Mr WONG Kwok-hing requesting to discuss "Safety of reversing goods vehicles" as soon as practicable.

**IV Retrofitting of barrier-free access at public footbridges and subways**

(LC CB(1)2275 /10-11(03)	Paper	No. -	Administration's paper on provision of barrier-free access facilities at public footbridges, elevated walkway and subways
LC CB(1)2275 /10-11(04)	Paper	No. -	Extract from Report No. 54 of the Director of Audit)

5. Members in general welcomed the Administration's plan to take forward the design work for the retrofitting of barrier-free access facilities at about 180 public footbridges, elevated walkways and subways, and the retrofitting works. They however considered the progress of the works concerned too slow, and called for their expedition. They also expressed various views on the current funding proposal.

Questions and comments regarding the current funding proposal

6. Mr KAM Nai-wai enquired whether the \$292.1 million which the Administration was proposing to seek approval from the Public Works Subcommittee (PWSC) and the Finance Committee (FC) under the current funding proposal included the funding for the design work for 19 pedestrian crossings the retrofitting works of which had been confirmed technically feasible through relevant consultancy studies. The Director of Highways (D of Hy) replied in the affirmative, elaborating that there were some 270 public footbridges, elevated walkways and subways under the purview of the Highways Department (HyD) which did not have lifts or up-to-standard ramps, and there were no at-grade crossings in the vicinity. Save for the some 60 structures the retrofitting of lifts/ramps for which had been confirmed not feasible, HyD would take forward retrofitting works at the some 210 structures remaining. The design of the retrofitting works for ten of these 210 structures had already completed. Feasibility studies were being conducted on the remaining 200 structures. Through these studies, the feasibility of the retrofitting works for the 19 pedestrian facilities highlighted by Mr KAM above had been confirmed; the design of the retrofitting works for these 19 facilities would be taken forward after approval of the funding for the design work of the retrofitting programme currently being sought.

7. Mr KAM Nai-wai asked whether a lift could be retrofitted to the footbridge linked to Western Market in the first phase of the retrofitting works. The Assistant Director/Development, HyD responded that there was a need to conduct a heritage study on the works concerned before the feasibility of the works could be confirmed because the Western Market was a heritage building. If the works were found feasible, they would be included in the works for those other pedestrian facilities found to be technically feasible for retrofitting and for which detailed design studies would be conducted in phases.

8. Ms Emily LAU opined that the Administration should provide lifts instead of ramps at the pedestrian crossings concerned where feasible in consideration that the latter would take up much space. She therefore enquired why for some of these pedestrian crossings, ramps would be provided instead of lifts. In response, D of Hy explained that some people, in particular cyclists, preferred ramps to lifts. Moreover, ramps could accommodate more pedestrians at one time. He assured members that when finalizing the arrangements for the retrofitting works (including whether ramps or lifts should be provided), relevant District Councils (DCs) would be consulted.

9. Ms Emily LAU referred to sheet 12 of Enclosure 3 to the Administration's paper for this item (LC Paper No. CB(1)2275/10-11(03)), and enquired about the difference between the existing condition of the footbridge across Tsuen Wan MTR Depot near Mega Trade Centre and the view after completion of the modification works concerned. D of Hy responded that the existing ramp was not up to prevailing standard for use by wheel-chair users. After the modification works, the ramp would meet the latest standard.

10. In response to Ms Emily LAU, D of Hy explained that there might not be a need to provide lifts on both sides of the pedestrian crossings in all cases because for some of them, they were already connected directly without any staircase to a higher level on one side. He assured members that the Administration would, in the light of the relevant physical conditions, ensure barrier-free access be provided at both ends of the pedestrian crossings.

#### Views and concerns about the progress of the retrofitting works

11. Noting that retrofitting works for pedestrian crossings found to be technically feasible would be carried out in phases for completion by 2016-2017, Mr KAM Nai-wai asked whether the works for some of these crossings could be completed earlier. D of Hy responded that the retrofitting

programme had already been advanced in keeping with the goal set by the Financial Secretary in the 2011-2012 Budget to complete the majority of such works by 2016-2017, instead of 2020 as originally scheduled. In line with this target, the Administration would create a public works programme item to take forward the outstanding design and retrofitting works concerned in phases, with the majority of the works scheduled for completion by 2016-2017 and the rest (such as those that involved public objections or were technically complex) by 2017-2018. With a view to commencing construction early, the Administration's plan was that detailed design of the works concerned would be conducted as soon as the technical feasibility for retrofitting was confirmed, and upon completion of the design works, funding for the actual retrofitting works would be sought from FC in batches.

12. Ms LI Fung-ying questioned why the retrofitting works at the six footbridges and four subways covered in the current funding proposal would only commence in November 2011 for completion by mid-2014, and why funding approval was currently being sought to conduct only the design of the retrofitting works for the 180 footbridges/elevated walkways/subways concerned, so that actual retrofitting works for these structures might unlikely be completed before 2017-2018. Pointing out that the scale of the retrofitting works was small and that there was consensus on their need, she expressed concern about their progress and urged the Administration to expedite the works. The Deputy Chairman expressed similar views.

13. D of Hy responded that the Administration also wanted to expedite the progress of the retrofitting works, but they were not as simple as they appeared because piling works had to be conducted for the lift towers concerned. Busy traffic and underground utilities in the areas concerned also posed difficulties, and underground utilities might have to be relocated before piling works could commence. As such, while assembly of the lift and construction of the lift tower could proceed in parallel to expedite the progress, retrofitting of the lift would still take time. That notwithstanding, he assured members that the implementation period had been set with reference to previous experience in taking forward other retrofitting works, and efforts had already been made to expedite the progress as far as practicable.

14. Ms LI Fung-ying reiterated the need to expedite the progress of the retrofitting works in consideration of the great convenience barrier-free access facilities could bring to persons with disabilities (PwDs). The Chairman added that the project costs might go up if the works were not implemented as soon as practicable. D of Hy responded that the feasibility of further expediting the works could be examined in the detailed design stage.

15. In response to Mr LAU Kong-wah and Ms Emily LAU, D of Hy confirmed that the progress of the retrofitting works had already been expedited since the issue was last discussed at a case conference regarding retrofitting works in Tai Po District held in November 2010, with the majority of the retrofitting works to be completed by 2016-2017 instead of 2020 as originally planned. This would be achieved by injecting additional resources, conducting feasibility studies for all the pedestrian crossings concerned in one go in the past 12 months instead of in phases as originally programmed, and seeking funding for the construction works in batches as soon as the design works were completed.

Views and proposals on the pedestrian crossings that should be included in the retrofitting programme

16. Pointing out that Shatin had a higher ratio of pedestrian crossings covered by the current funding proposal, Mr CHAN Hak-kan considered it undesirable that the ratio of pedestrian crossings covered was low in such old districts as Wong Tai Sin, which had greater need for barrier-free access facilities. In reply to him on how the ten footbridges and subways shortlisted for early implementation had been selected, D of Hy explained that they had been identified through consulting rehabilitation organizations and the public, and after examining whether there were premises frequently visited by PwDs such as clinics and rehabilitation centres, in their vicinity. Consideration was also given to the relevant pedestrian flow and technical feasibility.

17. Mr CHAN Hak-kan enquired whether the Administration would consider providing barrier-free access facilities for heavily used private pedestrian crossings as well. D of Hy responded that it was the policy of the Government to provide the facilities at all newly constructed public footbridges, elevated walkways and subways for use by PwDs. As to existing public pedestrian crossings not provided with such facilities, they would be retrofitted with such facilities as far as practicable. In cases where private crossings were involved, the exploration of the feasibility of cooperation with the parties concerned for such retrofitting works would be considered on a case by case basis.

18. The Deputy Chairman noted that the pedestrian crossings covered by the retrofitting works were mainly frequently used crossings in urban areas. He, however, opined that priority should be given to pedestrian crossings in rural areas where the highways or rail networks concerned had made crossing to the other side of the road very difficult if not impossible. For example, the pedestrian crossings across the Tolo Highway, the Yuen Long Highway, the Fanling Highway, and the railway track between Tai Wo and Tai Hang,

which were all constructed in the old days and were difficult to use not only for PwDs but also for the able-bodied. In his view, even if the utilization rate of these pedestrian crossings was low, to ensure fairness barrier-free access facilities should still be retrofitted for them as soon as practicable.

19. D of Hy responded that in deciding whether to retrofit barrier-free access facilities for pedestrian crossings, the major consideration was the availability of such facilities and not utilization rate or location. As such, among the about 180 footbridges / elevated walkways / subways at which consultants would be engaged to undertake the design of barrier-free access facilities, the pedestrian crossings highlighted above would have been covered if they were not so provided.

20. The Deputy Chairman was not assured, and reiterated that the retrofitting works for the pedestrian crossings he highlighted above should be expedited in recognition that, pending completion of the works, PwDs faced great difficulty in crossing the roads concerned. D of Hy responded that funding would be sought for implementation as and when consensus could be achieved on the detailed design of the retrofitting works concerned.

Views on the principles that should be adopted when retrofitting barrier-free access facilities

21. Ms Emily LAU opined that provision of barrier-free access facilities to pedestrian crossings was necessary not only for PwDs but also for some able-bodied persons such as the elderly and people pushing baby cars or trolleys. D of Hy assured members that in future the Administration would bear in mind in its presentation that the facilities were to be used by both the able-bodied and PwDs.

22. Noting the response, Ms Emily LAU stressed the importance of revising the words used to describe the people whom barrier-free access facilities served. Mr LAU Kong-wah echoed her views, adding that although some pedestrian crossings had already been provided with ramps and hence would not be covered in the retrofitting programme, their ramps might not be able to meet current higher public expectations to prepare for Hong Kong's aging population. As such, where conditions permitted the Administration should review and provide lifts or better access facilities for pedestrian crossings which had been ruled out in the relevant investigation consultancies on grounds that they already had ramps.

23. D of Hy responded that due to resource constraints, priority would need to be accorded to pedestrian crossings which did not have barrier-free

access facilities when conducting the retrofitting works, and improvements to pedestrian crossings already so provided would be considered at a later stage. Mr LAU Kong-wah urged the Administration to pay heed to higher public expectations nowadays, pointing out that the elderly residents of some public housing estates linked by pedestrian crossings had difficulty in using these crossings because of their steep ramps. D of Hy responded that consideration had already been given to taking forward retrofitting works for pedestrian crossings with ramps that could not meet current standards.

24. Pointing out that Hong Kong was a signatory to the Convention on the Rights of Persons with Disabilities of the United Nations, Ms Emily LAU enquired how the Administration intended to improve accessibility of the 56 pedestrian structures where retrofitting of lifts or ramps had been confirmed not feasible after investigation.

25. D of Hy responded that of these 56 infeasible items, for some structures, it was found technically not feasible to retrofit lifts or ramps; for some other cases, while retrofitting was in theory viable, the footbridges concerned were connected to villages up on the hill or locations of hilly terrain where barrier-free access could not be achieved without large-scale works that required detailed separate study. Ms Emily LAU considered the above response unsatisfactory, pointing out that barrier-free access should be ensured at all places and not only pedestrian crossings, and as such the villages concerned should also be retrofitted with barrier-free access facilities.

26. Ms Emily LAU also considered it inadequate for the Transport Department (TD) and HyD to fit tactile guide paths to connect only those places frequently visited by visually impaired persons (e.g. sheltered workshops or associations for persons with visual impairment) to major transport facilities within 400 metres. In her view, to help these people integrate into society, the above facilities should be provided to connect them to as many places as possible. The Principal Assistant Secretary (Transport) 5, Transport and Housing Bureau (PAS(T)5) responded that the locations concerned had been decided in consultation with associations for the disabled since 2002. Such efforts would continue to facilitate the access of visually impaired persons to more places. In fact, presently 14 locations were being studied for connection and if found feasible, works to connect them would proceed.

27. Ms Emily LAU, however, maintained that the above endeavours were inadequate, having regard that between 2002 and 2011 such facilities had only been provided at some 60 locations. She urged the Administration to expedite the progress of such endeavours to promote social integration of

PwDs. In response, PAS(T)5 pointed out that visually impaired persons were already connected to not only sheltered workshops or associations for persons with visual impairment but also other places such as clinics and public transport interchanges to enable them to go further. Moreover, there were other measures to help them improve mobility and integrate, and further efforts would continue to be made in this direction. Pointing out that the cost incurred would be minimal, Ms LAU urged the Administration to make better efforts in this regard.

Admin 28. Summing up, the Chairman said that the Panel supported submission of the current funding proposal to PWSC for further consideration. He, however, requested the Administration to revise the PWSC paper to also -

- (a) Reflect the policy objective that facilities should be provided to ensure barrier-free access for all those in need, instead of PwDs only; and
- (b) Demonstrate the extent of which the Administration had expedited the provision of barrier-free facilities to pedestrian crossings.

*(Post-meeting note: The revised PWSC paper was issued vide LC Paper No. PWSC70/10-11 on 8 June 2011.)*

Admin 29. Mr LAU Kong-wah also requested the Administration to provide a breakdown each of the following -

- (a) The 19 pedestrian facilities where the retrofitting of barrier-free access facilities had been confirmed to be technically feasible and the detailed design of the retrofitting works of which would be conducted in the initial batch;
- (b) The 172 pedestrian crossings where the feasibility of retrofitting barrier-free access facilities would be investigated and the detailed design work for which would be conducted after technical feasibility for the retrofitting works was confirmed; and
- (c) The some 56 pedestrian facilities where the retrofitting of barrier-free access facilities had been confirmed to be infeasible after investigation, to be sorted according to the reasons why the works were not feasible.

*(Post-meeting note: The requested breakdown was issued vide LC Paper No. CB(1)2448/10-11 on 13 June 2011.)*

**V Installation of radio re-broadcasting system for digital audio broadcasting at 11 Government road tunnels**

LC Paper No. CB(1) - Administration's paper on  
2275/10-11(05) installation of radio  
re-broadcasting system for  
digital audio broadcasting at  
11 Government road tunnels

LC Paper No. CB(1) - Relevant press cuttings)  
2275/10-11(06)

Progress of the installation project

30. Members in general supported the installation of radio re-broadcasting system for digital audio broadcasting (DAB) at 11 government road tunnels (the installation project). The Chairman, however, considered the progress too slow, and questioned why the installation project had to be implemented in two phases, so that installation of DAB re-broadcasting system at seven government road tunnels would only be completed from August 2013 to end-February 2014.

31. In response, the Deputy Secretary for Transport and Housing (Transport)2 (DS(T)2) made the following points –

- (a) The Administration was well aware of the need to install the DAB re-broadcasting systems as soon as possible because it was the Government's policy to develop DAB to help reinforce Hong Kong's status as the broadcasting hub in the region. On 22 March 2011, the Chief Executive-in-Council granted sound broadcasting licences to three broadcasting companies for providing DAB service, and the licensees were required to formally commence DAB service within the first 18 months after the licence grant date, i.e., by September 2012. As the radio re-broadcasting system currently installed in all the 11 government road tunnels could only relay analogue radio broadcast transmitted via Amplitude Modulation and/or Frequency Modulation systems, there was a need to carry out the installation project to tie in with the expected launch of DAB service from late 2011;

- (b) The currently planned 32-month project period was already the minimum possible because substantial co-ordination work with various parties concerned was involved. Furthermore, individual tunnels were managed, operated and maintained by different contractors, and there were various site restrictions of different tunnels. Therefore, at least five months were required for preparation work including site investigation and detailed design, and another five months were required for tendering. The remaining 22-month construction period was necessary for carrying out various tasks including design submission, equipment manufacturing, system installation, testing and commissioning; and
- (c) To minimize disruption of normal tunnel operations and maintenance work, and inconvenience to tunnel users, the installation works would only be carried out after midnight, when the traffic volume was lower and the one-tube-two-way operation was implemented. As such, only three to four hours every night were available for carrying out the installation works. In addition, the contractor concerned would need to deploy different teams of workers to carry out the works at different tunnels concurrently.

32. The Chairman was not convinced that the installation project had to be carried out in phases, and proposed that the installation of DAB re-broadcasting systems at the 11 government road tunnels, in particular the tasks to be conducted during the 22 months highlighted in paragraph 31(b) above, should proceed concurrently to expedite the progress, so as to obviate the need to seek additional funding later because of cost increase during the long project period. Pointing out that the installation of DAB re-broadcasting systems at the Build-Operate-Transfer (BOT) tunnels might even proceed only after they were transferred to Government, he expressed concern that Hong Kong would be lagging behind in the development of DAB service.

33. DS(T)2 responded that apart from the difficulties highlighted in paragraph 31 above, DAB was also a relatively new technology in Hong Kong. As such, the expert advice which the Administration received was that the installation works should be rolled out progressively to enable the contractor concerned to first focus its resources on installing the DAB re-broadcasting systems at the four busiest tolled government road tunnels, so that public demand for early enjoyment of DAB service could be met earlier; and the contractor could carry out the installation works more efficiently with

the experience gained. She assured members that the Administration was also aiming to complete the installation project as soon as practicable and that as shown in the Enclosure to the Administration's paper for this item (LC Paper No. CB(1)2275/10-11(05)), many work items of the construction period would in fact be implemented concurrently to speed up the progress. Notwithstanding, the Administration would re-examine whether there was further room for expediting the work programme in light of actual experience.

34. The Senior Engineer/Project 4, Electrical and Mechanical Services Department echoed DS(T)2's points above, and added that the contractor concerned would also need time to manufacture the relevant equipment considering that the DAB technology was relatively new. Furthermore, time was required to demolish and reinstall the wall panels for installation of new radiating coaxial cables in some of the tunnels concerned, and to undertake detailed site inspections to ensure structural safety in recognition that many of the tunnels concerned were quite old.

35. The Chairman maintained that if more resources and manpower could be injected into the installation works, their progress could be expedited. He requested the Administration to provide, before the relevant FC meeting on 24 June 2011, the following information –

Admin

- (a) The revised implementation timetable of the installation project, to be worked out after studying the feasibility and cost implications of installing DAB re-broadcasting systems at the 11 government road tunnels in parallel instead of in phases as presently proposed, so as to expedite the progress; and
- (b) Details on the Administration's policy on providing incentives to private and BOT tunnels to encourage them to install DAB re-broadcasting systems early.

*(Post-meeting note: The relevant information was provided in the FC paper (Ref: FCR(2011-12)32) issued for the FC meeting on 24 June 2011.)*

36. In response to the Chairman, the Principal Assistant Secretary for Commerce and Economic Development (Communications & Technology) A said that the Administration had briefed non-government tunnel operators and MTR Corporation Limited (MTRCL) on the latest developments of DAB service and introduced them to the prospective DAB operators to facilitate their discussion of collaboration in the installation of DAB re-broadcasting systems in private / BOT tunnels. Since the above parties were commercial

entities, it would not be appropriate for the Government to intervene in their commercial discussion on the installation of DAB re-broadcasting system in private / BOT tunnels.

#### Other views and concerns

37. The Chairman pointed out that apart from the 11 government road tunnels, there were also many private and BOT tunnels, such as the Eastern Harbour Crossing and the Western Harbour Crossing where the vehicular flows were heavy. He urged the Administration to make efforts and deploy resources to encourage the tunnel operators concerned to install DAB re-broadcasting systems at their tunnels early to tie in with Government's policy of developing DAB. The Administration noted his views.

38. The Chairman opined that since Government was the majority shareholder of MTRCL, and that there had long been criticism that there was no radio reception services along MTRCL's railways, so that the public could not obtain information on railway incidents and emergency arrangements on board MTR trains, the Administration should urge MTRCL to provide radio reception services along all its railways (including tunnels) as soon as practicable. To ensure that, he requested the Administration to also provide before the relevant FC meeting on 24 June 2011 a paper on the efforts and progress made in the above regard.

Admin

*(Post-meeting note: The relevant information was provided by the Administration on 23 June 2011.)*

39. Summing up, the Chairman said that the Panel supported submission of the current proposal to FC for further consideration.

## **VI Fare increases for outlying island ferry services**

### Meeting with deputations/ the Administration

(LC Paper No. 2275/10-11(07)	CB(1) - Administration's paper on fare increases for outlying island ferry services
LC Paper No. 2275/10-11(08)	CB(1) - Referral from the Complaints Division dated 6 May 2011
LC Paper No. 2275/10-11(09)	CB(1) - Follow-up memo regarding the referral from the Complaints Division dated 6 May 2011
LC Paper No. CB(1)2302/10-11	- Paper on the development of

major outlying island licensed ferry services prepared by the Legislative Council Secretariat (Updated background brief))

*Ms Amy YUNG Wing-sheung, Islands District Council Member  
(LC Paper No. CB(1)2278/10-11(01))*

40. Ms Amy YUNG briefed members on her submission. In gist, she strongly objected to the Administration's approval of the fare increase for the Central-Discovery Bay ferry service without properly consulting residents and ensuring transparency of the operation of the service. Pointing out that Discovery Bay Transportation Services Limited (DBTPL) was in fact receiving government subsidy as a result of the Government taking over the maintenance responsibilities of Central Ferry Pier No. 3 and waiving fuel duty, she considered it necessary for DBTPL to disclose more operational details, including its operating account, to enable residents to assess the rationale for fare increase and the viability of the service. She also considered it necessary for the Government to allow other operators to compete with DBTPL to keep fares for the ferry service reasonable.

三島聯盟

41. Mr CHAN Chi-lin made the following points –

- (a) Ferry service was the only means of transport for islanders. As such, the service and fare level of the outlying island ferry services would directly affect the well-being and social integration of islanders and the economy and development of the islands. There was hence a need to give regard to islanders' interests instead of market operation when approving fare increases for the services. The Administration should also ensure that the services were safe, reasonably comfortable and reliable;
- (b) The price of petroleum per barrel was over US\$100 when outlying island ferry services were last tendered out but had once decreased to some US\$30 during the past three years. It was therefore questionable why fares for the services had never been adjusted downwards but the operators concerned were still using fuel price increase as a justification for increasing fares at a rate higher than inflation under the new ferry licences. Worse still, TD had approved the fare increases without

consulting islanders. There was hence great resentment among islanders; and

- (c) There was no long-term policy for outlying island ferry services. Islanders hoped the Government could as soon as practicable map out a policy in this regard. Meanwhile, fare increases for the services should be shelved.

42. Stating that she was a Peng Chau resident, Ms LIU Fun-nej added that it was undesirable for Government to take the view that islanders should be prepared to shoulder higher travelling expenses in return for a quiet life on the islands, especially as many islanders might have moved there in pursuit of lower housing costs, and that they had no alternatives but to take ferry service despite repeated fare increases. The Administration should also note that there were public rental housing and Home Ownership Scheme flats on Peng Chau.

*Ms LEE Kwai-chun, Islands District Council member*

43. Also pointing out that ferry service was the only means of transport for islanders, Ms LEE Kwai-chun stressed the need for the Government to address islanders' transport needs, and expressed regrets at the lack of a long-term ferry policy, so that although the Government was already providing about \$120 million for the implementation of a number of helping measures for six major outlying island ferry services (the \$120-million subsidy), fares under the new licences concerned would still be increased at a rate higher than inflation. Expressing concerns that residents and the Islands DC had not been consulted on the fare increases, she urged the Administration to shelve the increases.

*Ms YU Lai-fan, Islands District Council member  
(LC Paper No. CB(1)2278/10-11(02))*

44. Ms YU Lai-fan briefed members on her submission. In gist, she highlighted the plight of islanders in tackling inflation, in particular repeated increases in ferry fares, and questioned the effect of the \$120-million subsidy in containing ferry fares. To keep the fares of the outlying island ferry services affordable, she called upon the Administration to map out a long-term ferry policy, as well as set up a transport fare stabilization fund as soon as practicable.

*Peng Chau Union*

45. Mr WONG Chi-lam considered it undesirable for the Administration to only give tenderers three months to submit bids for the outlying island ferry services, so that only existing operators could meet the tendering deadline. In his view, the lead time should be at least one year to enable new operators to make the necessary preparations to compete with existing operators to keep service quality and fare level reasonable. Mr WONG also considered it necessary for the establishment of a fare adjustment mechanism that could allow fares to be adjusted both upwards and downwards in keeping with fuel price.

*Mui Wo Resident's Affairs Development Committee*  
(LC Paper No. CB(1)2278/10-11(03))

46. Dr KAM Shui-yung highlighted the following views of the Development Committee –

- (a) It was disappointing that the fare increase for the “Central – Mui Wo” route had taken effect three months earlier than those for the other outlying island ferry routes. Moreover, no consultation had been conducted on the fare increases and Mui Wo residents had been informed of the increase only one day before. Mui Wo residents therefore considered the increase unacceptable;
- (b) Mui Wo residents considered it undesirable that the Ferry Services Ordinance (Cap. 104) should empower the Commissioner for Transport (C for T) to decide on his own on whom to award the licences for operation of the six major outlying island ferry services, and to determine the maximum fares that might be charged for them. Instead, the Legislative Council (LegCo) should be empowered to vet and approve fare increases of outlying island ferry services;
- (c) The \$120-million subsidy should be used to directly subsidize islanders instead of ferry operators. Along the same line, Mui Wo residents would not support subletting of the premises of Central Pier No. 6 unless the incomes therefrom would be used to directly subsidize residents; and
- (d) There was a need to formulate a long-term plan for the development of outlying islands.

47. Mr FUNG Chi-chung echoed Dr KAM Shui-yung's views above, and briefed members on the Committee's submission, which pointed out that the accumulative rate of increase of the fares of the "Central – Mui Wo" ferry route during the past three years had already exceeded 35%, which was significant and unacceptable. He questioned whether TD had properly performed its monitoring role, and criticized it for failing to explain to residents how the rates of fare increases had been worked out. He stressed the need to consult residents on fare increase, and considered it undesirable that residents did not even have the opportunity to state their opposition to fare increases because of C for T's above-described power under Cap. 104.

*Lantau Education Concern Group*

48. Dr Rosa MA highlighted the following anomalies regarding the fare increases for outlying island ferry services –

- (a) One of the reasons quoted for the increases was the minimum wage requirement. However, not one frontline staff member of the relevant ferry operators contacted had benefitted from wage increase so resulting;
- (b) The Administration's claim that the increase rate for monthly tickets was lower than the inflation rate might not mean much to most islanders because monthly tickets could only greatly benefit those who used ordinary ferry service seven days a week. Students, however, normally only used ferry service five days a week. In fact, if there were a few school holidays during a month, use of the monthly ticket in that month would even incur loss, not to mention that if students used the monthly ticket to ride on fast ferry, they would have to make up for the fare differentials;
- (c) The explanation that the population of outlying islands was not expected to increase substantially in the near future to enhance the fare box revenue for the outlying island ferry services was not valid because, although the rate of population growth in South Lantau exceeded 15%, such growth had not been taken into account when calculating the population growth of outlying islands. The tens of thousands of passengers that came to the islands to visit their families or for leisure during holidays had also not been taken into account;

- (d) It was unreasonable that fuel cost was made an integral part of the fares for the outlying island ferry services, instead of introducing the fuel surcharge to prevent fares from being invariably increased whenever there was fuel price increase. Moreover, fares had always been adjusted upwards but never downwards although fuel cost went up and down; and
- (e) Without fair competition and hence bargaining power, the mid-term review which the Administration had proposed to conduct during the new three-year licence period of the outlying island ferry services might only result in earlier fare increase.

*Mr WONG Fuk-kan, Islands District Council member  
(LC Paper No. CB(1)2278/10-11(04))*

49. Mr WONG Fuk-kan briefed members on his submission by highlighting the following salient points –

- (a) The non-fare box revenue to be generated from the construction of an additional floor at Central Piers Nos. 4 to 6 for commercial or retail activities should be used to keep ferry fares low. However, there was a need to review the period of the relevant rental agreements;
- (b) There was a need to set up a public transport fare stabilization fund; and
- (c) In recognition of the great burden of travelling expenses on students living on the islands, ferry fare concessions should be made available for them without requiring them to go through any means test.

50. The Chairman and members thanked the deputations for attending the meeting to express their views. Members noted that the following individuals who did not attend the meeting had also provided submissions for members' reference –

- (a) Submission from Mr MA Chun-tim, Islands District Councilor (LC Paper No. CB(1)2279/10-11(01)); and
- (b) Submissions from members of the public (LC Papers Nos. CB(1)2279/10-11(02) to (16)).

## Discussion

### *Response to deputations' views*

51. Mr Albert HO echoed 三島聯盟's view on fuel price in paragraph 41(b) above, and questioned whether the Administration could really properly assess the financial situation of ferry operators. Since the current price of petroleum per barrel was lower than that at the time when the existing licences for outlying island ferry services were granted, he queried why the Administration had approved fare increases under the new licences for the services on the pretext of fuel price increase. To enable members to assess whether the fare increases were justified, he urged the Administration to provide information on how the claimed implications of the minimum wage requirement had been factored in the operators' financial information, and how populations of the islands had been calculated.

52. In response, the Acting Assistant Commissioner/Management & Paratransit, Transport Department (Atg AC for T/M&P) explained that the financial data in the relevant tenders were commercially-sensitive materials, and highlighted the following actions which the Administration had taken to monitor outlying island ferry services and ensure their fares would be affordable –

- (a) Both TD and the Government's treasury accountants had been carefully assessing the financial conditions of the operators concerned through vetting their financial statements and monitoring changes in their operating costs. The Administration also examined the operators' revenue and changes in patronage;
- (b) Noting that the populations of the islands had been stagnant for a period of time, TD had encouraged the ferry operators concerned to explore new sources of incomes, such as pier and vessel advertising. TD also discussed with operators on their forecasts of patronage changes and operating costs, in particular fuel and staff costs; and
- (c) As a result of the review of outlying island ferry services completed in mid-2010 (the Review), the Government would subsidize ferry operation by reimbursing the actual vessel maintenance cost incurred by the operators of six major outlying island ferry services on an accountable basis to reduce

the order of fare increases.

53. Mr Albert HO shared Lantau Education Concern Group's view in paragraph 48(b) above, and called for the introduction of ferry fare concessions for students living on the outlying islands. He also asked the Administration to respond to the Concern Group's concern about the mid-term review in paragraph 48(e) above, and enquired about the circumstances under which fares for outlying island ferry services would be adjusted downwards. The Under Secretary for Transport and Housing (USTH) responded that should there be a change in operating cost, there might be relevant adjustments after the mid-term review.

*Views on helping measures*

54. Ms Miriam LAU pointed out that the operational problems of the outlying island ferry services had long existed but had yet to be solved because of the unique nature of ferry operation, which was greatly affected by not only fuel cost but also the high costs incurred in purchasing and maintaining vessels. In recognition of the above operational difficulties, she opined that the \$120-million subsidy should be increased to keep fares for the services affordable.

55. USTH responded that the Administration understood the operational difficulties of ferry services. As such, as a result of the Review, operators of ferry services were allowed to sublet ferry pier areas for commercial concession to generate non-fare box revenue to cross-subsidize ferry operation and, before the completion of construction of one and a-half additional floors at Central Piers Nos. 4 to 6, the \$120-million subsidy had been made available for six major outlying island ferry services which were the only means of transport for the islanders concerned. It was because of such efforts that the Administration had been able to reach an agreement with the bidders concerned to substantially reduce the rates of fare increases when granting the new licences of these six services, so that although the cumulative inflation rate over the past three years was around 8%, the increase rate for monthly tickets for the services was about 7%. Such a rate of fare increase was in fact not too excessive taking into account the operational difficulties of the ferry services, the need to maintain the existing service level, and to implement service improvement in some areas.

56. Mr Albert HO considered it justified for the Government to provide more subsidies to outlying island ferry services because the Government was also subsidizing the travelling expenses of residents of other districts by constructing roads and railways for them, or by providing land grant to help

MTRCL operate. Moreover, ferry service was the only means of transport for many islanders and, in consideration of the substantial costs incurred from purchasing and maintaining vessels for ferry operation, many overseas governments purchased vessels for operation by contractors. The Deputy Chairman expressed similar views. In response to Mr HO on why the Government was unwilling to consider the above option, USTH explained that the \$120-million subsidy had already been made available. Moreover, there was a need to observe the principle that public transport services should be operated by the private sector on commercial principles.

57. The Deputy Chairman pointed out that despite the efforts highlighted in paragraph 55 above, the fares of outlying island ferry services had still gone up at an unaffordable rate. As such, there was a need for the Government to map out more effective helping measures, such as the establishment of a fuel price stabilization fund, introduction of fuel surcharge or fuel subsidy, or the option of Government purchasing vessels for operation by contractors.

58. USTH responded that the Administration considered the fuel surcharge proposal undesirable because passengers would then have to bear unforeseeable and drastic fare adjustments due to short-term, and sometimes extreme, changes in fuel costs, and operators could directly pass fuel costs to passengers. This would in turn discourage the operators from making efforts to enhance operational efficiency. As to fuel subsidy, other public transport operators might also request for the same subsidy because they were facing similar problems. Regarding the purchase of vessels for operation by contractors, the fare level would still be affected by fuel and staff cost increases.

59. The Chairman considered the reasons given above for not introducing fuel subsidy and surcharge unconvincing, and warned that islanders' grievances about fare increases might escalate to affect social stability if not properly handled and, pointing out that there was some consensus among LegCo Members on the establishment of a fare stabilization fund and on the Government purchasing vessels for operation by contractors, urged the Administration to seriously consider shouldering greater responsibility for the provision of ferry service to keep fares low, and to ensure essential ferry services could continue at stable fares. He also urged the Administration to actively examine the proposals on helping measures made by residents, the Islands DC and members. The Administration noted his views.

60. Ms Miriam LAU highlighted the need to assist ferry service as a whole in recognition that the difficulties faced by all ferry operators were similar, and that ferry service played an important role in public transport. USTH

responded that the \$120-million subsidy had already been made available for six major outlying island ferry services in recognition that ferry service was the only means of transport for the islanders concerned. In addition, the Administration was considering re-launching the “visiting scheme to outlying islands” by providing fare subsidy to encourage institutions, such as schools, non-governmental organizations, community and local groups to organize activities to outlying islands to boost local tourism and economy. Furthermore, MTRCL had recently introduced interchange discount with outlying island ferries. As for other ferry services which had alternatives, the Administration considered it more desirable for them to be operated according to commercial principles.

*Views and comments on the Government's role and existing arrangements regarding ferry service*

61. Ms Miriam LAU stressed the need for the Government to formulate a long-term comprehensive ferry policy to ensure the sustainability of ferry services instead of introducing ad hoc helping measures from time to time. USTH responded that construction of an additional floor at Central Piers Nos. 4 to 6 was presently underway. When the works were completed a few years later, ferry operators could use that floor for commercial or retail activities to generate more non-fare box revenue to cross-subsidize ferry operation.

62. Ms Miriam LAU reiterated the need for a long-term ferry policy to solve the operational problems of ferry service for good. To support her point, she pointed out that the rates of fare increases for outlying island ferry services were much higher than those for other public transport services, that ferry service was an important public transport service and ferry operators were facing similar problems, and that apart from the six major outlying island ferry services receiving the \$120-million subsidy, there was also no alternatives to the "Tung Chung-Sha Lo Wan" route, the "Ma Liu Shui-Tap Mun" route, etc. The Administration noted her views.

63. Highlighting criticisms that some operators of the outlying island ferry services had not provided all relevant financial data to the Administration, Ms Miriam LAU queried if the Administration had performed its gate-keeping role satisfactorily, and enquired how the Administration had checked ferry operators' financial situation to ensure that the fare increases concerned were justified. USTH responded that the Administration had exercised care in examining the financial information and data submitted by bidders for the services. The Administration had made the best endeavour to reach an agreement with the bidders to substantially reduce the rate of fare increase by

providing a package of helping measures. The Administration had therefore performed its gate-keeping role.

64. Mr Albert HO opined that the Administration should give greater regard to islanders' affordability than the outlying island ferry services' financial viability when examining increases in their fares. Noting that the average rate of fare increases for the services was over 10%, and that the accumulative rate of fare increase for the "Central – Mui Wo" route was 35%, he considered the increases unaffordable and unacceptable, not to mention that the fares might further go up if fuel price went up again. He also considered it unacceptable that the Administration had not taken active measures to rectify the above situation but had let the market operate itself. The Chairman and the Deputy Chairman shared his views, and urged the Administration to perform its gate-keeping role better to contain fare increases for the services to alleviate the pressure on islanders. In response, USTH reiterated that the Administration had already taken islanders' affordability into consideration when vetting fare increases. This was why the final increase rate had been reduced.

65. Mr Albert HO considered it undesirable that the Administration had discouraged new operators from bidding for the outlying island ferry services by setting the licence period concerned at only three years, which might be too short for recovery of the investment required, which was substantial if new vessels were to be purchased. Miss Tanya CHAN also considered the above arrangement undesirable.

66. USTH responded that although the validity period of all licences was three years, C for T might, at the request of the licensee, during any period while the licence was in force, extend the licence for a further period not exceeding three years at any one time up to an aggregate period of ten years. As such, ferry operators should be able to carry out long-term planning to achieve a fair return. Miss Tanya CHAN, however, said that there still existed the risk that requests for licence extension might not be granted.

*Specific views and concerns about the "Central – Discovery Bay" ferry service*

67. Miss Tanya CHAN and Ms Miriam LAU shared Ms Amy YUNG's view on the need for the operation of the "Central – Discovery Bay" ferry service to be more transparent as elaborated in paragraph 40 above and in paragraph 9 of Ms YUNG's submission (LC Paper No. CB(1)2278/10-11(01)). Miss CHAN therefore considered it undesirable that although TD had, in response to the call of the residents of Discovery Bay,

incorporated new licence conditions that would ensure greater transparency, TD had still failed to urge DBTPL to provide sufficient data on the patronage of the service to enable residents to assess the rationale for fare increases and the financial viability of the service.

68. In response, Atg AC for T/M&P made the following points –

- (a) TD had all along maintained close liaison with the residents of Discovery Bay and members of the Islands DC on the service, and had since February 2011 been exchanging views with them on the issue of fare adjustment as well as urging DBTPL to release more information on its operation to residents and Islands DC members. As a result, information including the mix of the vessel fleet, DBTPL's operating revenue and cost, its net profits, and the actual figures and forecasts of patronage had already been released at a meeting between TD and representatives of Discovery Bay residents and Ms Amy YUNG on 9 May 2011;
- (b) The Administration was aware of residents' concern that as a result of the fare increase of the service, residents might switch to use bus service. It was, however, noted that the switch might also be caused by changes in job and work locations that resulted in changes in work locations of the Discovery Bay residents; and
- (c) DBTPL was willing to take a number of measures to boost patronage. For example, to extend the validity period of the Transport Card from 120 days to 180 days, and waive the charge for re-activation of an expired Transport Card loaded with store-points until end-2012, to adjust the timetable of the bus service in Discovery Bay to facilitate interchange to ferry service, etc. DBTPL was also contemplating the feasibility of providing non-peak hour fare discount, and deferring the time after which Overnight Surcharge would be imposed.

69. Referring to paragraph 68(a) above, Ms Miriam LAU opined that DBTPL should be willing to provide more financial information to enable residents to understand its operational difficulties, in particular the high vessel maintenance cost, vessel licence fee and fuel cost, so that they would understand that the fare increase for the “Central – Discovery Bay” ferry service was not unreasonable. In this regard, she pointed out that according to DBTPL, the annual patronage of the service had already dropped from

about 4.71 million in the 2007-2008 financial year to about 4.33 million in the 2009-2010 financial year and as such, despite fare increase and service rationalization in May 2009, the ferry service suffered a loss of around \$10 million in the 2009-2010 financial year. It was also anticipated that there would not be any significant increase in patronage, so that if no fare adjustment was made under the new licence, an accumulated loss of about \$85 million would be incurred from the 2010-2011 financial year to the 2012-2013 financial year.

70. Ms Miriam LAU highlighted the need to ensure the new helping measures mentioned in paragraph 68(c) above would be taken early to assure residents. In response to Ms Tanya CHAN on when the measures would take effect, Atg AC for T/M&P elaborated that while the measure regarding the validity period of the Transport Card would take effect when the new fares became effective from early June 2011, its re-activation charge had already been waived. DBTPL had also been actively considering whether to take the above contemplated measures. The Administration would continue to urge DBTPL to take additional measures to maintain the patronage of the "Central – Discovery Bay" ferry service.

71. Ms Miriam LAU pointed out that the licence for the "Central – Discovery Bay" ferry service had already expired on 1 May 2011 but DBTPL had yet to be informed of whether its licence would be extended. In response to her on the latest status in this regard, Atg AC for T/M&P confirmed that the Administration had already approved fare adjustment for the service and the new fare schedule would be gazetted on 10 June 2011 for the new fares to take effect on 12 June 2011. It was hoped that new fare concessions or new mitigation measures could be further examined in mid September 2011.

72. Summing up, the Chairman echoed the deputations' concerns and grievances about the fare increases for outlying island ferry services and expressed regrets about the Administration's failure to map out effective helping measures to improve the long-term financial viability of ferry services and to maintain fare stability. He instructed the Clerk to write to the Secretary for Transport and Housing (STH) to express the above concerns and regrets, and directed that the item on "Outlying island ferry services" be retained in the Panel's list of outstanding items for discussion for revisiting within this legislative term, preferably a few months later. He also directed that STH be invited to take part in the relevant discussion. He further expressed disappointment that the Administration had not taken on board the various options proposed by members to ensure the sustainability of ferry services and maintain fare stability, and urged the Administration to

reconsider these suggested options and provide a response when the item was discussed.

*(Post-meeting note: The letter from the Chairman to STH was issued on 8 June 2011.)*

**VI Any other business**

73. There being no other business, the meeting ended at 6:50 pm.

Council Business Division 1  
Legislative Council Secretariat  
9 August 2011