

立法會
Legislative Council

LC Paper No. CB(1)2511/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/PL/TP/1

Panel on Transport

**Minutes of meeting held on
Thursday, 24 May 2012, at 8:30 am
in Conference Room 2 of the Legislative Council Complex**

Members present : Hon Andrew CHENG Kar-foo (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, JvP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon WONG Kwok-hing, MH
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon KAM Nai-wai, MH
Hon Starry LEE Wai-king, JP
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon LEUNG Kwok-hung
Hon Tanya CHAN

Members attending : Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung

Members absent : Hon CHEUNG Hok-ming, GBS, JP (Deputy Chairman)
Hon Ronny TONG Ka-wah, SC

Hon CHAN Hak-kan
Hon Albert CHAN Wai-yip

**Public Officers
attending** : **Agenda item III**

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

Mr Patrick CHAN, JP
Deputy Secretary for Transport and Housing
(Transport)³

Miss Erica NG
Principal Assistant Secretary for Transport and
Housing (Transport) 2

Miss Cinderella LAW, JP
Assistant Commissioner/Administration &
Licensing
Transport Department

Mr LEUNG Tak-fai, JP
Assistant Commissioner/Technical Services
Transport Department

Mr Peter WONG
Chief Traffic Engineer/Hong Kong
Transport Department

Mr Walter FOO
Senior Engineer/Vehicle Regulations &
Standards
Transport Department

Mr David TSANG
Senior Engineer/Vehicle Safety
Transport Department

Mr Stephen Harvey VERRALLS
Chief Superintendent of Police (Traffic)
Hong Kong Police Force

Mr Eric CHENG
Senior Superintendent
(Traffic Management & Prosecutions Bureau)
Hong Kong Police Force

Agenda item IV

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

Ms Rebecca PUN, JP
Deputy Secretary for Transport and Housing

Miss Carrie CHANG
Principal Assistant Secretary for Transport and
Housing

Mr Albert SU
Assistant Commissioner for
Transport/Management & Paratransit
Transport Department

Mr Dannis LEUNG
Chief Transport Officer/Planning/Taxi
Transport Department

Agenda item V

Ms Rebecca PUN, JP
Deputy Secretary for Transport and Housing

Mr Josiah TAU
Chief Treasury Accountant (Transport)
Transport and Housing Bureau

Mr Joseph LAI, JP
Commissioner for Transport

Ms Macella LEE
Principal Transport Officer/Bus and Railway
Transport Department

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

Staff in attendance : Ms Macy NG
Senior Council Secretary (1)2

Ms Emily LIU
Legislative Assistant (1)2

Action

I Information papers issued since last meeting

- | | |
|---|---|
| (LC Papers Nos. -
CB(1)1651/11-12(01) and
CB(1)1896/11-12(01) | - Submission from a member of the public on complaint on bus services provided by the Kowloon Motor Bus Company (1933) Limited and the Administration's response |
| LC Papers Nos. -
CB(1)1651/11-12(02) and
CB(1)1896/11-12(02) | - Submission from a member of the public on services of bus route no. 962 and the Administration's response |
| LC Paper No. -
CB(1)1896/11-12(03) | - Submission from the YMCA of Hong Kong on taxi overcharging |
| LC Paper No. -
CB(1)1896/11-12(04) | - Submission from a member of the public on provision of buses with low floor platform for route no. 74X |
| LC Paper No. -
CB(1)1935/11-12(01) | - Information paper entitled "Replacement of Field Traffic Equipment (Lane Control Signals and Variable Speed Limit Signs) of Traffic Control and Surveillance System in the Tsing Ma Control Area" provided by the Administration) |

Members noted the above papers issued since the last meeting.

II Items for discussion at the next meeting on 14 June 2012

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| (LC Paper No. -
CB(1)1923/11-12(01) | - List of outstanding items for discussion |
| LC Paper No. -
CB(1)1923/11-12(02) | - List of follow-up actions |

LC Paper No. - Letter dated 22 May 2012 from Hon
CB(1)1950/11-12(01) WONG Sing-chi to Panel Chairman)

2. Members agreed to discuss the following items at the next regular meeting on 14 June 2012 –

- (a) adjustment to MTR Fares in 2012; and
- (b) retrofitting of Tactile Guide Paths, Dropped Kerbs and Tactile Warning Strips to public transport facilities.

(Post-meeting note: The meeting was subsequently rescheduled for 27 June 2012 at 8:30 am.)

3. Referring to Mr WONG Sing-chi's letter proposing to hold a special meeting to discuss "Organisation structure in relation to the transport portfolio proposed by the Chief Executive-elect", the Chairman sought members' views on the proposal. In response to Ms Starry LEE's enquiry, the Chairman advised that the Administration planned to submit the re-organization proposals to the Establishment Subcommittee (ESC) and the Finance Committee (FC) on 6 June and 15 June 2012 respectively for approval. As no members expressed objection to Mr WONG Sing-chi's proposal, the Chairman requested the Clerk to follow up on the meeting arrangements.

Clerk

(Post-meeting note: The special meeting was scheduled for 29 May 2012 at 9:30 am.)

III Reversing video device on new goods vehicles and tow truck accident in Eastern Street

(LC Paper No. - Administration's paper entitled
CB(1)1923/11-12(03) "Requirement for installing reversing video device on newly registered goods vehicles "

LC Paper No. - Administration's paper entitled "Tow
CB(1)1923/11-12(04) truck accident on Eastern Street and related issues"

LC Paper No. - Updated background brief entitled
CB(1)1923/11-12(05) "Measures to enhance safety of reversing goods vehicle" prepared by the Legislative Council Secretariat)

4. Under Secretary for Transport and Housing (USTH) briefed members on the Administration's paper on the proposed requirement for installing reversing video device (RVD) on newly registered goods vehicles (GVs). He said that to enhance the safety of reversing GV, the Administration intended to require the installation of RVD on newly registered GV and to put forward the legislative proposal in the 2012-2013 legislative year. USTH also briefed members on the Administration's paper on the fatal traffic accident involving a tow truck on Eastern Street in the Central and Western District on 10 April 2012.

RVD on new GVs

Proposed requirement of RVD installation on newly registered GVs

5. Mr Jeffrey LAM expressed support for the Administration's plan to require the installation of RVD on newly registered GV. Given the wide variety of GV in Hong Kong, he considered that the provision of clear guidelines on the installation and maintenance of RVDs was important. In particular, he highlighted that some GV were not equipped with RVDs when they were imported to Hong Kong, but were subsequently retrofitted with RVDs before registration. He welcomed the Transport Department's (TD) plan to beef up the "Guide for the installation of Devices to Assist Reversing of GV (the Guide)" for the trade's reference and suggested that the Administration should conduct thorough consultation with stakeholders concerned on the relevant arrangements.

6. Mr WONG Sing-chi opined that GV drivers' driving attitude was of paramount importance in minimizing traffic accidents involving reversing GV. While agreeing with the proposal to require installation of RVDs on newly registered GV, he considered that more efforts should be made to enhance the safety awareness of GV drivers, and the Administration should remind them not to wholly rely on RVDs when reversing GV as the device might be subject to failure occasionally. Sharing Mr WONG's view, Ms Miriam LAU expressed grave concern on the reliability of RVDs.

7. USTH agreed that publicity and education efforts promoting responsible driving were crucial to enhancing road safety. He advised that apart from broadcasting radio announcements to alert GV drivers to reverse safely, TD had been organizing dedicated training courses, safety workshops and driving safety seminars targeting at drivers of commercial vehicles. In addition, there were dedicated and professional road safety and driving improvement courses for enrollment by GV drivers. He supplemented that if a person committed a serious traffic offence, he would be required to attend a

driving improvement course on a mandatory basis. According to government figures, the number of accidents involving reversing GVs had been decreasing in recent years, reflecting the increased safety awareness of both GV drivers and the public.

8. Regarding the reliability of RVDs, USTH and Assistant Commissioner/Administration & Licensing of TD (AC/A&L) advised that -

- (a) the feasibility of installing RVD on newly registered vehicles had been confirmed except for certain vehicle types like tractors and trailers, which presented difficulties in component matching. That meant that most GVs had suitable locations for installing RVD that could achieve the specified vision requirements. The vehicle suppliers had also indicated that they could make arrangement to install suitable RVDs and to provide the necessary technical support to their clients;
- (b) as for the GVs with special vehicle bodies, such as those fitted with a crane on the rear and garbage trucks, the Administration might suitably lower the vision requirements of RVDs if there were technical reasons for not meeting the specified requirements in full;
- (c) although the installation of RVDs on new GVs were reliable, there was no guarantee that the device would be free from failure. The Administration planned to include defence provisions in the regulations in order to alleviate the trade's concerns on possible legal liabilities due to the malfunctioning of RVDs. To this end, GV owners or drivers would not be convicted for a malfunctioning of the device if it was proven that adequate steps had been taken to enable safe reversing of GVs and to repair the defect as soon as reasonable; and
- (d) as for retrofitting RVDs on existing GVs, there was uncertainty about their reliability and so they would not be covered by the proposed requirement.

9. Mr Jeffrey LAM considered that the Administration should be careful in the drafting of the relevant defence provisions to prevent any possible abuse. The Administration noted Mr LAM's comment.

10. Mr WONG Kwok-hing asked about the measures to be taken to safeguard public's safety before the mandatory requirement of installing RVD on newly registered GVs came into effect. He also asked how the Administration would ensure reversing safety of existing GVs as 80% of them were currently not retrofitted with RVD.

11. USTH advised that the causes of reversing accidents were more related to drivers' driving attitude though additional assistive devices such as RVD would be useful to help prevent reversing accidents. He added that under the existing regulations, GV drivers were required to ensure the safety of reversing vehicles and one of the measures was to designate helpers to assist them in reversing. He assured members that the Administration would step up the publicity and educational efforts in promoting safety of reversing GVs.

12. The Chairman considered that both new and existing GVs should be installed with RVDs, if the device was demonstrated to be effective in preventing accidents and the installation was technically feasible. In response to the view expressed by the trade concerned that Hong Kong should not deviate from the international practice by requiring the mandatory installation of RVD on newly registered GVs, the Chairman said that the environment of each city was different and the overcrowded environment of Hong Kong should be taken into account. He further said that Hong Kong could take the lead in promoting the use of such devices and set a good example in this regard for other countries. Mr LEUNG Kwok-hung also considered that RVD would be useful to GV drivers when reversing vehicles, particularly when no helpers were available to assist. He considered the provision of defence provisions sufficient to address the concerns of the trade. He suggested that the Administration should review the effectiveness of the new requirement after its implementation and refine it where necessary.

Measures to encourage RVD installation on existing GVs and other concerns

13. With reference to paragraph 8 of the Administration's paper (LC Paper no. CB(1)1923/11-12(03)), Ms LI Fung-ying enquired about the details of the road trial to be conducted by the Hong Kong Productivity Council (HKPC) and the Automotive Parts and Accessory Systems R&D Centre (APAS). USTH advised that the road trial aimed to help identify reliable, durable and effective RVDs to facilitate retrofitting of such devices on existing GVs, and TD had approached HKPC and APAS for assistance in developing and testing a wireless RVD system. A road trial on government vehicles and four GVs installed with the system would be conducted to ascertain its proper functioning and reliability. If the trial was successful, the device might be commercialized, and become an additional choice for selection by GV

owners. USTH added that there were currently 20% of GVs voluntarily fitted with RVDs. The Administration believed that the abovementioned technical assistance provided to the trade would encourage more owners to retrofit their existing GVs with RVDs. USTH supplemented that since there were still some technical problems to be solved for installing RVD on existing GVs, the Administration did not recommend that the mandatory requirement should also cover existing GVs.

14. Referring to a recent fatal traffic accident involving a tall GV in Kowloon Tong, Ms Miriam LAU opined that the design of road facilities should be improved such that road crossings or zebra crossings should not be located close to the turning point of a road. In addition, the Administration should explore the availability of devices in the market which could improve the front view of drivers. The Administration noted her views.

Tow truck accident in Eastern Street

15. Referring to paragraph 13 of the Administration's paper (LC Paper no. CB(1)1923/11-12(04)), Ms LI Fung-ying enquired why the ad hoc working group (the working group) to review comprehensively the road facilities and management measures at road sections that were relatively steep in the district was to be established by the Central and Western District Council (C&WDC) and not by the Administration.

16. USTH and Assistant Commissioner/Technical Services of TD (AC/TS) said that C&WDC considered it necessary to establish a working group comprising District Council members who were familiar with the environment of the Central and Western District and its local issues to conduct the study. Nevertheless, relevant departments such as TD, the Police and the Highways Department would actively participate in the working group's review. They added that TD had also conducted a comprehensive review on the traffic arrangements at the accident location and the nearby areas after the accident, and TD planned to erect additional traffic signs in the areas.

17. Mr WONG Kwok-hing considered that the Administration should conduct a thorough review on all the steep roads on Hong Kong Island, instead of the scene of the accident only. He requested the Administration to provide supplementary information on territory-wide measures to ensure steep road safety.

Admin

18. USTH responded that TD would review the road environment and improvement measures where necessary, taking into account the findings of the Police's investigation of the traffic accidents. He added that TD had been monitoring the traffic situation on road sections that were relatively steep on Hong Kong Island, and from time to time reviewed the relevant traffic management measures, which included paving anti-skid material and imposing some restrictions on certain steep road sections. He agreed to provide more details of the territory-wide measures on steep roads in Hong Kong after the meeting.

19. In light of the way that the tow truck driver had handled the light GV in the incident under discussion, Mr KAM Nai-wai expressed doubt as to whether the driver concerned had sufficient knowledge about the operation of tow trucks and relevant arrangements. He asked about the training and professional assessments that tow truck drivers received to ensure that they had sufficient knowledge of tow truck operation and met the technical requirements for driving tow trucks.

20. AC/TS explained that tow trucks were classified as either light, medium or heavy goods vehicle according to the gross vehicle weight. A tow truck driver had to hold a driving licence for the appropriate class of goods vehicles to ensure that his driving standard met the requirements for driving that particular class of vehicles. It was noted that the trade also offered training on tow truck operation to relevant drivers. AC/TS added that the Administration would further explore with the Vocational Training Council the feasibility of organising relevant courses for the trade's frontline staff to enhance their awareness of safe operation of tow trucks. Mr KAM Nai-wai considered that since a tow truck driver was only required to hold a driving licence for goods vehicles, the relevant licensing requirements should include assessments on knowledge of operation of tow trucks.

21. In response to Mr KAM's enquiry about the traffic regulations governing the driving of long vehicles on Eastern Street, AC/TS said that because of road width and the tight turning radii at the road junctions, entry by vehicles exceeding 10 meters in length was currently forbidden on the sub-section of Eastern Street between Queen's Road West and Hospital Road. Chief Superintendent of Police (Traffic) supplemented that from 2009 to March 2012, 813 prosecutions for moving offences along Eastern Street had been taken and 1 204 tickets had been issued for parking offences. He assured members that the Police would take enforcement actions whenever they came across vehicles longer than 10 meters entering the prohibited zone of Eastern Street.

IV Taxi fare adjustment applications

(LC	Paper	No. -	Administration's paper entitled "Taxi fare increase applications"
CB(1)1923/11-12(06)			
LC	Paper	No. -	Submission from a member of the public
CB(1)1962/11-12(01)			
LC	Paper	No. -	Submission from a member of the public
CB(1)1962/11-12(02)			
LC	Paper	No. -	Submission from 香港市區的士工商團體)
CB(1)1962/11-12(03)			

22. USTH and Assistant Commissioner for Transport/Management & Paratransit (AC/M&P) of TD briefed members on the Administration's paper on the fare increase applications made by the urban, the New Territories (NT) and Lantau taxi trades in late March and mid-April 2012 respectively for increasing the flagfall charges by \$2 for urban and Lantau taxis and by \$2.5 for NT taxis. Members noted that the average rate of the proposed fare increase for the respective taxi trades was 4.51% for urban taxis, 8.6% for NT taxis and 4.04% for Lantau taxis. While the three taxi trades had not applied for changes to the incremental charges after flagfall, the NT taxi trade also applied for increasing the additional fares for every article of baggage carried, every animal or bird carried, and every hiring arranged through telephone booking by \$1 each (i.e. from \$4 to \$5).

23. Members including Mr WONG Kwok-hing, Mr IP Wai-ming, Mr WONG Sing-chi and Mr LEUNG Yiu-chung shared the views of some taxi groups that a fuel surcharge mechanism should be introduced to dampen the direct impact of a fluctuating LPG price on taxi drivers. They noted that those taxi groups had suggested imposing a fuel surcharge on passengers when the LPG price reached a certain level, and the amount of the surcharge would be adjusted upward or downward automatically in tandem with the LPG price. These Members considered the proposal fair to both taxi drivers and passengers and urged the Administration to study the proposal. Mr WONG Kwok-hing said that Members belonging to the Hong Kong Federation of Trade Unions objected to the proposed taxi fare increase applications as they considered that the problems faced by taxi drivers could not be solved by solely increasing the taxi fares.

24. USTH responded that the taxi fare increase applications were put forward by the taxi trades after detailed discussions among taxi groups comprising representatives of both taxi owners and frontline taxi drivers, and at taxi conferences convened by TD. The purpose of which was to offset increases in the operating costs, in particular the price of LPG. He said that a fuel surcharge which varied with fuel price would be fraught with

implementation problems. For example, a surcharge of an adjustable amount and independent of the normal fare adjustment mechanism would cause confusion to both the passengers and drivers and easily lead to disputes between the two groups, and there might also be incidents of abuse. Furthermore, for an upward and downward adjustable fuel surcharge to be implemented, a discussion on the design of the relevant mechanism, the fuel prices that would trigger different rates of the surcharge, and the rates of the surcharge, as well as on the legislative amendments required would need to take place in the first instance. USTH added that a taxi fare adjustment was preferable as it was based on a well established mechanism and would require the approval of the Chief Executive in Council (CE-in-Council) according to the relevant legislative provision. It would be more appropriate for the taxi trade to make use of the existing fare adjustment mechanism instead of a fuel surcharge to reflect the cost increases.

25. Some members, however, considered that a rentee-driver might not be able to benefit from the proposed fare increase as it might trigger taxi rental increases by owners and discourage short-haul trips and as a result, any income increase that might be derived from the fare adjustments would be offset. They referred to submissions made by taxi owner groups elaborating the high operational cost borne by taxi owners and expressed doubt that taxi owners would not increase the rental after the fare increase. Mr LEE Cheuk-yan and Mr LEUNG Kwok-hung considered that the increase in taxi rental might fuel speculation activities on taxi licences and suggested that the Administration should introduce more taxi licences to curb the licence speculation. Mr IP Wai-ming also opposed the taxi fare increase applications on the same grounds.

26. In response to concern about adverse impact of the fare increases on patronage of short-haul trips, USTH said that as taxis provided a personalized point-to-point public transport service, the Administration believed that the implications of the fare increase on taxi business would, as in the past, be temporary. In addition, some taxi owner associations had indicated that they would not increase taxi rental immediately after the fare increase.

27. Mr WONG Sing-chi considered that while the fuel surcharge mechanism was worth studying, it would take time as legislative amendments were required. In consideration that taxi owner and taxi driver groups had not reached a consensus yet, he preferred not to increase the taxi fare at the present stage.

28. Ms LI Fung-ying also expressed reservations about the taxi fare increase applications. She said that although the Administration had said that representatives of taxi drivers had participated in the relevant discussions, she had still heard opposing views from taxi driver groups on the fare increase applications. Pointing out that the increase in the price of LPG was the major factor causing operational difficulties, she enquired about the actions taken by the Administration to mitigate the effect of rising LPG price on taxi operators. Sharing similar views, Mr LEUNG Kwok-hung suggested that the Administration should take more proactive measures to curb the increase in the LPG price. USTH advised that the Environment Bureau and Environmental Protection Department had made much effort to expand the LPG filling network to help the trade.

29. AC/M&P invited members to note that the taxi fare increase applications made by the urban, NT and Lantau taxi trades were submitted by both taxi owners and frontline taxi driver groups. The applications had been thoroughly discussed at the respective taxi conferences and were supported by most of the taxi groups. He supplemented that the regular taxi conferences were the established channels for communication between TD and taxi trades to resolve problems encountered by taxi operators. During the processing of the fare increase applications, TD had been closely liaising with different taxi associations, including the taxi driver groups.

30. Pointing out that taxi fares in Hong Kong were comparatively cheaper than that in other countries, Mrs Regina IP said that she had no objection to the taxi fare increase applications. She believed that the adverse impacts on short-haul trips would be temporary as the public would be adapted to the new fare rate very soon. Sharing other members' views, she considered that the Administration should implement effective measures to prevent taxi owners from increasing taxi rental.

31. USTH reiterated that TD had discussed the matter with owner-drivers, who had indicated that they would not increase taxi rental lightly and would generally do so when the rentee-drivers observed an increase in income. It was because the owners understood the adverse impacts on them if rentee-drivers were unable to afford the high rental and opted to quit the industry.

32. Ms Miriam LAU opined that the Administration should liaise with taxi owners to seek their agreement not to increase rental at least for the initial three months after the fare increase and before there was a stable income earned by taxi drivers. She pointed out that apart from taxi owners, some taxi driver groups also supported the fare increase applications. She said that

she was open to the proposal of introducing fuel surcharge as it could also improve the income of taxi operators. She invited other members to note that apart from taxi drivers, taxi owners were also suffering from high operating costs, including insurance and repayment of instalments of their vehicles. Noting that the operating environment of urban taxis seemed to be more difficult than that of NT taxis, she enquired why the proposed rate of flagfall increase of urban taxis (\$2) was lower than that of NT taxis (\$2.5).

33. AC/M&P said the Administration was aware that urban taxi drivers had to bear relatively higher LPG charges compared to NT taxi drivers. He pointed out that the proposed rate of fare increase made by the urban taxi trade had taken into account all relevant factors, including public affordability and acceptability, and the Administration would respect the trade's decision.

34. Mr LEUNG Yiu-chung criticised the Administration for only communicating with the trade at the regular taxis conferences, without conducting a comprehensive survey on the views of taxi trades. He asked whether the Administration would approve the relevant applications if they were not supported by the Panel.

35. USTH replied that under section 7(1C) of the Road Traffic Ordinance (Cap. 374), the CE-in-Council might make Amendment Regulation to give effect to adjustment in the fares for the hiring of urban, NT and Lantau taxis. In the course of assessing the taxi fare increase applications, the Administration would take into account the views of the Panel and the Transport Advisory Committee before submitting its recommendations to CE-in-Council. USTH added that in processing the taxi fare adjustment applications, the Administration would consider various relevant factors, including changes in the costs of taxi operation and revenues of the trades, and acceptability of the general public, etc.

36. The Chairman said that the collection of fuel surcharge for taxis had long been demanded for by the Panel. In fact, the Administration could make reference to the experience of collecting passenger fuel surcharges by airlines. He considered that the suggested fuel surcharge was the best way to deal with the fluctuating LPG price faced by the taxi trade. He also shared some members' views that the income of taxi drivers might decrease as a result of fare increase and expressed regret that the Administration had failed to introduce effective measures to prevent taxi owners from increasing taxi rental.

37. As there were diverse views on the fare increase applications, the Chairman proposed to conduct a voting on the applications. Members agreed. The Chairman put the matter to vote. Mr IP Wai-ming requested to claim a division. The voting results were that Ms Miriam LAU and Mr Tommy CHEUNG voted in favour of the applications, whereas Mr WONG Kwok-hing, Mr WONG Sing-chi, Mr IP Wai-ming and Mr LEUNG Kwok-hung voted against them. The Chairman requested the Administration to take note of the voting results.

V Franchises of New World First Bus Services Limited (NWFB), Long Win Bus Company Limited (LW) and Citybus Limited (Citybus) (Franchise for Airport and North Lantau Bus Network) (Franchise 2)

(LC Paper	No. -	Administration's paper entitled
CB(1)1923/11-12(07)		"Franchises of NWFB, LW and Citybus (Franchise 2)"
LC Paper	No. -	Updated background brief entitled
CB(1)1923/11-12(08)		"Franchises of NWFB, LW and Citybus (Franchise 2)" prepared by the Legislative Council Secretariat)

38. Commissioner for Transport (C for T) briefed members on the Administration's paper on the new franchises of NWFB, LW and Citybus (Franchise 2). He said that the CE-in-Council had approved the granting of new ten-year franchises to NWFB, LW and Citybus (Franchise 2) on 24 April 2012. The new franchise of NWFB would commence on 1 July 2013 and those of LW and Citybus (Franchise 2) would commence on 1 May 2013.

39. Mr LEE Cheuk-yan expressed concern on measures to solve the serious problem of lost bus trips. He added that due to shortage of bus drivers, some bus routes were driven by inexperienced bus captains, posing safety hazards to passengers. He was also concerned about the recent complaints from LW bus drivers who were required to manually operate the ramp to facilitate boarding of wheelchairs and large luggage, with a view to saving maintenance costs. Pointing out that Tin Shui Wai residents were suffering from long travelling time every day, he stressed the need to make separation of bus routes serving Tin Shui Wai North and South respectively.

40. Mr WONG Kwok-hing referred to a submission which suggested setting the retirement age at 65 to solve the shortage problem of bus drivers, provided that they were physically fit to continue to work. Noting that when the new franchises commenced, the three bus companies would offer a total of

60 new fare concession schemes, he queried why bus-bus interchange concession schemes (BBIs) were not implemented on all bus routes. He also requested the Administration to discuss with the relevant bus companies on reintroducing monthly tickets, which would not only benefit passengers who lived in remote areas, but also increase the competitiveness of bus companies.

41. In response, C for T made the following points -

- (a) TD had thoroughly discussed with the bus companies on the feasibility of introducing monthly tickets. Having considered the financial difficulties involved, the possible impact on the bus fares in general, and the concern that it might not be fair for all other passengers to subsidize a particular group of passengers as a result of implementing the proposal, it was more pragmatic and practicable for the bus companies to provide new BBIs, more sections fares and other concessions on suitable routes so as to benefit more passengers;
- (b) at present, the three bus companies were providing many BBIs, with 116 BBIs among 128 routes in total. While the three bus companies would offer a total of 60 new fare concession schemes when the new franchises commenced, the Administration would make sustained efforts in pursuing more BBIs according to the needs of the public;
- (c) on matters relating to the retirement age of bus drivers and their deployment, the Administration would relay members' views and suggestions to the bus companies concerned for consideration; and
- (d) being the regulatory authority, TD would ensure the safety and service level of bus services. Under the current mechanism, franchised bus companies were obliged to operate bus services in accordance with the routing, timetable, frequency and bus allocation as stipulated in the Schedule of Service approved by TD. In case of non-compliance, the Administration could recommend the CE-in-Council to impose financial penalty on the franchised bus company according to the Public Bus Services Ordinance (Cap. 230).

42. Mr IP Wai-ming requested the Administration to provide details of the 60 new fare concession schemes. He also strongly requested the relevant bus companies to establish an external bus route (commonly known as "E"

route) in North District to facilitate residents travelling to the airport. He added that many airport routes were long and, due to seating capacity, passengers (including airport staff travelling to work) often had to stand for a long time on their journeys to the airport. He hoped that the bus frequency could be increased for those long-haul routes to the airport.

Admin

43. C for T agreed to provide supplementary information on the 60 new fare concession proposals by the three bus companies. He pointed out that there were already proposals in the bus route development programmes of the relevant bus companies in 2012-2013 regarding increasing the bus frequencies of those "E" routes with high usage and the Administration was actively following up with the bus companies on the proposals. Regarding the introduction of an additional "E" route in North District, he said that LW had agreed to offer a 20% discount on the same day return trip for airport workers on Route A43 (North District – Airport). This could partly address a long standing request from North District with a saving of \$6.2 per day. Subject to the response and effectiveness of such fare concession, the Administration would further study the need for an additional "E" route, having considered the passenger demand as well as environmental and traffic load implications.

44. Mr WONG Sing-chi said the proposal of introducing an "E" route in North District had long been demanded for by local residents. He expressed strong dissatisfaction that the proposal was still subject to further study. He considered the saving of \$6.2 per day for airport workers inadequate and requested LW to offer 50% discount on the bus fare concerned. Otherwise, LW should not be granted the right to operate Route A43 and this route should be opened for tendering. C for T responded that whilst the offer of discount for airport workers on Route A43 might not fully satisfy their aspirations, it could to a certain extent address their request.

45. In view of various concerns about the introduction of fare concessions, Mr LEUNG Kwok-hung said that the League of Social Democrats had long been requesting for the Government to own and operate public transport. He also queried why the Administration had granted the new franchises to the three bus companies so early, as their current franchises would only expire one year later.

46. C for T responded that to ensure the smooth operation of franchised bus services during the transition of the new and old franchises, the Government's established practice was to grant a new franchise about one year before the expiry of the existing one. This would allow the operators to make necessary preparations for the various new requirements under the new

franchise. In addition, granting the new franchises at this time would also alleviate the concerns of the staff of the bus companies on their job prospects.

47. Mr KAM Nai-wai said that consideration could be given to granting a longer period of bus franchise to the relevant bus companies in order to tackle their operational difficulties. He noted that the bus companies had demonstrated commitments in the context of their Forward Planning Programmes from 2012 to 2016 to make considerable capital investment to replace about 70% of their existing fleets with new buses. He asked when the pre-Euro, Euro I and Euro II buses would be fully replaced.

Admin

48. C for T advised that by 2016, 80% of the bus fleet of the three bus companies would be buses of Euro IV or above emission standards, and in fact, 75% of the buses would be Euro V buses. At present, they had no pre-Euro buses and their Euro I buses would be all replaced by 2015. He agreed to provide supplementary information on the existing and changes in the numbers of buses of different engine types of these bus companies according to their Forward Planning Programmes after the meeting.

VI Any other business

49. There being no other business, the meeting ended at 11:05 am.