

立法會
Legislative Council

LC Paper No. CB(1)2544/11-12
(These minutes have been seen by
the Administration)

Ref : CB1/PL/TP/1

Panel on Transport

Minutes of meeting held on
Wednesday, 27 June 2012, at 8:30 am
in Conference Room 1 of the Legislative Council Complex

- 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 LI Fung-ying, SBS, JP
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 CHAN Hak-kan
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon LEUNG Kwok-hung
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
- Members absent** : Hon Miriam LAU Kin-ye, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Starry LEE Wai-king, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

**Public Officers
attending**

: Agenda item III

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

Mr José YAM Ho-san
Principal Assistant Secretary for Transport and
Housing (Transport)⁴

Miss LUI Ying
Assistant Commissioner/Bus & Railway
Transport Department

Mr Ken HUI Kuen
Principal Transport Officer/Bus & Railway²
Transport Department

Agenda item IV

Mr Edward TO W H
Principal Assistant Secretary for Transport and
Housing (Transport)⁵

Mr CHEUNG Chi-hoi
Regional Highway Engineer/Urban
Highways Department

Mr Jonathan LEUNG Man-ho
Chief Highway Engineer/NTW
Highways Department

**Attendance by
invitation**

: Agenda item III

Ms Jeny YEUNG
Commercial Director

Mr Eddie SO
General Manager – Marketing and Planning

Ms May WONG
Deputy General Manager – Corporate Relations

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

- | | |
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| (LC Paper No. -
CB(1)2180/11-12(01) | Submission from a member of the public on complaint on bus services provided by the Kowloon Motor Bus Company (1933) Limited |
| LC Paper No. -
CB(1)2180/11-12(02) | Submission from a member of the public on complaint on discount gang activities |
| LC Paper No. -
CB(1)2180/11-12(03) | Submission from a member of the public on suggestion of constructing an underground road tunnel at Lung Cheung Road) |

Members noted the above papers issued since the last meeting.

II Items for discussion at the next meeting on 5 July 2012

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| (LC Paper No. -
CB(1)2161/11-12(01) | List of outstanding items for discussion |
| LC Paper No. -
CB(1)2161/11-12(02) | List of follow-up actions) |

2. To avoid clashing with the anticipated continuation of the Council meeting on 4 July 2012, the Panel agreed to reschedule the next regular meeting from 5 July 2012 to 10 July 2012 at 8:30 am.

3. Members agreed to discuss the following items at the next regular meeting –

- (a) New Parking Meter Trial Scheme; and
- (b) The use of crash cushion in Hong Kong.

(Post-meeting note: With the concurrence of the Chairman, an additional item "Briefing by the new Secretary for Transport and Housing" was subsequently added to agenda of the meeting on 10 July 2012.)

4. The Panel also agreed to hold a joint meeting to discuss the report submitted by the Joint Subcommittee on Issues Relating to Insurance Coverage for the Transport Sector formed under the Panel and Panel on Financial Affairs. The Clerk would inform members of the meeting arrangements in due course.

Clerk

(Post-meeting note: The joint meeting was scheduled for 10 July 2012 from 11:00 am to 11:30am.)

III Adjustment to MTR fares in 2012

LC Paper CB(1)1995/11-12(01)	No. -	Paper entitled "Adjustment to MTR fares in 2012" provided by the MTR Corporation Limited (MTRCL)
LC Papers CB(1)1488/11-12(06) CB(1)1541/11-12(01)	Nos. - and	Letters dated 29 March and 10 April 2012 from Hon LAU Kong-wah
LC Paper CB(1)2220/11-12(01)	No. -	Administration's response to Hon LAU Kong-wah's letters
LC Paper CB(1)1488/11-12(05)	No. -	Updated background brief entitled "Adjustment to MTR fares and the Fare Adjustment Mechanism of the MTRCL" prepared by the Legislative Council Secretariat
LC Paper CB(1)2209/11-12(01)	No. -	Submission from Tung Chung Livelihood Monitor
LC Paper CB(1)2214/11-12(01)	No. -	Submission from a member of the public)

5. Under Secretary for Transport and Housing (USTH), Commercial Director, MTRCL (CD/MTRCL), and General Manager–Marketing and Planning, MTRCL (GM-M&P) briefed members on the salient points of the paper submitted by MTRCL on the MTR fare adjustment in 2012, the MTR fare promotions for 2012 as well as the review of the Fare Adjustment Mechanism (FAM). The new MTR fares took effect from 17 June 2012.

Adjustment to MTR fares in 2012

6. Members in general expressed great dissatisfaction with the MTR fare adjustment in 2012 and criticized the Government for its failure to steer MTRCL to scrap the fare increase. Mr LEUNG Kwok-hung and Mr LAU Kong-wah queried why MTRCL still took the trouble to increase the fares while it claimed that it would return to its passengers the full value of the additional revenue it would receive from the fare adjustment in 2012. Some members pointed out that in fact, MTRCL was not bound to implement the fare increase in accordance with FAM and to the full extent of adjustment rate as allowed. They considered that it did not breach the law if MTRCL chose not to implement the fare increase or increased the fare at a modified rate. Mr Albert CHAN expressed deep regret that the Administration and MTRCL had ignored the two motions passed by the Panel at its meeting on 12 April 2012, one requesting MTRCL to immediately shelve its fare increase and the other one requesting the Government to return its dividends to MTRCL so as to avert the fare increase. Mr CHAN considered that the Administration's and MTRCL's decisions to go ahead with implementing the fare adjustment in the midst of strong opposition of the public and of the Panel should be reprimanded.

7. USTH responded that the fare adjustment was made in accordance with FAM, which was a direct-drive formula linked to changes in the Composite Consumer Price Index (CCPI), Nominal Wage Index (Transportation Section) and a fixed productivity factor. Since FAM formed part of the merger agreement between MTRCL and the Government and was legally binding, it should be followed and respected. He said that the Administration was alive to members' views on the 2012 fare adjustment. It had requested MTRCL to return to its passengers the full value of the additional revenue derived from the fare adjustment and noted that MTRCL planned to offer its largest package of new fare promotions ever to give back to passengers the full value of the additional revenue it would receive in the year from the 2012 fare adjustment, bringing to passengers savings of around \$670 million.

8. USTH further said that the arrangement for review of FAM every five years had been laid down during the rail merger. He advised that the Administration would carry out a review on FAM together with MTRCL in the second half of 2012, with a view to completing the exercise by end 2012/early 2013. He added that the Administration would study whether and how new components, such as MTRCL's operational costs and profit level, its operational efficiency and service performance, as well as the affordability of the general public, should be introduced to the formula.

9. Mr LAU Kong-wah opined that FAM should also take into account the profits derived by MTRCL from property developments, and that any adjustment to MTR fares should be subject to the approval of the Chief Executive-in-Council in line with the same arrangement made for fare adjustment applications by other public transport operators such as franchised bus companies. Mr WONG Sing-chi expressed support for including the standard of service of MTRCL as one of components in the formula under FAM. In this connection, he expressed strong dissatisfaction with MTRCL's standard of service, e.g. the frequent occurrence of railway incidents without any compensation made to the affected passengers, and the overcrowded condition inside train compartments of some of the railway lines. Mr Albert CHAN considered that the frequency of Light Rail Transit (LRT) trains should be increased and LRT trains with double compartments should be provided particularly during peak hours to improve the overcrowded condition in train compartments. CD/MTRCL said that members' views and comments regarding LRT service would be relayed for consideration.

10. USTH said that in the past four years, there were an average of 20-odd cases of service delays of eight minutes or more per month, of which about 15 were caused by equipment failure/human factor while the rest were caused by passenger behaviour and external factors. USTH further said that as the operation time of the railway network in Hong Kong was long, with high usage, coupled with the very many factors involved in railway operation, including tracks, trains, signaling system and manual operation, it was very difficult to achieve "zero incident" in practice. Nevertheless, the Administration always required that MTRCL should put safety first under all circumstances and this should never be compromised. As to how MTRCL's service performance might be assessed comprehensively and objectively, and linked to FAM, it would be examined in the upcoming review.

Adjustment of individual fares

11. Mr Albert CHAN and Mr IP Wai-ming expressed concern over some situations where the Octopus fares were higher than their corresponding Single Journey fares after the fare adjustment in 2012. They urged MTRCL to rectify the problem as soon as possible. CD/MTRCL responded that in calculating individual fares, the following guiding principles had been applied -

- (a) adjustments to Octopus fares were in units of 10-cents;
- (b) adjustments to Single Journey Ticket fares were in units of

50-cents; and

- (c) the weighted average of all individual fare adjustments must equal to +5.4%.

CD/MTRCL said that in the 2012 fare adjustment, MTRCL had decided not to adjust Single Journey fares below \$7 in 2012 after taking into consideration that the percentage increase would be quite high with a 50-cent adjustment. As a result, 596 cases of Single Journey fares within the heavy rail network were slightly lower than their corresponding Octopus fares. Since the fare structure of Light Rail network was different from that of heavy rail network, there had always been cases that Single Journey fares were lower than their corresponding Octopus fares. There were 1 276 such cases within the Light Rail network after the 2012 fare adjustment. USTH advised that the Administration was aware of the differences in the units of adjustment to Octopus fares and Single Journey Ticket fares and the above fare situations. The Administration noted and understood MTRCL's decision.

12. Mr IP Wai-ming asked about the principle of adjusting the fares of individual journeys, as there were some cases where the adjusted rate was higher than 5.4%. CD/MTRCL and GM-M&P explained that in the course of calculating the adjusted prices for monthly passes, minor adjustment would be made by rounding down the new prices to the nearest dollar unit after the application of 5.4% increase, resulting in a less than 5.4% increase in price for all monthly passes. As regards individual fares, there were over 40 000 fare combinations and MTRCL would calculate the adjusted fares for each and every combination. However, due to the differences in the units of adjustment to Octopus fares and Single Journey Ticket fares, the adjusted rate of each fare combination might be higher than or lower than 5.4%, and not necessarily be equal to 5.4%. In the 2012 fare adjustment, the highest adjusted rate was 7.1% whereas no fare adjustments were made for some routes. The weighted average of all individual fare adjustments was still equal to +5.4%.

2012 fare promotion package

13. Mr WONG Kwok-hing sought MTRCL's response to a submission made by Tung Chung Livelihood Monitor (LC Paper No. CB(1)2209/11-12(01)), which pointed out that Tung Chung residents actually could not benefit from the introduction of the Tung Chung–Hong Kong (TC-HK) Monthly Pass. According to the group, monthly pass holders might be unable to enjoy the discounts for interchange between MTR and designated bus routes at Tung Chung Station, and the holders might even need

to bear higher fares for some routes. Besides, the group strongly requested MTRCL to introduce monthly pass for students.

14. CD/MTRCL and GM-M&P clarified that TC-HK Monthly Pass holders could enjoy interchange discounts, provided that they interchanged to or from other lines with a fare deduction. GM-M&P advised that passengers using the TC-HK Monthly Pass would not pay more than those who did not use the Monthly Pass for travel between Tung Chung and Hong Kong/Central. As regards monthly passes for students, since they were currently enjoying half fare concessions, MTRCL at present had no plan to provide further fare concessions for them.

15. Mr LAU Kong-wah asked about the number of passengers who would regularly travel between Tung Chung and Hong Kong/Central. CD/MTRCL responded that about 50% of Tung Chung Line passengers headed for Central and would benefit from using TC-HK Monthly Pass. Mr LAU considered that more monthly passes with section fares should be provided for Tung Chung Line, e.g. there should be Tung Chung-Lai King Monthly Pass and Tung Chung-Kowloon Monthly Pass, as similar arrangements were provided for West Rail Line (WRL). Sharing similar concern, Mr WONG Sing-chi suggested that MTRCL should consider extending the termini of monthly passes provided for East Rail Line and WRL to the MTR Hong Kong Station, as well as introducing monthly passes for all railway lines. Mr IP Wai-ming expressed support for these suggestions.

16. CD/MTRCL and GM-M&P pointed out that WRL was commissioned in two phases. The Tuen Mun - Nam Cheong Monthly Pass was first introduced when the WRL was operated between Tuen Mun and Nam Cheong. The Tuen Mun-Hung Hom Monthly Pass was subsequently introduced in addition to the Tuen Mun-Nam Cheong Monthly Pass when the WRL was extended to Hung Hom in the second phase. CD/MTRCL and GM-M&P explained that a monthly pass was normally provided between the two termini of a railway line and would benefit long distance travellers at relatively high fares. CD/MTRCL supplemented that monthly passes would bring to passengers savings of about 30% each month between two termini. Extending the monthly pass concessionary schemes to all MTRCL lines was not in line with the user-pay principle. In addition, it would have impacts on the income and the whole fare structure of MTRCL. As such, MTRCL had no plan to launch other monthly schemes for the time being.

17. Mr IP Wai-ming considered that the promotion of "10% discount for second journeys taken on the same day", which was to be implemented from 31 December 2012 to 30 June 2013, should be implemented earlier. He also asked whether passengers would enjoy further discounts for the fourth ride.

18. CD/MTRCL advised that if a passenger had taken four MTR rides a day, he/she would enjoy 10% discount for the second and the fourth rides and so on. She said that the promotion of "10% discount for second journeys taken on the same day" was a new promotion and would be introduced after the promotion of "Ride 10 Get 1 Free" scheme. Mr WONG Sing-chi opined that instead of offering 10% discount for the second ride, half fare concessions should be provided. He requested MTRCL to give thought to the suggestion.

19. Mr IP Wai-ming asked how the amount of passengers' savings of \$670 million was calculated. The Chairman also asked how MTRCL would ensure that the above amount would be fully given back to passengers.

20. CD/MTRCL said that the passengers' savings of \$670 million were an estimate, which was calculated having regard to the past experience of implementing similar fare concessions. She said that the actual amount of savings brought to passengers through the 2012 fare promotion packages could only be calculated after expiry of all promotions in June 2013. USTH assured members that the Administration would work with MTRCL to ensure that the new fare promotions for 2012 would amount to around \$670 million as estimated by MTRCL.

Way forward

21. The Chairman said that the Panel had clearly expressed its dissatisfaction with the absurd situation that MTRCL was still allowed to increase fares in accordance with FAM while it was making huge profits. He considered that the new term Government should rectify the situation. Mr LAU Kong-wah recommended that the Panel should consider appointing a subcommittee early next legislative session to follow up review of FAM and to examine the actual amount of savings brought to passengers through each year's fare promotions launched by MTRCL. The Chairman directed the Clerk to include Mr LAU's suggestion in the Panel's list of outstanding items for discussion for the consideration by the Panel in the 2012-2013 session.

IV Retrofitting of tactile guide paths, dropped kerbs and tactile warning strips to public transport facilities

(LC Paper No. - Administration's paper entitled CB(1)2161/11-12(03) "Retrofitting of tactile guide paths, dropped kerbs and tactile warning strips to public transport facilities")

22. Regional Highway Engineer/Urban (RHE/U) of the Highways Department (HyD) briefed members on the salient points of the Administration's paper on the latest progress of the retrofitting works in providing "tactile guide paths", "dropped kerbs" and "tactile warning strips" in public transport facilities to assist people with disabilities to take public transport and make use of such barrier-free access facilities.

23. Mr WONG Kwok-hing asked about the number of public bus termini in Hong Kong not provided with "dropped kerbs". RHE/U replied that two years ago, HyD had identified 148 public transport interchanges (PTI) and public bus / light bus termini without provision of barrier-free access facilities for retrofitting "tactile guide paths", "dropped kerbs" and "tactile warning strips". HyD aimed to complete the retrofitting works by two phases. According to the scheduled implementation programme, HyD would complete the retrofitting works at 111 PTI and public bus / light bus termini by mid-2012, and the remaining 37 by mid-2014.

24. In response to Mr WONG Kwok-hing's concern, RHE/U explained that the retrofitting works at the 37 PTI and public bus / light bus termini concerned would take a longer time to complete because of technical constraints or because there were other works in progress. Nevertheless, the Administration would strive to complete the relevant works as soon as possible. At the request of Mr WONG, RHE/U agreed to provide detailed work schedule of retrofitting the 37 PTI and public bus/light bus termini in the second phase.

Admin

25. Mr WONG Sing-chi asked about the materials used for making "tactile guide paths" and whether they would become slippery when they were wet. He recalled that the "tactile tiles" provided outside the Hong Kong Disneyland were slippery. RHE/U said that while some "tactile tiles" provided indoor were made of stainless steel, those provided outdoor were mainly precast concrete type and ceramic type and were non-slippery, with the former commonly used for concrete or paved footways and the latter at highway structures such as footbridges and subways. RHE/U undertook to inspect the "tactile tiles" provided outside the Hong Kong Disneyland to check if any rectification was required.

V Any other business

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

Council Business Division 1
Legislative Council Secretariat
6 September 2012