

立法會

Legislative Council

LC Paper No. CB(1)1728/13-14

Ref : CB1/PL/TP

Report of the Panel on Transport for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Transport ("the Panel") during the 2013-2014 legislative session. It will be tabled at the Council meeting on 9 July 2014 in accordance with Rule 77(14) of the Rules of Procedure.

The Panel

2. The Panel was formed by a resolution passed by the Legislative Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining government policies and issues of public concern relating to transport matters. The terms of reference of the Panel are at **Appendix I**.

3. The Panel comprises 23 members, with Hon CHAN Kam-lam and Hon Gary FAN Kwok-wai elected as Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is at **Appendix II**.

Major Work

Railway matters

4. Railways play a key role in Hong Kong's transport system strategy. A subcommittee was formed under the Panel to continue to follow up on matters relating to railway planning, implementation and operation¹. During the period from October 2013 to June 2014, the Subcommittee on

¹ According to the terms of reference of the Subcommittee, matters relating to corporate governance of the post-merger the MTR Corporation Limited and fares should be dealt with by the Panel.

Matters Relating to Railways held a total of eight meetings. The work of the Subcommittee between October 2013 and June 2014 is detailed in its report at **Appendix III**.

Public transport services

MTR fare adjustment for 2014

5. In late May 2014, the MTR Corporation Limited ("MTRCL") announced that the overall MTR fare adjustment rate for 2014 is +3.6% under the Fare Adjustment Mechanism revised in 2013. The Panel discussed the matter on 23 June 2014. Panel members expressed dissatisfaction that despite the handsome profit of over \$13 billion and the occurrence of a number of railway incidents in the past year, MTRCL still decided to increase MTR fares in 2014. Some members urged the Administration to review the Fare Adjustment Mechanism of MTRCL again. Some other members suggested that the Government as the majority shareholder should return its dividends to MTRCL, or set up a fare stabilization fund to moderate the rate of MTR fare increases. The Administration, however, advised that the proposals would not be in line with the Government's established policy that public transport services should be run in accordance with prudent commercial principles to achieve operating efficiency.

6. Given the frequent railway incidents, some members suggested that the remuneration of MTRCL's senior management should be reduced in the event of serious service disruptions. The Administration advised the Panel that the Board of MTRCL had decided to include the occurrence of serious service disruption as a consideration in the payment of performance-based remuneration to the Corporation's senior management staff in future.

7. The Panel called on MTRCL to offer more fare concessions to better meet the passengers' needs. The Panel noted that MTRCL would launch the "Early Bird Discount Promotion" Trial Programme from 1 September 2014 to 31 May 2015. Under the Trial Programme, passengers holding Adult Octopus would be able to enjoy a 25% fare discount when they exited from any of the 29 core urban stations between 7:15 am and 8:15 am from Mondays to Fridays (except Public Holidays). Members considered that the Trial Programme should be extended to the evening rush hours and cover other stations. Some members commented that MTRCL should offer greater discount to commuters through the 400-dollar MTR City Saver, expand the said scheme to cover the whole

territory of Hong Kong and introduce monthly tickets too.

The Panel passed a number of motions on 23 June 2014 -

- (i) opposing MTRCL's fare increase for 2014 and urging for a review of the Fare Adjustment Mechanism of MTRCL; and
- (ii) urging MTRCL to extend the "Early Bird Discount Promotion" Trial Programme to cover the evening rush hours as well as other additional stations on top of the 29 core urban stations as originally announced and to review the actual concessions that can be fairly offered to residents in various districts.

Fare increase application from the Kowloon Motor Bus Company (1933) Limited

8. The Panel was briefed by the Administration on 11 April 2014 that the Kowloon Motor Bus Company (1933) Limited ("KMB") had been incurring financial losses due to factors beyond the company's control, including escalating operating costs; slow progress in the reorganization of outdated bus routes with a low patronage; further increase in wages and inflationary pressure in the second half of 2013. In order to restore KMB's financial viability for the provision of sustainable quality services, KMB had applied for a fare increase of 4.3% in November 2013. Members in general were dissatisfied with KMB's fare increase application and considered the proposed fare increase rate of 4.3% excessive.

9. Some members expressed disagreement to KMB's fare increase of 4.3%, which was higher than the outcome of the supportable fare adjustment rate (i.e. +3.99%) under the bus fare adjustment arrangement by 0.31%, and urged the Administration to provide support to franchised bus operators, as in the case of MTRCL and the outlying island ferry service operators. Such support could be in the form of improving the facilities of transport interchanges and bus stops and allowing bus companies to provide feeder service to railway stations to increase profit.

10. The Administration assured members that they would carry out its stringent gate-keeping duties in handling KMB's fare increase application. While assessing the application, the Administration would consider a basket of factors, including the inflation rate, KMB's revenue and service performance and so on. The Panel noted that with the efforts made by the

Transport Department ("TD") and KMB, the lost trip rate of KMB had recorded a drop, and that to enhance the efficiency of bus services, the Administration had been making efforts to rationalize bus routes by cancelling under-utilized routes or reducing their frequencies, with a view to redirecting the resources so saved to routes with keen demand.

11. The Panel considered that the Administration should review the Government's policy of using railways as the backbone of Hong Kong's transport system, establish more point-to-point bus routes to meet passenger demand and to ease the load of railway during peak hours. The Administration was urged to commence early the review on the long term public transport planning and development, to review the roles of public transport means, and to discuss the matter with the Panel as soon as possible.

12. After the Administration had consulted the Panel and the Transport Advisory Committee on the application made by KMB, the Chief Executive-in-Council decided on 10 June 2014 that an overall average fare increase of 3.9% was approved and the new fares to become effective on 6 July 2014. Compared with the fare increase rates applied by KMB, the approved fare increase rates were lowered by about 9.1%.

Franchises of Citybus Limited (Franchise for Hong Kong Island and Cross Harbour Bus Network) and New Lantao Bus Company (1973) Limited

13. The Panel was advised that given the impending expiry of the current franchises of the Citybus Limited (Franchise for Hong Kong Island and Cross Harbour Bus Network) ("Citybus (Franchise 1)") and the New Lantao Bus Company (1973) Limited ("NLB"), the two companies had applied to renew their franchises for another ten years². The Panel's view was sought on the new franchise requirements at its meeting on 23 June 2014.

14. Having noted the annual average lost trip rate of 1.8% for Citybus (Franchise 1), Panel members urged the Administration to closely monitor the problem and called on TD to review its mechanism for monitoring the frequencies of bus services. They also urged for measures to improve NLB's service particularly during weekends. The Administration advised that according to the latest five-year Forward Planning Programme submitted by NLB, the company planned to acquire

² The current franchise of Citybus (Franchise 1) commenced on 1 July 2006 and would expire on 1 June 2016. NLB's current franchise commenced on 1 April 2007 and would expire on 1 March 2017.

a total of about 54 new buses (amounting to around 50% of its bus fleet) to replace its old buses and further improve its services.

15. The Panel passed the following motion on 23 June 2014 -

"That this Panel requests that while the Government grants new franchises to any bus companies, the companies concerned must provide interchange concessions at designated bus-bus interchanges in the form of a free ride offered to passengers on the second leg journey upon interchange to bus routes with same fares."

Outlying island ferry services and fare adjustments

16. At the Panel meeting on 26 May 2014, members noted that TD had approved the extension of the current licences of the six ferry routes for three years in accordance with section 29(2) of the Ferry Services Ordinance. The extended licence of "Central – Mui Wo" route had taken effect from 1 April 2014 and would expire on 31 March 2017, while the extended licences of the remaining five routes (namely, "Central – Cheung Chau"; "Inter-islands" serving Peng Chau, Mui Wo, Chi Ma Wan and Cheung Chau; "Central – Peng Chau"; "Central – Yung Shue Wan" and "Central – Sok Kwu Wan") would take effect from 1 July 2014 and expire on 30 June 2017.

17. At the same meeting, the Administration also briefed members that the applications for fare adjustment submitted by the New World First Ferry Services Limited and the three subsidiaries of the Hong Kong and Kowloon Ferry Holdings Limited for the six major outlying islands ferry routes had been approved. In handling the fare increase applications of the six major outlying islands ferry routes, the Administration indicated that they had taken into account various factors including the public acceptability of the proposed increase rates and the financial conditions, service performance, operating information and financial data of the ferry operators as well as other measures that could be adopted by the operators to improve their financial conditions. As the ferry operators had to face persistently high fuel prices and an increase in marine labour remunerations in recent years, the Administration considered that they had a justifiable need to increase the fares by around 5% to 6% to enable them to maintain the existing service level for the ferry routes concerned.

18. The Panel in general expressed grave concern on the burden of fare increase of the outlying island ferry services on passengers. Some

members considered that the operators of the six outlying island ferry routes on one hand could enjoy the Administration's subsidy, whereas on the other hand, could still apply for fare adjustment. As such, members expressed worries that the operators would have no incentive to improve the efficiency of running ferry services. Besides, even if fare increase was inevitable, the rate of increase should not exceed the rate of inflation.

19. The Panel urged the Administration to perform better its gate-keeping role to contain fare increases to alleviate the pressure on islanders, and revisit the possibility of allowing the operation of inner harbour ferry service to increase the income of the operators. To improve the ferry services, members made several suggestions, including introduction of fuel surcharge or fuel subsidy, purchase of vessels by the Administration and set up of a fund to stabilize outlying island ferry fares.

Road traffic management

Traffic distribution among road harbour crossings

20. In February 2014, the Administration briefed members on the outcome of the public consultation on the three toll adjustment proposals which were put forward by the Government in April 2013 to improve the traffic distribution among the road harbour crossings ("RHCs"). All three options involved different degrees of toll reduction at the Eastern Harbour Crossing ("EHC") and toll increases at the Cross Harbour Tunnel ("CHT") aiming to divert traffic from CHT to EHC.

21. The Panel noted at the February 2014 meeting that the Administration had decided to put in abeyance the implementation of the toll adjustment trial scheme, having full regard to the latest traffic situations at CHT and EHC and views of the public and concerns of the relevant districts. The Administration advised the Panel that the daily average traffic throughput of EHC had been increasing and that of CHT in 2013 recorded a drop while there was concern about the capacity of EHC and its nearby roads to absorb additional traffic.

22. Members in general supported the Administration's decision to shelve the toll adjustment trial scheme. Members also requested the Administration to implement short-term measures to ease traffic congestion at RHCs and the connecting roads by speeding up the toll transaction time, expanding the pick up/drop off areas at bus stops near the entrance of RHCs and developing a mobile application for drivers to receive traffic information. As long-term measures, some members

called on the Administration to buy-back the Western Harbour Crossing ("WHC") and to study the feasibility of constructing the fourth RHC to meet the traffic demand brought by the growth in population and tourists.

23. The Administration explained to the Panel that the commissioning of the Central-Wanchai Bypass ("CWB") in 2017 would provide a basis for the Government to consider toll adjustment at WHC to rationalize traffic distribution among RHCs as a means to solve the traffic congestion problem.

Use of smart phones by taxi drivers while driving

24. On 28 February 2014, the Panel was briefed by the Administration on the current measures taken to address concerns over the alleged simultaneous use of a number of smart phones by some taxi drivers while driving. The Panel noted that the current legislation only forbade a driver to hold a mobile telephone in his hand or between his head and shoulder while driving and that the operation of mobile phones with fingertips by wiping was not regulated at all. In view of the danger posed to passengers by taxi drivers who might be distracted while driving and paying attention to many mobile phones at the same time, members urged the Administration to consider tightening up the control over use of mobile phones by taxi drivers by enactment of legislation.

25. The Administration explained that despite the limitation of the current legislation, under section 37 of the Road Traffic Ordinance (Cap. 374) on "dangerous driving" or section 38 on "careless driving" a driver might commit an offence if his/her driving behaviour was adversely affected by the using of mobile phone while driving. If legislation was to be enacted, the Administration would need to first conduct a thorough study of the correlation between the use of mobile phones and the number of mobile phones placed inside vehicles against the occurrence of traffic accidents.

26. The Panel requested the Administration to at least limit the number of mobile phones placed inside the taxis to combat the discount gangs who solicited business by making use of taxi-hiring service mobile applications. The Panel also considered that the root of the problem was the absence of legislation governing fare bargaining by taxi passengers.

27. After discussion, the Panel passed the following motion on 28 February 2014 -

"That this Panel urges the Government to study the enactment of legislation to regulate the dangerous practice of using smart phones by taxi drivers while driving, and enactment of legislation against fare bargaining by taxi passengers."

Transport infrastructure

Cross Bay Link, Tseung Kwan O – detailed design and site investigation

28. The Panel was briefed on 28 February 2014 on the Administration's proposal to carry out detailed design and associated site investigation works for the Cross Bay Link, Tseung Kwan O ("CBL") at an estimated cost of \$68.7 million in money-of-the day ("MOD") prices. Subject to funding approval of the Finance Committee ("FC") in May 2014, it was planned to start the proposed detailed design and associated site investigation works in August 2014 for completion in end 2016. According to the Administration, the Tseung Kwan O - Lam Tin Tunnel ("TKO-LTT") together with CBL would provide an alternative external road to relieve the traffic burden of the existing Tseung Kwan O ("TKO") Tunnel connecting TKO with other areas, as well as to provide an alternative access to the southeast TKO.

29. Members expressed support for the proposal, and urged for expedition of the project which was long-overdue. The Panel also urged for closer monitoring of the project by the Administration to avoid having to request approval of further funds.

30. The Administration was urged to complete the works of CBL and its connection to the existing Po Shun Road first so as to provide an alternative access to the southeastern part of TKO to relieve the traffic congestion of Wan Po Road before the commissioning of TKO-LTT.

Central-Wan Chai Bypass and Island Eastern Corridor Link

31. On 15 November 2013, the Panel was briefed by the Administration on the proposal to increase the approved project estimate for 579TH (i.e. Central-Wan Chai Bypass and Island Eastern Corridor Link ("the Trunk Road")) by \$7,934.3 million from \$28,104.6 million to \$36,038.9 million in MOD prices to cover the additional costs mainly arising from the increase in cost for the tunnel construction works; and increase in provision for price adjustment.

32. The Panel noted that one of the major reasons for the additional

cost of the project was the higher-than-expected cost for the tunnel construction works arising from the deeper-than-expected bedrock levels, and raised concern on whether the same problem might arise in the future construction of the Trunk Road, leading to further cost increase.

33. The Administration advised the Panel that as substantial part of the tunnel construction works with high risks on cost variation had been completed and the revised project estimate had already taken into account the Government's latest assumptions on the trend rate of change in the prices of public sector building and construction output, there would not be further increase in the project estimate unless there was a significant change in the global economic environment in future.

34. The Panel also noted that the original project estimate had been prepared in 2009 when Hong Kong was suffering from economic recession after the global financial tsunami. Due to the rapid recovery of the local economy in subsequent years, there was notable increase in the prices of construction materials as well as labour cost.

35. As regards the concern expressed by the Panel on whether the Administration would consider importing workers to meet the target completion date of the project if there were indeed labour shortage and significant increase in labour cost in future, the Administration advised that the Government's policy was to ensure priority of employment for local workers. If contractors who had genuine need but encountered difficulties in recruiting suitable workers locally, they might consider making application for importation of workers under the Supplementary Labour Scheme to fill vacancies.

Road improvement works in West Kowloon Reclamation Development (Phase 1)

36. The Administration on 11 April 2014 briefed members on the funding proposal for upgrading 855TH "Road Improvement Works for West Kowloon Reclamation Development (Phase 1)" to Category A to improve the road network in the West Kowloon Reclamation Development ("WKRD") area at an estimated cost of \$813.1 million in MOD prices. Members supported the funding proposal in principle.

37. The Administration assured the Panel that the improved road scheme would be able to cope with the additional traffic generated by the developments in WKRD and adjacent areas until 2031. Besides, it was confirmed that the improved road network could help tackle the current

congestion problem at some road junctions in the area.

38. Some members also requested TD to consider how adjacent roads could help divert traffic from Austin Road and extending one of the existing flyovers to provide a direct route for vehicles from Jordon/WKRD to Tsim Sha Tsui without having to route through the existing roads.

Public lighting in Hong Kong

39. At the Panel meeting on 25 March 2014, the Administration briefed members on the public lighting system in Hong Kong. Members noted that the Highways Department ("HyD") was responsible for carrying out preventive maintenance to upkeep the lighting effect and prevent malfunctioning of the facilities. Night patrol was also arranged coupled with corrective maintenance for timely repair of damaged lighting installation. The Panel also noted that HyD had been exploring various means to reduce energy consumption of the public lighting system, such as trial use of Light Emitting Diode road lighting technology as well as regulating the lighting level to save energy.

40. The Panel expressed concern that the illumination at quite a number of public transport interchanges was insufficient, whereas parts of the street lights were too bright at residential areas, new development areas and harbour-front promenade. In this connection, the Panel requested the Administration to critically assess the the lighting level in different areas with a view to saving energy and avoiding imposing excessive illumination on nearby residents.

41. The Panel also raised concern that residents on Po Toi Island had to purchase their own diesel to generate electricity to power up the public facilities, including piers and street lights. The Panel therefore urged the Administration to consider developing renewable energy, such as solar energy, wind energy and tidal power, for the Island such that residents did not need to bear the electricity cost for public lighting.

42. In this connection, the Panel passed a motion urging the Administration to examine the implementation of a trial scheme on the use of renewable energy for public lighting, and to report to the Panel in due course.

Maintenance of road pavements in Hong Kong

43. On 26 May 2014, the Administration briefed members on the maintenance of road pavements in Hong Kong. The Panel noted that currently the total length of Hong Kong's road network was approximately 2 000 kilometres, with about three-quarters of the roads paved with bituminous material while the remaining roads paved with concrete. The Administration explained that concrete was suitable for use in roads under frequent stop and go or sharp maneuvering of heavy vehicles due to its inert property and high material strength. Bituminous material could bring enhanced comfort to passengers due to its elasticity and high flexibility.

44. The Panel also noted that to keep the road network in a safe and serviceable condition, HyD would conduct regular inspections and carry out maintenance works of various scales. "Safety Inspections" regularly conducted by HyD would aim to identify road defects that were posing an imminent danger to the public such that rectifications could be carried out as soon as possible. It was noted that the frequencies of "Safety Inspections" would mainly depend on road types: expressways carrying high-speed traffic and those with high traffic throughout were inspected daily; trunk roads were inspected weekly; other roads were inspected once every one to three months.

45. The Panel was of the view that the weekly inspection for trunk roads was far from sufficient and urged for more frequent inspections. Some members expressed that for a 3-lane road, two lanes would be very often closed for road works, resulting in heavy traffic congestion, and also queried why road works could not be carried out in midnight in particular in commercial districts so that congestion during the day could be avoided.

46. The Administration explained that for planning and implementation of road repair and maintenance, HyD would endeavour to carry out road reinstatement works promptly with minimum impact on traffic and that within such a dense road network in Hong Kong, any lane closure and the associated temporary traffic arrangement would inevitably cause disruption to traffic. It was noted that some road maintenance works were now carried out on public holidays or at nighttime to minimize disruption to daily traffic.

47. The Panel further noted that in view of the constraints arising from traffic and construction noise impact, HyD had carried out trials on the

use of thermal patcher to repair bituminous road pavement defects and the use of precast concrete panel to rectify concrete road pavement defects in a timely manner.

Pedestrian facilities

"Universal Accessibility" Programme

48. The Panel had been closely monitoring measures to improve the pedestrian environment. On 15 November 2013, the Administration briefed the Panel on the latest progress of the new policy on the Universal Accessibility ("UA") announced by the Government in 2012 and the Administration's proposal to seek approval from FC for an allocation of \$567.696 million in 2014-2015 for the block allocation Subhead 6101TX – "Universal Accessibility Programme" under Capital Works Reserve Fund Head 706 – "Highways".

49. Members in general expressed support for the funding proposal. In response to the Panel's enquiry about the criteria for selecting the 30 items under UA Programme which would commence in 2014-2015, the Administration explained that each District Council had been invited to select three proposals from the list of public suggestions under UA Programme for priority commencement.

50. The Panel considered that UA Programme would benefit much the public and urged the Administration to speed up the funding arrangements and works schedule. The Administration explained that they had to balance the need to avoid putting undue pressure on the overall manpower demand and the need to speed up the works schedule.

51. A member strongly requested the Administration to include in UA Programme the footbridge across the King's Road at Tong Shui Road of North Point. However, he noted that the footbridge was currently occupied by street sleepers. The Administration explained that such a case involved the management of footbridge and was not directly related to provision of barrier-free access ("BFA") facilities. Besides, the footbridge concerned was connected to a private building at one end and in view of the limited space and utility services underneath the public walkway outside the building, installation of a lift for the footbridge concerned was considered to be technically not feasible.

52. In this connection, the Panel enquired the number of footbridges which were currently owned by the Government where the party

responsible for the management could not be identified. The Administration explained that they did not have the information and advised the Panel that public walkways bearing serial numbers assigned by HyD would fall within the ambit of UA Programme. However, the Administration had been following up similar cases reported by the public.

53. The Panel also raised concern about the number of MTR stations without a lift and MTRCL's progress in providing BFA facilities at stations. The Administration advised that MTRCL had launched a programme namely the Listening • Responding Programme under which BFA facilities at MTR stations would be enhanced. The Panel noted that around 90% of MTR stations were barrier free and about 70% were installed with lifts at two entrances.

Other issues

Private Driving Instructors' licences

54. On 25 March 2014, the Administration briefed members on the outcome of the consultation with the driving instructor trade regarding the review on the issuing mechanism of the Private Driving Instructors' ("PDI") licences and the way forward. It was recalled that in July 2013, TD had put forth nine options on the issuing mechanism of PDI licences for discussion with the driving instructor trade. However, given that there was no consensus among the stakeholders of the trade after extensive consultations, the Administration decided to follow the current mechanism to issue new PDI licences and would invite applications in the third quarter of 2014.

55. Most members considered that the Government's policy on driver training was out-dated and hence should be reviewed. The Panel passed a motion as follows -

"That, given that there is no consensus in the driving instructor trade on the current mechanism for issuing new Private Driving Instructors' licences due to divergent views on the issue, this Panel urges the Government to adopt a phased approach and flexibly handle matters relating to the issuance of new licences for this year. At the same time, in order to better meet current social needs, it is incumbent for the Government to comprehensively review the existing driving training policy, including the grouping and the number of driving instructor licences, and conditions imposed on

Restricted Driving Instructors, etc."

Proposal to raise the mandatory requirement of using child restraint device in private cars

56. The Panel's view was sought at the meeting on 20 December 2013 in respect of the Administration's proposal to further enhance the safety of child passengers in private cars by raising the mandatory requirement for using child restraint device ("CRD"). Members noted that body height and age were proposed to be adopted as the criteria in mandating the use of CRDs in both the front and rear seats of private cars.

57. While supporting the Administration's legislative proposal, members raised concern on whether the same requirements should be imposed on school buses and nanny vans too and queried the urgency of implementing the proposed amendment.

58. The Administration explained that they had reviewed CRD requirements in private cars of 17 jurisdictions, all of them adopted a more stringent statutory requirement than that of Hong Kong. Although the casualty figures involving child passengers in private cars were relatively small, the Administration reckoned that there was room to further enhance the statutory requirement of CRDs in private cars for better protection of child passengers. As for the nanny vans, the Administration said that the provision of escort service and use of safer seats could better protect the child passengers.

59. Some members raised concern over the financial burden which would be imposed on private car owners if the standards of CRDs were set too high, resulting in high cost of CRDs. The Administration advised that they would specify the basic safety standards of CRDs in the legislation, and that with the introduction of the new safety requirements, there would be more models of CRDs available in the market and the prices of CRDs might be lowered.

60. The Panel also expressed concern over the application of the proposed legislative requirements on drivers who carried child passengers occasionally and during emergencies, and the penalty for violating the relevant requirements.

61. The Administration advised the Panel that they would not consider exempting drivers occasionally carrying child passengers from CRD requirements and that in case of emergencies but no CRD was available

in a private car, other modes of transport could be used. However, it was added that any prosecutions would take into account the individual circumstances. The Panel noted that under the current legislation, failure to comply with existing CRD requirements would be liable to a fine of \$2,000.

62. The Panel received a briefing by the Secretary for Transport and Housing on the transport policy initiatives featuring in the Chief Executive's 2014 Policy Address on 17 January 2014. At the meeting, the Panel passed the following motion -

"That this Panel urges the Government to expeditiously implement the construction of the Northern Link as well as provide a station in the Fanling North New Development Area."

63. The Panel was consulted on the proposed revision to fees and charges relating to road traffic. The Panel also considered the following funding proposals in respect of -

- (a) Proposed retention of three supernumerary posts; and extension of internal redeployment of one permanent post in the Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office of the HyD;
- (b) Vehicles and Drivers Licensing Integrated Data System IV Infrastructure Enhancement Project; and
- (c) Replacement of area traffic control system for Tai Po and North Districts.

Meetings held

64. During the period between October 2013 and end of June 2014, the Panel held a total of nine meetings. The Panel has scheduled another meeting for 18 July 2014.

Council Business Division 1
Legislative Council Secretariat
2 July 2014

Legislative Council

Panel on Transport

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to transport.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy area prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Legislative Council

Panel on Transport

Membership list for 2013 - 2014 session

Chairman	Hon CHAN Kam-lam, SBS, JP
Deputy Chairman	Hon Gary FAN Kwok-wai
Members	Hon LEE Cheuk-yan Hon James TO Kun-sun Hon WONG Kwok-hing, BBS, MH Hon Jeffrey LAM Kin-fung, GBS, JP Hon Ronny TONG Ka-wah, SC Hon CHAN Hak-kan, JP Hon Mrs Regina IP LAU Suk-yea, GBS, JP Hon Paul TSE Wai-chun, JP Hon LEUNG Kwok-hung Hon Albert CHAN Wai-yip Hon Michael TIEN Puk-sun, BBS, JP Hon Frankie YICK Chi-ming Hon WU Chi-wai, MH Hon CHAN Han-pan, JP Dr Hon KWOK Ka-ki Dr Hon Elizabeth QUAT, JP Hon POON Siu-ping, BBS, MH Hon TANG Ka-piu, JP Ir Dr Hon LO Wai-kwok, BBS, MH, JP Hon Christopher CHUNG Shu-kun, BBS, MH, JP Hon Tony TSE Wai-chuen, BBS

(Total: 23 members)

Clerk Ms Sophie LAU

Legal Adviser Miss Evelyn LEE

立法會***Legislative Council***

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Ref : CB1/PS/1/12

**Report of the Subcommittee on Matters Relating to Railways
for submission to the Panel on Transport**

Purpose

This report gives an account of the work of the Subcommittee on Matters Relating to Railways ("the Subcommittee") during the 2013-2014 legislative session.

The Subcommittee

2. The Panel on Transport ("the Panel") agreed at its meeting on 10 October 2013 that the Subcommittee should continue its work in the 2013-2014 session to facilitate more focused discussion on matters relating to railways. The terms of reference and membership list of the Subcommittee are at **Appendices I and II** respectively.

3. Under the chairmanship of Hon Michael TIEN Puk-sun, the Subcommittee has held eight meetings (up to late-June 2014) with the Administration and the MTR Corporation Limited ("MTRCL").

Major work

4. In the current session, the Subcommittee has followed up on various issues relating to the planning and implementation of new railway projects, as well as the operation of existing railways including the service performance and safety management; maintenance programme;

and train service disruptions and arrangements for emergency situations. The discussions of the Subcommittee with the Administration and MTRCL are summarized in the ensuing paragraphs.

A. Implementation of new railway projects

Hong Kong section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL")

5. The Subcommittee has been monitoring closely the implementation of HKS of XRL, which is an express rail of a total length of about 140 kilometres linking up Hong Kong with Guangzhou via Futian and Longhua in Shenzhen and Humen in Dongguan. HKS will be a 26-kilometre long underground rail corridor from the boundary at Huanggang to the West Kowloon Terminus ("WKT").

6. Following the Finance Committee's approval of the funding applications for implementation of the railway and non-railway works of HKS of XRL on 16 January 2010, the construction works commenced in end January 2010 for completion in 2015. The Administration has been providing half-yearly progress reports to the Subcommittee for information in respect of the construction progress and financial situation of XRL project.

7. At the meeting on 22 November 2013, the Subcommittee was briefed by the Administration and MTRCL about the 7th half-yearly report for the period ending 30 June 2013. Members expressed concern over the progress of the construction works of HKS of XRL, including the impact of labour shortage on works progress, testing of the signalling system, the tendering process and contract awarding system, and arrangement to co-locate immigration and customs facilities for both the Mainland and Hong Kong authorities at WKT of XRL. The Administration however advised that the construction works of HKS of XRL were expected to be completed in 2015 as scheduled. After that, it was estimated that it would take several months' time for MTRCL to conduct various tests and trial run for railway operation and seek approval from the relevant departments, such as the Electrical and Mechanical Services Department before commissioning of HKS of XRL.

8. In mid-April 2014, the Subcommittee had grave concern over the announcement by MTRCL that it would be impossible to complete the construction of HKS of XRL by the original target of 2015. The Subcommittee thus conducted a visit on 28 April 2014 to the construction site of WKT of HKS of XRL to better understand the latest progress of the works, and held two meetings on 5 May and 19 May 2014 to review the circumstances leading to the present situation.

9. At the above two meetings, the Subcommittee pressed questions on whether MTRCL and public officers had deliberately concealed the facts and provided false information to the Legislative Council, and enquired about the revised target completion date, any possible claims from contractors and increase in the approved project sum. MTRCL informed the Subcommittee that based on the latest assessment of the progress of the works, the completion date of the construction of HKS of XRL would be postponed to 2016, and with the time required for testing and trial runs to ensure safe operations, the opening of the line for service would be in 2017. MTRCL explained that the causes for the delay of XRL project included the inclement weather and difficult geological conditions. Besides, an Independent Board Committee was set up to review the managerial approach of XRL project comprehensively. The Administration also advised that an Independent Expert Panel ("IEP") would be set up to review the project management, monitoring mechanism and other matters relating to XRL project delay. IEP was expected to commence work in June 2014 for completion before the end of November 2014. The Subcommittee noted that IEP would submit the report to the Chief Executive and the report would be made public. IEP would identify any systemic and any other problems involved in XRL project implementation and supervision.

10. During the meetings, some members suggested that a select committee be formed to enquire into the causes of delay in the construction of HKS of XRL and that in the performance of its duties the committee be authorized under section 9(2) of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to exercise the powers conferred by section 9(1) of that Ordinance. It was also suggested that the select committee to be formed should look into how the supervision of new railway projects be effectively carried out in future and how to enhance the governance of MTRCL. At the meeting of 19 May 2014,

two motions were moved to these aims. They were however negatived.

West Island Line ("WIL"), South Island Line (East) ("SIL(E)") and Kwun Tong Line Extension ("KTE")

11. WIL is a three-kilometre long railway extension of the existing Island Line from Sheung Wan Station to Kennedy Town with two intermediate underground stations at Sai Ying Pun and the University of Hong Kong. Whereas, SIL(E) is a new railway corridor from South to North of Hong Kong Island. It starts from South Horizons on Ap Lei Chau to Admiralty via Lei Tung, Wong Chuk Hang and Ocean Park. The overall length is about seven kilometres. KTE is a 2.6-kilometre long railway extension of the existing MTR Kwun Tong Line from Yau Ma Tei Station to the new Ho Man Tin Station and Whampoa Station.

12. At the meeting on 17 June 2014, the Subcommittee noted that WIL, SIL(E) and KTE were experiencing different difficulties during the construction stage. As regards WIL, MTRCL still maintained the target of opening the entire WIL in December 2014. However, as a prudent measure, and in the event that the Sai Ying Pun Station could not be opened in time, MTRCL would put in place a back-up plan to open WIL in December 2014 with trains not stopping at Sai Ying Pun Station. Under this scenario, the opening of Sai Ying Pun Station would follow in the first quarter of 2015. An announcement would be made later in 2014 to confirm the exact WIL opening date and whether the back-up plan would be necessary.

13. Apart from WIL, the Subcommittee members were also briefed that the overall works of SIL(E) and KTE projects were not as far advanced as they should have been because construction programmes had been affected by the complexity of the construction methods required, tight space constraints in the highly-developed areas and the importance of maintaining safety for nearby communities and construction staff on site. According to MTRCL, both SIL(E) and KTE projects were about six months behind schedule as of June 2014, and that the original target of opening SIL(E) and KTE in 2015 could not be achieved. Another progress update would be provided at the end of 2014 when more certainty on the timeframes for the opening arrangements of the two new railway lines should be available.

14. Like XRL project, the Subcommittee members expressed grave concern about the delay of WIL, SIL(E) and KTE as well as the possible increase in project costs. Besides, members showed worries about supervision and management of those railway projects, and questioned how the Administration monitored MTRCL in the implementation of the new railway lines and whether MTRCL overestimated their capability in managing so many projects simultaneously. Furthermore, the Subcommittee urged the Administration as the majority shareholder of MTRCL to review the mechanism for railway project supervision and to closely monitor the progress of the construction of the railway lines, regardless of whether the "ownership" approach or the "concession" approach was adopted for the respective railway project. The Administration agreed to review the supervision mechanism for the future railway projects.

Construction safety in railway projects

15. In January 2014, the Administration briefed the Subcommittee on construction safety in railway projects. Members noted that the Administration attached great importance to construction safety and had requested MTRCL and their contractors to promptly investigate and follow up the serious incidents to prevent recurrence of similar incidents. MTRCL advised the Subcommittee the causes of a few fatal incidents and that safety enhancement measures such as launching of "Don't Walk by" Campaign and "Hands Off" Campaign were implemented after the incidents. Besides, MTRCL had been conducting trials of the electronic devices at the rear of some large machines to enhance workers' safety.

16. In response to members' concern over the insurance coverage of workers, MTRCL advised that all workers who worked in the construction sites of railway projects for eight days or more in the previous 30 days would be covered by the Workers' Life Insurance Scheme taken out by MTRCL since 2012, regardless of the cause of death, in addition to the statutory employees compensation.

MTRCL's community liaison work associated with the railway projects

17. On 3 January 2014, the Administration briefed members on MTRCL's community liaison work associated with the railway projects.

Members expressed various concerns including the attendance of representatives of MTRCL at individual District Council's relevant transport committee; commuters' degree of comfort during the ride on MTR trains; decision of not to provide a barrier-free access facility connecting Tai Pak Terrace under WIL project and the complicated compensation mechanism for owners of buildings affected by the construction works of the new railway lines to follow for possible claim.

18. The Subcommittee noted that MTRCL had tried to enhance train frequency to satisfy the demand of passengers, in particular during peak hours. They would further study various means to improve passengers' comfort level on train by enhancing train service, having regard to the limit of the current signalling system.

19. As regards the residents' concern about ventilation shaft of WIL and other lines, MTRCL explained that similar concern was raised in the development of other railway projects like SIL(E) and they had addressed the community's misconception about the air quality and noise impact arising from ventilation shaft by explaining to the residents the operation of ventilation shafts and conducting site visits to other ventilation shafts of existing railway lines.

B. Operation of existing railways

Railway safety

Retrofitting of automatic platform gates ("APGs") along the East Rail Line ("ERL") and Ma On Shan Line ("MOSL")

20. The Administration and MTRCL briefed members on the latest progress of the retrofitting of APGs along ERL and MOSL and relevant financial arrangements on 22 November 2013. The Subcommittee noted that to carry out retrofitting of APGs along ERL platform, strengthening works had already taken place at the Racecourse Station during the summer break of horse racing in 2013. It was estimated that the retrofitting of APGs along all ERL stations would be completed by 2020. In addition, MTRCL also briefed members that modification works on MOSL had commenced in 2012 and were in good progress. It was expected that the works would be completed in 2017 to tie in with the

commencement of the Shatin to Central Link ("SCL") (Tai Wai to Hung Hom Section) in 2018.

21. Also, members noted that MTRCL would absorb the construction costs of retrofitting APGs along ERL through internal resources allocation. Among which the costs of stations and platforms strengthening would be approximately \$800 million, whereas the cost of retrofitting APGs on MOSL was approximately \$400 million. Half of which would be borne by the overall works of SCL, while the other half would be borne by MTRCL. According to MTRCL, passengers did not have to pay extra costs for the above retrofitting works.

22. Members at the meeting urged MTRCL to expedite retrofitting of APGs along ERL and MOSL and implement measures to enhance platform safety before the completion of APG retrofitting works of ERL in 2020. On 10 January 2014, the Subcommittee conducted a site visit to MTR Shatin Freight Yard and Racecourse Station to understand the works progress of retrofitting of APGs at ERL stations and expressed appreciation of the noise abatement measures undertaken by MTRCL in the project.

Rail inspection regime of MTRCL

23. The Subcommittee received a briefing by MTRCL on 3 January 2014 on its rail inspection. It was noted that regular inspections including ultrasonic rail testing, visual inspection and dye penetrant testing were conducted as part of the routine maintenance regime. To enhance the work efficiency of inspection and maintenance of rails in the MTR network, MTRCL commissioned an advanced Ultrasonic Testing Vehicle ("UTV") for service in January 2013. The advanced UTV provided higher sensitivity, enhanced signal analysis functions and faster testing speed to increase the effectiveness and efficiency of the ultrasonic testing of rails.

24. The Subcommittee expressed concern about whether the introduction of the advanced UTV would streamline the manpower arrangement for visual inspections and hand-held ultrasonic testing. Some members were also concerned about the criteria adopted by MTRCL in determining the use of outsourced services, and that

outsourcing of the maintenance services might have adversely affected the quality of its maintenance.

Railway incidents

25. At the meetings on 20 December 2013 and 28 February 2014, the Administration and MTRCL briefed the Subcommittee on the service suspension on the Tseung Kwan O Line and part of the Kwun Tong Line for nearly five hours on 16 December 2013. According to MTRCL, it was found that a broken fastening wire in an overhead line support bracket near Tiu Keng Leng Station caused the train service suspension. MTRCL informed members that the breakage was due to improper installation of the overhead line support bracket during construction.

26. On 28 February 2014, MTRCL also reported to the Subcommittee that ERL incidents on 9 February and 18 February 2014 as well as the Light Rail incidents on 17 December 2013 and 22 January 2014 had been caused by faulty overhead line insulators. MTRCL's investigations into the incidents concluded that there were quality issues with the insulators that caused the above service disruptions on ERL and the Light Rail. MTRCL had since replaced all insulators that arrived in the same batch as the faulty one causing the Light Rail incident on 22 January 2014. Members also noted that MTRCL would take other remedial measures, such as follow up with the manufacturer on the quality issue of the insulators in question, to ensure that the insulators for all railway lines were of quality.

27. During the discussions at the meetings on 20 December 2013 and 28 February 2014, the Subcommittee discussed MTRCL's incident handling and members were gravely concerned about the contingency measures taken during the incident. In particular, members expressed dissatisfaction with the confusion in the dissemination of information to passengers, say the train service available and emergency bus arrangements. At the meeting on 20 December 2013, members passed two motions urging MTRCL to review or cease the outsourcing arrangements so as to improve the maintenance quality and avoid recurrence of the similar incident. Besides, in view of the frequency of service disruptions, members passed a motion, urging the Administration to consider expanding the scope of penalty imposed on MTRCL by

including deductions of the remunerations and bonuses of its directors, as well as setting out the timetable for implementation of the said deductions.

Capacity and loading of MTR trains

28. At the meeting on 28 February 2014, the Subcommittee requested the Administration and MTRCL to brief members on the capacity and loading of MTR trains. The Subcommittee in general found the current loading of most railway lines unacceptable, in particular for the Tseung Kwan O Line, ERL, West Rail Line and Tsuen Wan Line, during peak hours of the day.

29. The Subcommittee urged MTRCL to set a time frame and implement measures, say the early-bird scheme, as soon as practicable to enhance carrying capacity in view of the very crowded train compartments during rush hours. Some members expressed reservation about the removal of some seats in train compartments to increase carrying capacity as it would adversely affect the comfort and the travelling experience for passengers. In addition, realizing the problem of crowdedness in train compartments, the Subcommittee urged the Administration to review the existing transport policy of using railways as the backbone of the public transport system in Hong Kong, complemented by other public transport modes.

30. According to MTRCL, all train compartments of the existing MTR railway lines were designed based on the industry standard design adopted at the time of the construction of railway lines, and the maximum carrying capacity of train compartments was calculated based on the standard of accommodating up to six persons (standing) per square metre ("ppsm") on average. In today's railway operation, however, the actual carrying capacity was less than the original design capacity due to several factors, such as the change in passenger riding habits. For instance, there is an increasing number of passengers reading newspapers or using smart phones and thus requiring more personal space on the trains. MTRCL assured members that the service level of the four new railway lines, namely WIL, SIL(E), KTE and SCL, was pitched at four ppsm service benchmark during design stage.

31. MTRCL announced in May 2014 that the "Early Bird Discount Promotion" Trial Programme would be launched during the period from 1 September 2014 to 31 May 2015.

C. Planning of new railway projects

Public consultation on the review and update of the Railway Development Strategy ("RDS") 2000

32. The Administration commissioned a consultant in March 2011 to conduct a study for the review and update of RDS 2000, with a view to updating the long-term railway development blueprint for Hong Kong's future. The Administration's target was to update RDS to meet the transport needs up to year 2031. The Administration conducted the Stage 1 Public Engagement Exercise from April to July 2012 which featured conceptual schemes of *three major regional railway corridors*, namely the Hong Kong-Shenzhen Western Express Line, Northern Link and Coastal Railway between Tuen Mun and Tsuen Wan, for public discussion. Also, the Administration conducted the Stage 2 Public Engagement Exercise from 21 February to 20 May 2013 with a view to gathering public opinion on the *seven local enhancement schemes* for existing railway lines. The seven schemes included the North Island Line, Siu Sai Wan Line, South Island Line (West), Tuen Mun South Extension, Hung Shui Kiu Station, Tung Chung West Extension and Kwu Tung Station.

33. In March 2013, the Administration advised the Subcommittee that upon completion of the Stage 2 Public Engagement Exercise in May 2013, the consultant would collate the views of public collected at both Stage 1 and Stage 2 of the exercise and that the entire RDS study would be completed in 2013. The Administration would then consider the consultant's final recommendations in the light of the progress of new development areas and explore the way forward for different railway projects, with a view to reporting the outcome of RDS study to the public in 2014.

34. The Subcommittee earlier requested to receive briefing on the new railway blueprint in the first half of 2014 and the Administration agreed to do so in May 2014. However, the Subcommittee was advised

by the Administration that they would need more time to prepare the plan and would report to the Subcommittee in the latter half of 2014.

Recommendation

35. The Panel is invited to note the work of the Subcommittee.

Council Business Division 1
Legislative Council Secretariat
25 June 2014

Panel on Transport

Subcommittee on matters relating to railways

Terms of Reference

To follow up various issues relating to the planning and implementation of new railway projects, and the operation of existing railways as follows:

Planning and implementation of new railway projects

- (a) planning and financing of new railway projects;
- (b) environmental impact assessment of new railway projects;
- (c) resumption of land arising from the implementation of new railway projects under the Railways Ordinance (Cap. 519);
- (d) progress update on the implementation of new railway projects;
- (e) provision of supporting public infrastructure for new railway projects; and
- (f) co-ordination of public transport services arising from the commissioning of new railway lines.

Railway operation

- (a) performance of existing railway lines including train service performance and safety management;
- (b) maintenance programme; and
- (c) train service disruptions and breakdowns, and arrangements for handling emergency situations.

Matters relating to corporate governance of the post-merger corporation and fares, including review of the fare adjustment mechanism, should be dealt with by the Panel on Transport.

**Legislative Council
Panel on Transport**

Subcommittee on Matters Relating to Railways

Membership list for 2013-2014 session

Chairman	Hon Michael TIEN Puk-sun, BBS, JP
Deputy Chairman	Hon CHAN Han-pan
Members	Hon LEE Cheuk-yan Hon James TO Kun-sun Hon CHAN Kam-lam, SBS, JP Hon WONG Kwok-hing, BBS, MH Hon Ronny TONG Ka-wah, SC Hon Mrs Regina IP LAU Suk-yeet, GBS, JP Hon Paul TSE Wai-chun, JP Hon LEUNG Kwok-hung Hon Frankie YICK Chi-ming Hon WU Chi-wai, MH Hon Gary FAN Kwok-wai Dr Hon Elizabeth QUAT, JP Hon TANG Ka-piu Ir Dr Hon LO Wai-kwok, BBS, MH, JP Hon Christopher CHUNG Shu-kun, BBS, MH, JP Hon Tony TSE Wai-chuen

(Total: 18 members)

Clerk	Ms Sophie LAU
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Legal Adviser	Miss Evelyn LEE
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