立法會 Legislative Council

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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 2015-2016 legislative session. It will be tabled at the Council meeting on 13 July 2016 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 ("LegCo") 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 27 members, with Hon Michael TIEN Puksun and Hon TANG Ka-piu 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. Railway plays 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 operation 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.

During the period from October 2015 to mid-June 2016, the Subcommittee on Matters Relating to Railways held a total of five meetings. The work of the Subcommittee between October 2015 and mid-June 2016 is summarized in its report at **Appendix III**.

Public transport services

MTR fare adjustment for 2016

- 5. The MTR Corporation Limited ("MTRCL") is the sole provider of railway service to more than five million passenger trips per day in Hong Kong. MTRCL fares are reviewed once every calendar year under the agreed Fare Adjustment Mechanism ("FAM"). The overall fare adjustment rate is calculated by a set formula based on the year-on-year percentage changes in the Composite Consumer Price Index and Nominal Wage Index (Transportation Section) for the month of December of the preceding year as published by the Census and Statistics Department, with each factor accounting for 50%. The formula also includes a predetermined Productivity Factor, which has been adjusted from the original 0.1% to 0.6% after the FAM review in 2013, lowering the adjustment rate by 0.5 percentage points.
- 6. On 29 April 2016, MTRCL announced that the overall MTR fare adjustment rate for 2016 was +2.65% under the FAM as revised in 2013. Given that FAM would be reviewed once every five years according to the Operating Agreement signed between the Government and MTRCL in 2007, LegCo Members and members of the public have been urging the Administration and MTRCL to advance the next FAM review because they considered that the current FAM only brought about increase in MTR fares every year.
- 7. The Panel noted the announcement of the Board of MTRCL on 20 April 2016 that it had agreed to the Government's request for advancing the next scheduled FAM review by one year. In response, the Government said that it would commence discussion with MTRCL shortly with a view to allowing the new FAM to take effect in 2017. On 20 May 2016, the Government announced the launch of a three-month public consultation on the review of the FAM of MTRCL. The deadline of the consultation period would be 19 August 2016. Some members considered the period of public consultation on the review of the FAM of MTRCL too short and requested the Administration to extend the period to allow sufficient time for LegCo Members and members of the public to express their views.

- 8. At the 23 May 2016 meeting, the Panel called on MTRCL to offer more fare concessions to passengers. Some members urged the Administration and MTRCL to offer greater discount to frequent commuters and to increase the size of the profit sharing scheme. While some members urged MTRCL to freeze the MTR fare in 2016, some members suggested the Government to consider returning the dividends paid by MTRCL to freeze or to mitigate the increase in the MTR fares. Other members considered that the Government as the majority shareholder of MTRCL should have safeguarded the public interests by getting the biggest concession in the fare from MTRCL. Some members pointed out that MTRCL should not increase the fares at all due to its profitable operations and considerable return from relevant property development projects.
- 9. A few members proposed that the Administration should buy back the shares of MTRCL, so that the Administration would be free from any constraints in considering fare adjustment. Some members proposed that a fare stabilization fund should be set up to moderate the rate of MTR fare increases.

Franchise for the bus network of the Kowloon Motor Bus Co. (1933) Limited ("KMB")

- 10. At the Panel meeting on 15 January 2016, members noted that franchised buses are the largest road-based carriers and account for 31% of the total daily public transport volume in 2015. It was noted that bus services in Kowloon and the New Territories were largely provided by KMB. As at end September 2015, KMB was operating 374 bus routes using 3 874 buses. The average daily patronage of KMB decreased from about 2 762 000 passenger trips in 2007 to about 2 632 000 passenger trips in the first three quarters of 2015, representing a drop of about 5%. In tandem with the patronage drop, its fleet size decreased by about 4%, from 4 027 buses to 3 874 buses during the same period.
- 11. Members also noted that the current franchise of KMB commenced on 1 August 2007 and would expire on 1 July 2017. According to the Administration, KMB had indicated an interest to apply for a new 10-year franchise upon the expiry of the existing one. The Panel further noted that the Administration had invited views from the public on the requirements of the new franchise for the bus network of KMB between 26 January and 18 April 2016.

- 12. In this connection, the Panel suggested that KMB should offer more fare concessions under the new franchise. Some members opined that the Administration should coordinate the efforts of different public transport operators to provide inter-company fare concessions. Also, they passed a motion urging the Administration to review and relax the criteria for approving fare concessions provided by franchised bus companies so that franchised buses and railway could compete on equal footing.
- 13. Further, members expressed concern about whether the Administration would specify in the new franchise the definition of fare revenue and non-fare box revenue. They also urged the Administration to review whether non-fare box revenue relating to the provision of franchised bus services, especially advertising income relating to RoadShow Holdings Limited, would be included in franchise accounts to safeguard the interests of passengers.
- 14. Apart from the above, members also expressed concern about enhancing the standard of KMB service, including improvement in lost trips, introduction of new routes and rationalization of bus routes, as well as provision of real-time bus service information to passengers. Also, they expressed that the Administration and KMB should implement appropriate measures, such as the rest time arrangement for bus captains, to ensure driving safety of franchised buses and KMB's compliance with the Transport Department ("TD")'s relevant guidelines. As regards the emission of KMB's fleet, members suggested expediting the bus replacement programme to further improve roadside air quality.

Public Transport Strategy Study ("PTSS")

- 15. In the 2014-2015 legislative session, the Panel was briefed on the work plan for PTSS, which would comprise two parts, namely the Role and Positioning Review ("RPR") and Topical Study. RPR would examine the roles and positioning of public transport services other than heavy rail, whereas the Topical Study would focus on eight topical issues that were of greater concern to the public transport trades or had been given priority as they were time-sensitive. The Administration had reported to the Panel on individual topical issues starting from the first quarter of 2015, and planned to complete the study on all topics in two years.
- 16. During the period between October 2015 and mid-June 2016, the Administration reported to the Panel on the review on the statutory cap on the number of public light buses ("PLBs"); review of taxi service; mid-

term review for ferry services of the current licence; and accessible public transport services for people with disabilities ("PwDs") under PTSS.

Review on the statutory cap on the number of PLBs

- 17. At the Panel meeting on 6 November 2015, members noted that Section 23(1) of the Road Traffic Ordinance (Cap. 374) provided that the Chief Executive in Council might, by publication of notice in the Gazette, limit the number of a class of vehicle which might at any time be registered. Members also noted that the number of PLBs had been capped at 4 350 since 1976 by way of the Public Light Buses (Limitation on Number) Notice. Having regard to the fact that the Notice would expire in 2016, the Administration recommended extending it by another five year and maintaining the existing cap on the number of PLBs at 4 350 so that the PLB trade can continue to provide stable service to the public. Besides, the Administration would examine the issue of increasing the seating capacity of PLBs in parallel.
- 18. Some members expressed concern that placing a cap of 4 350 on the total number of PLBs might hamper the efforts to improve PLB service, such as introduction of new routes and increase in PLB service frequency. They also opined that increasing the number of PLBs could help meet the demand for PLB service, in particular during peak hours. The Administration however recommended keeping the existing cap on the number of PLBs at 4 350 as the average occupancy rate of GMBs had remained at around 50%. The Administration considered that under the current operating environment, increasing the number of PLBs might intensify competition and adversely affect the operation of the trade.
- 19. On the other hand, members in general expressed support for the proposal of increasing the seating capacity of PLBs as it would enhance the overall public transport capacity without having to increase the number of PLBs on the road. Some members suggested that the Administration should first increase the number of seats of green minibuses before doing the same for red minibuses because the operation of the latter was more flexible. They also opined that the Administration should adopt an open attitude in the review and be willing to hear different views, in particular the views from the PLB trade, on whether to increase the seating capacity of PLBs as soon as practicable.

Review of taxi service

- 20. The Panel noted at its meeting on 6 November 2015 that currently the 18 138 taxi licences were owned by as many as some 9 000 licence holders and that there were over 40 000 taxi drivers, with the majority of them being self-employed rentee-drivers or owner-drivers. According to the Administration, there had recently been discontent expressed in the community about the quality of taxi service, such as refusal to hire, vehicles being too old and poor attitude of taxi drivers. Due to the fact that licence ownership and management of taxis were highly decentralized and drivers' income was not necessarily related to service quality, the effectiveness of various efforts to enhance the overall service standards had not been entirely satisfactory.
- 21. At the above Panel meeting, the Administration briefed members on its proposal for improving taxi service. As short-term measures, TD was assisting the taxi trade to explore how taxi service could be enhanced within the present legal and regulatory framework, including the provision of higher quality service, using the hire-as-a-whole model. In addition, it was noted that the taxi trade was developing a taxi-hailing mobile application that could be used by all taxis in Hong Kong.
- 22. For medium- and long-term measures, the Panel noted from the Administration that it had accorded priority to examining and reviewing the roles and positioning of taxi service under RPR of PTSS with a key area of study on the feasibility to introduce premium taxis. Further, the Administration would study the way to improve the assessment criteria for issuing hire car permit ("Permit") without affecting hire car's current position in the transport hierarchy and the current regulatory regime so as to meet the demand and expectation of the public.
- 23. Some members welcomed the introduction of premium taxis and the proposed franchise model as they considered that the non-transferrable franchise would not encourage speculative activities. However, some members were of a different view. They pointed out that some taxi groups had formed their own fleets to operate taxi service, and had set the standards in respect of service level, drivers' work attitude, reward and punishment system as well as vehicle quality for fleet members to follow. They urged that the Administration, before deciding whether or not to introduce premium taxi service, might consider first keeping the situation in view for a period of time to ascertain if such an operation model could address the public's call for improvement in the quality of taxi service.

24. Besides, some members agreed that the Administration should issue some Permits to provide transport service of higher quality and suggested that hire cars should only accept pre-booking and the fares should not be regulated. They also considered that to avoid direct competition with taxi service, there should be some requirements as to the provision of hire car service, for instance, the hire car service should be operated in vehicle fleet and a minimum charge should be set. Further, some members expressed that the current vetting and approval criteria for application for a Permit were overly stringent and urged the Administration to make reference to overseas experience on issuing Permits.

Mid-term review for ferry services of the current licence

- 25. At the Panel meeting on 15 April 2016, members were briefed on the outcome of the mid-term review on the Administration's provision of Special Helping Measures ("SHM") to the ferry routes² for the current licence period from mid-2014 to mid-2017. It was noted that in the next licence period (2017 to 2020), the Administration would study whether SHM should continue to be applicable to those six ferry routes. Besides, the Administration would look into whether the current duration of each licence period of three years was too short, and whether that would hinder ferry operators' capability to make longer term planning. Members also noted that apart from the six major outlying island ferry routes, there were eight other outlying island ferry routes³. The Administration would consider expanding SHM to those eight routes by conducting a study.
- 26. Members noted that during the first 18 operating months of the current licence period, the New World First Ferry Services Limited and Hong Kong and Kowloon Ferry Holdings Limited achieved profit margins that are, respectively, 4.4 percentage points and 17.9 percentage points higher than their original projected profit margins. In the light of this and considering that the two operators were subsidized under the SHM, and that there had also been a fare increase (of about 5% to 6%) at

Routes operated by the New World First Ferry Services Limited: (1) "Central – Cheung Chau"; (2) "Inter-islands" between Peng Chau, Mui Wo, Chi Ma Wan and Cheung Chau; and (3) "Central – Mui Wo". Routes operated by the Hong Kong & Kowloon Ferry Holdings Limited's three subsidiaries: (4) "Central – Peng Chau"; (5) "Central – Yung Shue Wan"; and (6) "Central – Sok Kwu Wan".

The eight other outlying island ferry routes include: (1) "Aberdeen – Cheung Chau"; (2) "Aberdeen – Yung Shue Wan via Pak Kok Tsuen"; (3) "Aberdeen – Sok Kwu Wan via Mo Tat"; (4) "Tuen Mun – Tung Chung – Sha Lo Wan – Tai O"; (5) "Discovery Bay – Central"; (6) "Discovery Bay – Mui Wo"; (7) "Ma Wan – Central"; and (8) "Ma Wan – Tsuen Wan".

the beginning of the licence period, the Administration saw the need for the operators to share their windfall profit with passengers. The Panel noted that after negotiations between the Administration and the two ferry operators, the latter agreed to share the profit with passengers through a one-off and time-limited fare concession on a 50:50 basis.

- 27. At the Panel meeting, members generally expressed concern about fare matters and financial performance of the ferry operators. They questioned whether there had been an increase in the annual patronage of the six outlying island ferry routes since 2011. Also, in view of oil price changes in recent years, some members expressed concern about the amount of savings brought to ferry operators of the above routes as a result of the fall in oil price.
- 28. Besides, some members expressed concern that normal travelling of residents of outlying islands was affected by other passengers including tourists on public holidays and weekends. They therefore urged the Administration to request the ferry operators to set up designated access for residents of outlying islands at ferry piers, in particular residents of Cheung Chau whom were most affected. They also proposed to increase the frequency of outlying island ferry service on days with higher patronage, such as public holidays and days of fine weather or special events.

Accessible public transport services for PwDs

- 29. Members were briefed in April 2016 on the current provision of barrier-free facilities in public transport as well as further enhancement measures being examined under PTSS. The Panel noted that different public transport modes had put in place suitable barrier-free facilities inside their compartments and at stations/platforms/piers based on the actual situation. Examples included MTR's wide gates and lifts connecting to the street level; and franchised buses' wheelchair parking space, closing door buzzer and indicator lights.
- 30. Members noted that TD had been encouraging the PLB trade to install an additional half-step at middle door and handrails to facilitate easy boarding by passengers with minor mobility difficulties and elderly passengers. They urged the Administration to expedite the installation of such facilities on PLBs or switching to low-floor PLBs to facilitate wheelchair users. Members also noted that the Administration would pursue whether there were low-floor wheelchair-accessible PLB models suitable for use in Hong Kong.

31. Besides, the Panel also noted that currently there were only about 80 taxis which were directly wheelchair accessible in Hong Kong. Some members expressed that the fare and booking fee for wheelchair accessible taxis were relatively expensive. They therefore urged the Administration to formulate measures to assist the taxi trade in introducing more wheelchair accessible taxis and to consider providing travel subsidies to PwDs.

Road traffic management

32. At the Panel meeting in December 2015, the Administration briefed members on the proposed increase in fixed penalty for congestion-related traffic offences and implementation of an Electronic Road Pricing ("ERP") Pilot Scheme in Central and its adjacent areas ("ERP Pilot Scheme") to address the problem of traffic congestion. These were two of the measures recommended by the Transport Advisory Committee ("TAC") in its Report on Study of Road Traffic Congestion in Hong Kong. The Administration considered that in principle these two measures were effective means to tackle road traffic congestion. The Panel further held a special meeting on 5 January 2016 to invite members of the public to express views on the proposed measures.

Increase in fixed penalty for congestion-related traffic offences

- 33. The Administration explained to the Panel that the level of the fixed penalty against congestion-related traffic offences had remained the same since the last increase in 1994 while the Composite Consumer Price Index had substantially increased by about 50% from 1994 to the end of September 2015. The Administration proposed to increase the fixed penalty charges by 50% to restore their deterrent effect.
- 34. Quite a number of members considered that shortage of parking spaces was the major reason leading to illegal parking. Due to lack of parking facilities, some drivers had to park their vehicles, in particular commercial vehicles, by the roadside. They therefore suggested that the Administration should take actions to increase the provision of parking spaces.
- 35. Some members also expressed concern about road traffic congestion caused by drivers who parked illegally to pick up/set down their bosses in certain busy areas, in particular Central. They suggested strengthening enforcement actions against congestion-related traffic offences by deploying more police officers or traffic wardens to discharge

duties in the most affected areas.

36. At the Panel meeting on 16 December 2015, members passed the following motion –

"That this Panel opposes the Government raising the level of parking fines when the mismatch of parking spaces remains unsolved and law enforcement is lacking in strength."

ERP Pilot Scheme

- 37. Members were briefed that in view of the particularly congested traffic situation of the central business district in Central and its adjacent areas, the Administration proposed to implement an ERP pilot scheme in the areas to alleviate road traffic congestion as recommended by TAC. Members also noted that the Administration planned to conduct a three-month public engagement exercise between 11 December 2015 and 18 March 2016 to collect public views on the ERP Pilot Scheme. After collating the public views, the Administration planned to commission an in-depth feasibility study to develop more detailed options for discussion at the next stage.
- 38. Some members indicated their support to the ERP Pilot Scheme. They considered that since the average travelling speed in urban areas had decreased by about 30% in the past decade, implementing ERP would solve the traffic congestion problem during peak hours in busy districts. Notwithstanding this, some members considered that the Administration should first assess the traffic situation after the commissioning of the Central-Wan Chai Bypass and other new railway lines before considering the implementation of ERP. They were worried that the implementation of ERP in Central might cause traffic congestion in the neighbouring districts like Western District and Wan Chai of Hong Kong Island.
- 39. Further, quite a number of members considered that if ERP was to be implemented, commercial vehicles and public transport should be exempted from the ERP charges. Besides, they also expressed concern over the impact of ERP on residents living in Central. They therefore requested that residents living within the charging area should be exempted as they should not be penalized for using private cars travelling to and from their homes.

Transport infrastructure

Tseung Kwan O – Lam Tin Tunnel – construction

- 40. The Panel was consulted in March 2016 on the Administration's proposal for upgrading part of 823TH, entitled "Tseung Kwan O Lam Tin Tunnel ("TKO-LTT") main tunnel and associated works", to Category A at an estimated cost of \$15,093.5 million in money-of-the-day price. Members noted that at present the Tseung Kwan O ("TKO") Tunnel, being the main connection between TKO and East Kowloon, was congested during peak hours. According to the Administration, the TKO Tunnel would not be able to cope with the future traffic demand arising from the further developments in TKO and Kwun Tong district.
- 41. Members noted that subject to the support of the Panel and the Public Works Subcommittee ("PWSC"), and the funding approval of the Finance Committee in this legislative year, the Administration planned to commence construction in phases from July 2016 for completion in mid-2021. Some members expressed that the Administration had taken too long to implement the TKO-LTT project and therefore, urged the Administration to speed up its implementation.
- 42. Further, members noted that the design of TKO-LTT did not include a toll plaza and therefore, they expressed concern about the toll charges and collection method. The Administration informed members that it would consider various means to collect tolls, including electronic toll system. In addition, the toll levels and toll collection method for TKO-LTT would only be finalized near the time of completion of the tunnel, which was expected to be in 2021.
- 43. The Panel expressed support to submit the Administration's funding proposal to PWSC for consideration. The funding proposal on TKO-LTT was endorsed at the PWSC meeting on 21 May 2016 and approved at the Finance Committee meeting on 17 June 2016.

Takeover arrangements of the Eastern Harbour Crossing ("EHC")

44. At the meeting on 6 November 2015, the Panel was consulted by the Administration on the takeover arrangements of EHC upon expiry of the Build-Operate-Transfer franchise on 7 August 2016. Members noted that the Administration's takeover of EHC would be a technical exercise involving a change of tunnel ownership as well as the legal backing and management mode for its operation. There would be no change to the

actual tunnel operation.

- 45. Some members suggested that the Administration should lower the tolls of EHC as soon as possible upon the takeover of EHC on 7 August 2016 because it would not only improve traffic management but also people's livelihood. Nevertheless, some members had doubts over the effectiveness of reducing the tolls of EHC to divert traffic from the Cross Harbour Tunnel to EHC. It was because due to the remote location of EHC, drivers would unlikely travel a longer journey to enjoy the lower tolls. Besides, they also considered that the Administration should provide subsidies to franchised buses and PLBs for using EHC by reducing the respective tolls because such a measure would not induce additional traffic from them.
- 46. At the above Panel meeting, members passed a motion, requesting the Administration to lower the toll fees of EHC as soon as possible upon the takeover of the ownership of EHC on 7 August 2016; and at the same time, set up a fund with the surplus gained from EHC and the Cross Harbour Tunnel for buying back the Western Harbour Crossing or introducing concessionary measures to attract more users of the Western Harbour Crossing, thereby resolving the problem of uneven distribution of traffic volume among the three road harbour crossings.

"Universal Accessibility" ("UA") Programme

- 47. The Panel had been closely monitoring measures to improve the pedestrian environment. On 6 November 2015, members were briefed by the Administration on the proposal to seek approval from the Finance Committee for an allocation of \$770.9 million in 2016-2017 for the block allocation Subhead 6101TX "Universal Accessibility Programme" under Capital Works Reserve Fund Head 706 "Highways".
- 48. Members in general expressed support for the funding proposal and urged the Administration to speed up the works schedule. Some members were satisfied with the progress, while some members expressed dissatisfaction that some of the items took about five years to complete.
- 49. Quite a number of members expressed concern about those proposals which fell outside the ambit of UA Programme. They urged the Administration to monitor more closely the status of those proposals. The Panel noted that it was the Administration's policy to encourage different organizations to provide barrier-free access ("BFA") facilities

under their purview, and the Administration would endeavour to follow up with the relevant organizations, including the Link Real Estate Investment Trust, the proposals outside the ambit of the UA Programme. Some members suggested establishing an arbitration mechanism under the Equal Opportunities Commission to judge whether BFA facilitates at certain public walkways should be installed or not.

50. The Panel also raised concern over the number of footbridges which were apparently owned by the Government but the management party could not be identified, and suggested setting up a task force to address the problem as soon as practicable.

Provision of Hillside Escalator Links and Elevator Systems, footbridges and elevated walkways

- 51. The Panel was consulted in March 2016 by the Administration on its funding proposals of the construction of the following projects which targeted to enhance the accessibility of hillsides and urban area. They included
 - (a) Lift and Pedestrian Walkway System at Cheung Hang Estate, Tsing Yi;
 - (b) Lift and Pedestrian Walkway System between Kwai Shing Circuit and Hing Shing Road, Kwai Chung;
 - (c) Lift and Pedestrian Walkway System at Waterloo Hill;
 - (d) Footbridge connecting Tsuen Wan Plaza, Skyline Plaza and Adjacent Landscaping Area; and
 - (e) Elevated Walkway between Tong Ming Street and Tong Tak Street, TKO.
- 52. Some members expressed grave disappointment over the slow progress of implementing the hillside escalator link and elevator system projects by the Administration. They pointed out that out of the 18 ranked hillside escalator link and elevator system proposals which had been received by the Administration in 2009, only two systems had been completed and opened for public use. They urged the Administration to speed up the implementation of the proposed projects to meet the needs of the local residents.

- 53. Besides, some members suggested that the Administration should review the scoring criteria for assessing hillside escalator link and elevator system proposals. Consideration should be given to adding a new criterion of the average level difference travelled by the elderly residents of 65 years old or above each day within the catchment of the proposed works.
- 54. The Panel passed a motion at the meeting on 15 April 2016 as follows –

"That this Panel requests the Administration to set up a \$5 billion Hillside Elevator and Escalator Fund, and requests the Administration to take measures to expedite the works concerned."

Cross boundary traffic arrangements

Local public transport arrangements at the Hong Kong Boundary Crossing Facilities ("HKBCF") of Hong Kong-Zhuhai-Macao Bridge ("HZMB")

- 55. At the Panel meeting on 29 February 2016, members were briefed on the local public transport arrangements at HKBCF upon the opening of HZMB in future. They also noted that the Administration planned to accept applications for new franchised bus and green minibus routes in late 2016 so that the operators selected would have sufficient time to prepare for timely introduction of the new routes. The fares of the new services would continue to be determined in accordance with the existing mechanism. The Panel noted that TD would encourage the operators to offer fare concessions (including interchange concessions) wherever possible.
- 56. Some members expressed concern that the public transport arrangements put forward by the Administration might not be sufficient to cater for the increase in passenger demand as the opening of HZMB might bring about an increase in passenger flow. The Administration explained that it aimed to provide various modes of transport for the public to access HKBCF. TD proposed to extend the "A" route network to HKBCF by arranging the buses to observe a new stop at HKBCF. In addition, there would be feeder bus circular routes to and from HKBCF serving the Hong Kong International Airport and AsiaWorld-Expo and MTR Sunny Bay Station, and green minibuses between public transport interchange at HKBCF and MTR Tung Chung Station to facilitate people accessing HKBCF using the public transport network. The Panel noted

that non-franchised bus service would also be offered to tourists visiting the major tourist attractions in the region.

- about 57. some members However, were concerned the Administration's proposal to extend the present "A" routes to HKBCF by adding a new bus stop at HKBCF before the airport for airport-bound They considered it unacceptable to and unfair for commuters travelling to the airport that, in extending the routes, their journeys had to be delayed simply to cater for the transport demand at HKBCF. They suggested opening new bus routes to serve HKBCF, or arranging the new stop at HKBCF after the airport to minimize the inconvenience caused to airport-bound passengers. Also, some members urged that the Administration to consider providing bus interchange service at Tsing Ma Bridge so that passengers could change there for feeder routes to and from HKBCF.
- 58. Further, members noted that only 650 parking spaces would be available at HKBCF and therefore expressed concern that the number would be insufficient to cope with future increase in public demand. They suggested that the Administration should consider providing parkand-ride facilities at HKBCF where cross boundary passengers could drive there and take other transport means conveniently at the public transport interchange at HKBCF. Some members also suggested that the Administration should provide real-time information on parking space availability at HKBCF on Government websites so that the public could plan their journey beforehand.

Progress update of the discussions with the governments of Guangdong Province and Macao on cross boundary transport arrangements for HZMB

- 59. Members at the Panel meeting on 29 February 2016 were also briefed on the latest progress of the discussions among the governments of the Hong Kong Special Administrative Region, Guangdong Province and Macao Special Administrative Region ("the three governments") on the cross boundary transport arrangements for HZMB.
- 60. The Panel noted that the three governments had agreed that a quota system would be implemented to regulate the number of cross boundary vehicles. Members opined that the arrangements should offer convenience to travellers of HZMB to travel across borders directly to the other boundary control points.

61. The Panel further held a special meeting on 1 April 2016 to invite members of the public to express views on the Administration's proposed measures on transport arrangements for HZMB. In gist, a majority of the members of the transport, logistics and tourism trades expressed strong reservation towards TD's proposal to grant additional quotas for operating HZMB cross boundary coaches per day and exempting HZMB bus operators from the current requirement of sourcing non-franchised buses from the existing fleet in Hong Kong. As regards local transport arrangements, most of the deputations/individuals did not support TD's proposal of extending the present "A" routes by adding a new bus stop at HKBCF before the airport for airport-bound trips. They were doubtful about TD's estimation that the increase in the journey time for airport-bound trips would only be five minutes.

Other issues

Emergency transport arrangements after the closure of Kap Shui Mun ("KSM") Bridge

- 62. On the night of 23 October 2015, KSM Bridge was struck by a vessel, leading to the closure of all lanes of KSM Bridge and the suspension of train services of the MTR Airport Express for nearly two hours to facilitate inspection. A special meeting of the Panel was held on 24 November 2015 to discuss the emergency transport arrangements after the closure of KSM Bridge.
- 63. Members at the special meeting urged the Administration to get prepared to react more promptly to such incidents and to devise an effective contingency plan for emergencies in the future. Members also urged the Administration to consider deploying more speedy vessels as an alternative transport means in case of full closure of transport link over land to the Airport. Some members also requested the Administration to have an overall review of what other transport services could be mobilized under such emergency.
- 64. According to the Administration, there was a contingency plan in place regarding the use of Skypier at the Airport as a non-restricted area for temporary use and that a relatively short period of lead time was required to deploy vessels. The Panel noted that there were normally around 5 000 people travelling from or to the Airport per hour and Skypier would be able to handle about one-third to half of the affected passengers.

65. Some members considered that the Government, while taking forward the Three Runway System at the Airport, should consider the provision of an alternative route to the Airport in the long run in case full closure of the KSM Bridge was necessary. Another member considered it more effective to educate the practitioners, tighten the height limit of the KSM Bridge area, and raise the penalty of violation to prevent similar incidents from happening again.

Consultation

- 66. The Panel received a briefing by the Secretary for Transport and Housing on the transport policy initiatives featuring in the Chief Executive's 2016 Policy Address on 15 January 2016. The Panel also considered the following funding proposals in respect of
 - (a) upgrading of the Transport Information System;
 - (b) relocation of TD's operation centres to the West Kowloon Government Offices;
 - (c) installation of traffic detectors; and
 - (d) replacement of Fire Alarm System and Manual Toll Collection System in Aberdeen Tunnel, and Traffic Control and Surveillance Systems at EHC and Kai Tak Tunnel.

Meetings

67. During the period between October 2015 and mid-June 2016, the Panel held a total of 11 meetings. The Panel held another meeting on 21 June 2016 to discuss RPR on premium taxis and increasing the seating capacity of PLBs under PTSS, report on the public consultation on the new franchise for bus network of KMB and MTR fare adjustment for 2016.

Council Business Division 4
Legislative Council Secretariat
29 June 2016

Appendix I

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 2015 - 2016 session

Chairman Hon Michael TIEN Puk-sun, BBS, JP

Deputy Chairman Hon TANG Ka-piu, JP

Members Hon LEE Cheuk-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon WONG Kwok-hing, BBS, MH Hon Jeffrey LAM Kin-fung, GBS, JP

Hon CHAN Hak-kan, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon LEUNG Kwok-hung Hon Albert CHAN Wai-yip

Hon WONG Yuk-man

Hon Claudia MO

Hon Frankie YICK Chi-ming, JP

Hon WU Chi-wai, MH Hon YIU Si-wing, BBS Hon Gary FAN Kwok-wai Hon Charles Peter MOK, JP Hon CHAN Han-pan, JP

Hon LEUNG Che-cheung, BBS, MH, JP

Dr Hon KWOK Ka-ki

Dr Hon Elizabeth QUAT, JP Hon POON Siu-ping, BBS, MH

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Hon Tony TSE Wai-chuen, BBS

Hon Alvin YEUNG Ngok-kiu (since 4 March 2016)

(Total: 27 members)

Clerk Ms Sophie LAU

Legal Adviser Miss Evelyn LEE (up to 30 November 2015)

Mr Alvin CHUI (since 1 December 2015)

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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 2015-2016 legislative session.

The Subcommittee

- 2. The Panel on Transport ("the Panel") agreed at its meetings on 17 July and 15 October 2015 that the Subcommittee should continue its work in the 2015-2016 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 CHAN Han-pan, the Subcommittee has discharged its functions according to its terms of reference and held five meetings (up to mid-June 2016) 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. The discussions of the Subcommittee with the Administration and MTRCL are summarized in the ensuing paragraphs.

<u>Implementation of new railway projects</u>

5. The Subcommittee has been monitoring closely the implementation of the five railway projects under construction/completed Hong Kong section ("HKS") namely Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"), Shatin to Central Link ("SCL"), West Island Line ("WIL"), South Island Line (East) ("SIL(E)") and Kwun Tong Line Extension ("KTE"). HKS of XRL and SCL are implemented under the concession approach whereas WIL, SIL(E) and KTE are implemented under the ownership approach². key information of the five railway projects is attached at **Appendix III**.

Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link

- 6. On 15 April 2014, the Secretary for Transport and Housing ("STH") informed the public that the Government had very recently received verbal notifications from MTRCL that the construction of HKS of XRL would not be completed by 2015. STH requested MTRCL to submit a full assessment report and provide a full account as soon as possible. On the same day, MTRCL announced that the completion date of the XRL project would be postponed to 2016 with the line ready for operation in 2017.
- 7. MTRCL submitted a revised programme to complete ("PTC") and cost to complete ("CTC") of the HKS of XRL project to the Government on 30 June 2015. According to the revised PTC and CTC, the commissioning of HKS of XRL would have to be delayed further from the end of 2017 to the third quarter of 2018 (including a six-month contingency period) and the project cost would have to be revised to \$85.3 billion (including a revised total project cost of \$83.2 billion and \$2.1 billion for contingency). MTRCL explained that the further delay was mainly due to unforeseen site conditions, labour shortage and design variations, and the increase in project cost was due to programme extension, changes in scope and methodologies arising from unforeseen events and labour shortage.

Under the concession approach, the Administration is responsible for the construction costs of the railway project whilst MTRCL is entrusted with the planning and design of the project. Upon completion of the construction, MTRCL will be granted a service concession for the operation of the railway line while the Administration will receive a service concession payment annually.

² Under the ownership approach, MTRCL is responsible for the financing, design, construction, operation and maintenance of the railway project, and will own the railway.

- 8. The Administration updated the Subcommittee in December 2015 of its review results of the revised PTC and CTC. After discussion between the Government and MTRCL, CTC was subsequently revised to \$84.42 billion and HKS of XRL was expected to be commissioned in the third quarter of 2018. To provide for the additional costs for the project, the Government reached an agreement ("the XRL Agreement") with MTRCL with the following essential elements:
 - (a) the Government should bear and finance the XRL project cost overrun up to HK\$19.42 billion, with any further cost overrun to be borne and financed by MTRCL;
 - (b) MTRCL should pay a special dividend at HK\$4.4 per share to its shareholders (including the Government); and
 - (c) the Government reserved its right to take MTRCL to arbitration on the Corporation's liability in respect of the delay of the XRL project.

The XRL Agreement was conditional upon (a) the approval of MTRCL's independent shareholders at an extraordinary general meeting; and (b) the approval by the Finance Committee ("FC") of the funding for financing the cost overrun by September 2016. MTRCL's independent shareholders supported the XRL Agreement at the meeting on 1 February 2016.

- 9. The Administration consulted the Subcommittee on its proposals to increase the approved project estimate of the XRL project by \$19.6 billion³ at the meetings on 4 and 14 December 2015. In order for members to understand about the progress of the HKS of XRL project, a site visit was arranged for the Subcommittee to the West Kowloon Terminus ("WKT") on 13 December 2015.
- 10. Members in general expressed grave concerns about the significant cost overruns and the further delay to the commissioning of HKS of XRL. With the complexity in the design of the Station Entrance Building of WKT which included the steel roof and around 4 000 glass components, members noted that the Building would only be completed by August 2017 and they were worried that the project might be further delayed. While members had diversified views on the Administration's proposals to increase the approved project estimate of the XRL project

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³ The figure also included \$0.1825 billion to cover additional costs including monitoring and verification consultancy services and other studies due to delayed completion.

due to the cost overrun, the Subcommittee supported at the meeting on 14 December 2015 the submission of the Administration's funding proposals to the Public Works Subcommittee for consideration⁴.

- 11. The Subcommittee noted that the Administration had all along proposed that the co-location of customs, immigration and quarantine ("CIO") facilities ("co-location arrangements") of Hong Kong and the Mainland would be implemented at WKT in order to realize the full potential of XRL. On this issue, some members expressed serious concern that in implementing the co-location arrangements, the Hong Kong and Mainland authorities might propose that relevant national laws relating to CIQ etc. be listed in Annex III of the Basic Law ("BL") so that these national laws could be applied to Hong Kong. They opined that allowing the Mainland law enforcement agencies to enforce these national laws at WKT contravened BL and would undermine the rule of law in Hong Kong and violate the principle of "one country, two systems". There were views that the Administration should consider other options, such as a separate-location model of CIQ facilities in Hong Kong and Shenzhen, or conducting immigration clearance for travellers in the XRL compartments.
- To answer members' queries on the implementation of the 12. co-location arrangements at WKT, the Subcommittee invited the Secretary for Justice ("S for J") to attend the meeting on 14 December According to S for J, it was the common goal of both the Hong Kong Special Administrative Region ("HKSAR") Government and the Central Government to ensure the maximum economic and social effectiveness of XRL and to implement the co-location arrangements for HKS of XRL. Details should be available when HKS of XRL was to start operation in the third quarter of 2018. The Administration and the relevant Mainland authorities were studying all feasible options in implementing the co-location arrangements, including, among others, the option of adding the relevant national laws relating to CIQ to Annex III of BL. In assessing its feasibility, authorities of both sides would look into whether this option would be in compliance with the provisions of BL, in particular the provisions in Article 18 of BL⁵. As the discussion between the HKSAR Government and the Central Government on the

⁴ The Finance Committee subsequently approved the funding proposals on 11 March 2016

⁵ Article 18 of the Basic Law states that, among others, "[n]ational laws shall not be applied in the Hong Kong Special Administrative Region except for those listed in Annex III to this Law" and "[l]aws listed in Annex III to this Law shall be confined to those relating to defence and foreign affairs as well as other matters outside the limits of the autonomy of the Region as specified by this Law"

matter was still underway, S for J said that it was inappropriate to disclose any details of the discussion at the present stage before any concrete plan had been drawn up. The Administration would provide information to the public and consult the Legislative Council ("LegCo") on this subject in due course.

Shatin to Central Link

- 13. The Subcommittee was briefed about the progress of the SCL project at the meetings on 14 December 2015 and 22 February 2016. According to MTRCL, the Tai Wai to Hung Hom Section was estimated to be commissioned in 2019 while that for the Hung Hom to Admiralty Section, the commissioning date would be 2021. Members expressed concerns about the overall works progress of the project, in particular about the Cross Harbour Section (section of the tunnel across Victoria Harbour) of Hung Hom to Admiralty Section. Some members were concerned whether the manpower shortage would further delay the construction progress of SCL. MTRCL was urged to speed up the project.
- 14. On the archaeological and conservation works at To Kwa Wan Station, the Administration advised that the archaeological remnants of a well to be preserved in-situ had been protected by backfilling of protective materials while another well and the water channel were removed after detailed recording. The components were stored properly for future reinstatement. THB, MTRCL, the Antiquities and Monuments Office and the Antiquities Advisory Board had worked together to draw up the conservation plans in order that the construction works of To Kwa Wan Station would align with the conservation option.
- 15. Members expressed concern about the possible cost overrun of SCL project and the timetable for the funding application to be submitted to FC. MTRCL advised that there would be an additional cost of at least \$4.1 billion for the Tai Wai to Hung Hom Section of SCL arising from the archaeological and conservation works at To Kwa Wan Station. MTRCL would finish the cost review of SCL in the second quarter of 2016 and submit the result to the Highways Department ("HyD") for scrutiny. The Administration would seek additional funding from LegCo in due course.
- 16. The Subcommittee conducted a site visit to MTR Ho Tung Lau Depot on 23 May 2016 to tour the new nine-car train, which would be used for the East Rail Line and the North-South Corridor of SCL (i.e. Hung Hom to Admiralty Section).

West Island Line

- 17. The Subcommittee noted that WIL, an extension of the Island Line, was commissioned on 28 December 2014 except Sai Ying Pun Station which was completed and opened on 29 March 2015. The Ki Ling Lane entrance of Sai Ying Pun Station was opened to public use in March 2016. Members also noted that the latest capital cost of WIL was \$18.5 billion, which was higher than the originally estimated capital cost of \$15.4 billion.
- 18. Some members expressed concern about water seepage problems at some locations of the WIL stations. MTRCL explained that the water seepage was mainly caused by underground water penetrating through construction joints of concrete lining and this was not uncommon with underground structures. MTRCL had closely monitored the situation and carried out necessary remedial measures, such as sealing up the linings, and the situation had improved.

South Island Line (East)

19. The Subcommittee noted that in view of the current progress of SIL(E), the target opening was still maintained at end of 2016. Members noted that the estimated cost of SIL(E) had increased from \$12.4 billion to \$16.9 billion, mainly attributable to the underpinning works for the existing tunnel of the Island Line at Admiralty Station. The Administration advised that HyD would critically examine the latest cost estimate with the assistance of its monitoring and verification consultant after MTRCL had submitted further information on the updated costs.

Kwun Tong Line Extension

- 20. The Subcommittee received briefings by MTRCL on the progress of the construction of KTE. Members noted that the commissioning date in the third or fourth quarter of 2016 would be achievable.
- 21. Some members expressed concern about the impact of the construction works of KTE on the public, in particular the residents in the vicinity of Whampoa Station. According to MTRCL, with the reinstatement of drainage and utilities at Shung King Street, one of the carriageways was re-opened to traffic from late November 2015.

Cost overruns of railway projects

22. Members in general expressed serious concern that there were cost overruns for all the five new railway projects, namely XRL, SCL, WIL, SIL(E) and KTE, undertaken in the past years (the original and latest estimated costs of these projects are in **Appendix III**). They stressed about the important role of HyD in monitoring the railway projects on their costs and progress.

Operation of existing railways

23. The Subcommittee continued to follow up with the Administration and MTRCL on issues relevant to operation of railways.

MTR station facilities

- 24. In April 2016, the Subcommittee was briefed by MTRCL on the latest progress of the enhancement of station facilities. While welcoming MTRCL's various initiatives in enhancing, revitalizing and maintaining station facilities, members expressed concerns about the lack of some basic facilities, such as toilets, drinking water fountains and breastfeeding rooms, in MTR stations. Noting the MTRCL's commitment to providing toilets for passengers in only eight existing interchange stations alongside major station enhancement works by 2020, members expressed serious disappointment that no definite timetable was drawn up by MTRCL to install toilets at the remaining existing stations at this stage.
- 25. MTRCL explained that no toilet was provided in the design of those existing stations built many years ago. It was technically challenging to add toilets in these stations taking into account statutory requirements and technical feasibility including the availability of suitable locations for placing ventilation shafts, septic tanks and other auxiliary facilities.

Capacity and loading of trains in the MTR network

26. The Subcommittee has been monitoring closely the capacity and loading of trains in the MTR network. At the meeting on 19 April 2016, MTRCL provided information relating to the loading and patronage of

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⁶ The eight interchange stations include Tsim Sha Tsui Station, Yau Ma Tei Station, Lai King Station, Central Station, Admiralty Station, North Point Station, Yau Tong Station and Tiu Keng Leng Station. New toilets in Mong Kok and Prince Edward Stations had been opened for use since January 2015.

individual lines in 2015. Members noted with concerns that, based on a 4 persons (standing) per square metre ("ppsm") passenger density⁷, the loading during morning peak hours on critical links of the West Rail Line and Tsuen Wan Line in 2015 had exceeded 100%, at 104% and 102% respectively. Members were briefed of the measures adopted by MTRCL in easing the crowdedness of its lines in short, medium and long terms. Members requested MTRCL to implement all necessary measures to increase its capacity, in particular, to expedite its plan to replace and upgrade the signalling systems of seven MTR lines⁸, which would be commissioned in phases starting from 2018 for completion of all the upgrading work by 2026.

27. The Subcommittee passed a motion on "Loading of Light Rail" at the meeting on 19 April 2016, urging the Administration and MTRCL to take short term measures to alleviate the crowdedness of Light Rail, including adopting a 4 ppsm standard to measure the capacity of Light Rail and deploy, during the morning peak hours, coupled-set Light Rail Vehicles to serve routes with a loading of 80% or above.

Mass Transit Railway By-laws and Mass Transit Railway (North-west Railway) Bylaw

- 28. At the meeting on 19 April 2016, the Subcommittee was briefed by MTRCL of its plan to re-activate the review of the Mass Transit By-laws (Cap. 556B) and Mass Transit Railway (North-West Railway) Bylaw (Cap. 556H) ("two sets of bylaws") to enhance the clarity and consistency of the two sets of bylaws and to better cater for needs arisen from existing railway operation. Some members pointed out that MTRCL had proposed amendments to the two sets of bylaws during the discussion with the Subcommittee in January 2009 and June 2010. However, they were disappointed that no further actions had been taken These members considered that by MTRCL/the Administration. MTRCL/the Administration should at least have informed the Subcommittee that no amendments were necessary and no further actions would be taken.
- 29. The Administration advised that the Transport and Housing Bureau and MTRCL considered that a consensus or clear direction on the

⁷ The maximum carrying capacity of train compartments is calculated based on an accommodation of up to 6 ppsm.

⁸ Seven lines include the Tsuen Wan Line, Island Line, Kwun Tong Line, Tseung Kwan O Line, Disneyland Resort Line, Tung Chung Line and Airport Express.

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⁹ The maximum carrying capacity of about 200 persons per Light Rail Vehicle could be translated into a passenger density of 6-7 ppsm.

amendments to the two sets of bylaws could not be arrived at by the Subcommittee during the discussion in 2009 and 2010 and as a result, there was no subsequent discussion on the proposed amendments in LegCo since then. Nevertheless, MTRCL had been closely monitoring the operation of the two sets of bylaws and noted that the bylaws still sufficiently served their purposes. In order to refine in terms of clarity and consistency of certain clauses of the two sets of bylaws and suitably amend or repeal certain obsolete clauses, MTRCL proposed that the review of the two sets of bylaws be reactivated, based on the amendments proposed by MTRCL in 2010, and the views of LegCo back then. The review was expected to complete in one year and the Subcommittee would be consulted on the outcome of the review in due course.

Restrictions on the size of luggage

- 30. According to the two sets of bylaws, luggage may only be carried on into the MTR network subject to compliance of the bylaws and the Conditions of Carriage of Luggage issued by MTRCL¹⁰. In 2015, there were public concerns on the restrictions imposed by MTRCL on the size of luggage following incidents where passengers with large musical instruments/sports equipment were disallowed from entering in the paid areas or travelling on MTR trains. In November 2015, MTRCL launched a registration scheme for carriage of oversized musical instruments¹¹ ("the Scheme") on a trial basis for four months. On 1 March 2016, MTRCL announced that the Scheme would become an on-going arrangement with immediate effect to facilitate passengers.
- 31. Members expressed concern about the need of the Scheme as during the four-month trial, there was no adverse impact on railway operation. They suggested MTRCL doing away with the Scheme by relaxing the dimensions of musical instruments/sports equipment allowed to be carried into the MTR network. In response, MTRCL advised that when stipulating the size and weight restrictions, it had taken into account major factors relating to the safety and operational fronts of railway, such as the need for clear passageways, emergency evacuation in stations and trains and possible contact with high-voltage overhead lines and equipment.

According to the conditions, passengers may carry a piece of luggage provided that the total dimensions of that piece of luggage do not exceed 170 cm and the length of any one side does not exceed 130 cm.

¹¹ Under the Scheme, total dimensions of the musical instrument should not exceed 235 cm, while the length of any one side should not exceed 145 cm (including the case or bag).

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Proposed retaining of one directorate post in the Railway Development Office of the Highways Department to provide support for the Shatin to Central Link and the Kwun Tong Line Extension projects

- 32. The Administration consulted the Subcommittee on the proposal to retain one supernumerary post of Chief Engineer (D1) post in the Railway Development Office of HyD for six years to 31 March 2022 to continue to provide support for monitoring MTRCL to complete the East-West corridor of the SCL project (i.e. Tai Wai to Hung Hom Section, connecting the West Rail) and the KTE project. Whilst members in general expressed support for the proposal, some members enquired about the justifications for extending the post for six years until 2022 given that the East-West corridor of the SCL project was estimated to be completed in 2019 while KTE was estimated to be completed in the third or fourth quarter of 2016.
- 33. The Administration advised the Subcommittee that as the contractors of SCL project had submitted a spate of contractual claims to the Government, it would be necessary, with reference to the experience of projects of similar scale, to retain the post of the Chief Engineer until 31 March 2022 when most of the construction contracts and financial claims should have been settled and finalized.

Recommendation

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

Council Business Division 4
<u>Legislative Council Secretariat</u>
13 June 2016

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.

Appendix II

Panel on Transport

Subcommittee on Matters Relating to Railways

Membership list for 2015-2016 session

Chairman Hon CHAN Han-pan, JP

Deputy Chairman Hon WONG Kwok-hing, BBS, MH

Members Hon LEE Cheuk-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon LEUNG Kwok-hung Hon WONG Yuk-man Hon Claudia MO

Hon Michael TIEN Puk-sun, BBS, JP

Hon Frankie YICK Chi-ming

Hon WU Chi-wai, MH Hon YIU Si-wing, BBS Hon Gary FAN Kwok-wai Hon Charles Peter MOK, JP

Dr Hon KWOK Ka-ki

Dr Hon Elizabeth QUAT, JP

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

Hon Alvin YEUNG Ngok-kiu (since 4 March 2016)

(Total: 22 members)

Clerk Mr Anthony CHU

Legal Adviser Miss Evelyn LEE (up to 30 November 2015)

Mr Alvin CHUI (since 1 December 2015)

Key information of the five railway projects under construction/completed recently

(as at May 2016)

	Hong Kong section of Guangzhou-Shenzhen- Hong Kong Express Rail Link	Shatin to Central Link	West Island Line	South Island Line (East)	Kwun Tong Line Extension
Length of the rail line	26 km	17 km	3 km	7 km	2.6 km
Estimated construction cost	\$66.8 billion	\$79.8 billion	\$15.4 billion	\$12.4 billion	\$5.3 billion
The MTR Corporation Limited's ("MTRCL") latest estimated construction cost	\$86.42 billion (increased by \$19.62 billion)	At least increased by \$4.1 billion	\$18.5 billion (increased by \$3.1 billion)	\$16.9 billion (increased by \$4.5 billion)	\$7.2 billion (increased by \$1.9 billion)
Funding arrangement	Implemented under the concession approach Construction of the railway works: \$70.405 billion Construction of the non-railway works: \$16.015 billion Special ex-gratia payments in relation to the project: \$86 million	Implemented under the concession approach Protection works: \$695 million Advance works: \$7.7 billion Construction of the railway works — main works: \$65.4 billion Construction of the non-railway works — main works: \$5.98 billion	Implemented under the ownership approach Funded by a capital grant of \$12.7 billion	Implemented under the ownership approach MTRCL granted the property development right of the ex-Wong Chuk Hang Estate to bridge the funding gap of \$9.9 billion	Implemented under the ownership approach MTRCL granted the property development right of ex-Valley Road Estate Phase 1 site to bridge the funding gap of \$3.3 billion

	Hong Kong section of Guangzhou-Shenzhen- Hong Kong Express Rail Link	Shatin to Central Link	West Island Line	South Island Line (East)	Kwun Tong Line Extension
Works commenced in	2010	2012	2009	2011	2011
Original target commissioning dates	2015	December 2018: Tai Wai to Hung Hom Section December 2020: Hung Hom to Admiralty Section	August 2014	December 2015	August 2015
Target opening	Third Quarter of 2018	2019: Tai Wai to Hung Hom Section 2021: Hung Hom to Admiralty Section	HKU Station and Kennedy Town Station were opened on 28 December 2014 Sai Ying Pun Station (except Ki Ling Lane Entrance) was opened on 29 March 2015 Ki Ling Lane entrance was opened on 27 March 2016	End of 2016	Second/Third Quarter of 2016
Journey time	Shenzhen North: 23 minutes		Between Sheung Wan and Kennedy Town: less than 10 minutes	Between Admiralty and South Horizons: 10 minutes	Between Mong Kok and Whampoa: 5 minutes

Hong Kong section of Guangzhou-Shenzhen- Hong Kong Express Rail Link	Shatin to Central Link	West Island Line	South Island Line (East)	Kwun Tong Line Extension
Guangzhou South: 48 minutes	Admiralty: 5 minutes Between Tai Wai and Admiralty: 17 minutes Between Lo Wu and Admiralty: 50 minutes			

Updated as at May 2016