

立法會
Legislative Council

LC Paper No. CB(4)1562/17-18
(These minutes have been seen
by the Administration)

Ref : CB4/PL/TP/1

Panel on Transport

**Minutes of special meeting held on
Tuesday, 9 January 2018, at 8:30 am
in Conference Room 1 of the Legislative Council Complex**

Members present : Hon Frankie YICK Chi-ming, SBS, JP (Chairman)
Hon LAM Cheuk-ting (Deputy Chairman)
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon KWOK Ka-ki
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHAING Lai-wan, JP
Ir Dr Hon LO Wai-ki, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG

Hon Andrew WAN Siu-kin
Hon HO Kai-ming
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying
Hon LUK Chung-hung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho

Members absent : Hon CHAN Han-pan, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon Tanya CHAN
Hon Kenneth LAU Ip-keung, BBS, MH, JP

Public Officers attending : **Agenda item I**

Mr Frank CHAN Fan, JP
Secretary for Transport and Housing

Ms Mable CHAN, JP
Commissioner for Transport

Mr Kevin CHOI, JP
Deputy Secretary for Transport and Housing
(Transport) 2

Miss Ann CHAN
Principal Assistant Secretary for Transport and
Housing (Transport) (Special Duties)

Ms Stella LEE
Assistant Commissioner for Transport/
Management and Paratransit

Agenda item II

Dr Raymond SO Wai-man, BBS, JP

Under Secretary for Transport and Housing

Mr Tony LI Yeuk-yue
Principal Assistant Secretary for Transport and
Housing (Transport) 2

Mr Samson LAM Sau-sang
Assistant Commissioner/ Planning
Transport Department

Mr SHEA Tin-cheung
Chief Engineer / Transport Planning
Transport Department

Mr Christopher CHIU Hak-pui
Principal Transport Officer / Management
Transport Department

**Attendance by
invitation** : **Agenda item II**

DAB
Mr CHUNG Kin-fung
Deputy Spokesperson of DAB

The Lion Rock Institute
Mr NG Kin-wah
Event Officer

Public Transportation Think Tank of Hong Kong
Mr CHAN Tik-yiu
EXECUTIVE

Designing Hong Kong
Mr PAUL Zimmerman
CEO

Hong Kong Taxi Owners' Assn. Ltd.
Mr WONG Po-keung
Chairman

The Civic Party

Mr Michael YUNG Ming-chau
Deputy Spokesperson (Transportation)

The Young Civics

Mr Steve CHEUNG Kwan-kiu
District Developer of the New Territories West

Tai Wo Motors LTD

Mr Aaron NG Hoi-shan
Vice Chairman

Liberal Party

Ms TSANG Cheuk-yi
Member

Hong Kong Future Road study

Mr Quentin CHENG
Member

Hong Kong Land Transport Council

Mr TANG Chi-keung
Secretariat

New People's Party and Civil Force

Mr YIU Ka-chun
Representative

Labour Party

Mr CHIU Yan-loy
社區幹事

Shatin Commons

Mr AU Ho-yin
Member of Shatin Commons

Taxi Drivers and Operators Association

Mr NG Yip-pui
Director General

Miss HO Ka-yau

中西區交通關注組
Mr FUNG Kar-leung
召集人

陳君寶先生

Mr KAN Siu-kei

Mr TANG Ka-piu

黃遠康先生

The Federations of Hong Kong & Kowloon
Labour Unions
Mr CHU Hong-chung
Social Affairs Officers

The Kowloon Motor Bus Co. (1933) Ltd.
Mr Addie LAM
Deputy Head of Communications and Public
Affairs Department

Motor Transport Workers General Union
Mr CHAN Siu-wah
Chairman

Public Transport Research Team
Mr HON Ben
Chairman

Hong Kong Public Transport Concern Group
Mr LAM Yui Him
Spokesperson

Clerk in attendance : Ms Sophie LAU
Chief Council Secretary (4)2

Staff in attendance : Miss Joyce CHING
Senior Council Secretary (4)2

Ms Jacqueline LAW
Council Secretary (4)2

Miss Mandy LAM
Legislative Assistant (4)2

Action

I. Public Transport Fare Subsidy Scheme

LC Paper No. CB(4)360/17-18(01) - Administration's paper on Public Transport Fare Subsidy Scheme

LC Paper No. CB(4)448/17-18(01) - Submission dated 5 January 2018 from Hong Kong Public Light Bus Owner & Driver Association (Chinese version only)

Action

Briefing by the Administration

At the invitation of the Chairman, Secretary for Transport and Housing ("STH") briefed members on the proposed Public Transport Fare Subsidy Scheme ("the Scheme"), details of which were set out in the Administration's paper (LC Paper No. CB(4)360/17-18(01)). The Administration's paper set out, among others, the coverage and operational arrangement of the Scheme.

Discussion

Implementation timetable of the Scheme

2. In response to Mr LAU Kwok-fan's enquiry on the implementation timetable of the Scheme, STH responded that the Administration aimed to seek funding approval for the Scheme from the Finance Committee ("FC") of the Legislative Council as soon as possible with a view to implementing the Scheme within a year after obtaining the approval. The Administration anticipated that the Scheme could be

rolled out in first quarter of 2019. STH supplemented that implementation of the Scheme entailed substantial preparatory work because it would involve many different service providers.

Financial implication of the Scheme

3. Mr POON Siu-ping was concerned about the financial implication of the Scheme. He opined that means test should be applied to the Scheme to ensure prudent use of public money. Mr POON noted from paragraph 2 of Annex 3 of the Administration's paper that the recurrent expenditure for manpower and administrative cost in 2018-19 would be around \$45 million while the recurrent expenditure from 2019-20 onwards would be around \$69 million. Considering that the manpower and administrative cost should be lowered after commencement of the Scheme, Mr POON enquired about the projected increase of \$24 million in annual recurrent expenditure as quoted above.

4. STH said that while introducing means test to the Scheme would have its own merits, it would inevitably increase the administrative costs and cause inconvenience to the public. STH explained that the main consideration when designing the Scheme was to make it simple, easy to understand and operate so that the Scheme could be rolled out as soon as possible to benefit the commuters. Moreover, commuters would not have to apply for subsidy under the Scheme and that the collection of subsidy would be simple. STH supplemented that measures would be introduced to minimize the risks of abuse, for example, the Administration would analyze the usage data under the Scheme and follow-up on abuse cases, if any. As for the recurrent expenditure mentioned by Mr POON above, STH advised that the projected cost for 2019-20 onwards would be the full year operating cost of the Scheme while that for 2018-19 was not calculated on full year basis since the Scheme was expected to be implemented in first quarter of 2019.

Subsidy level of the Scheme

5. Noting that the Administration would provide fare subsidy for commuters if their monthly public transport expenses exceeded \$400 a month, Mr LUK Chung-hung asked about the rationale for setting the threshold at such level. Mr LUK opined that subsidy should be provided for commuters spent over \$10 daily on public transport, and thus he asked the Administration to consider lowering the monthly threshold to \$300. He then asked about the financial implication of lowering the threshold to the level he suggested above.

6. STH advised that the Administration's policy objective of introducing the Scheme was to relieve the fare burden of commuters who travelled on local transport services for daily commuting and whose public transport expenses were relatively high (e.g. commuters who resided in remote areas). Having regard to the policy objective mentioned above, the monthly threshold of \$400 was considered appropriate. STH further advised that, based on the current proposal, it was anticipated that over 2.2 million commuters could benefit from the Scheme. That said, Mr LUK Chung-hung's suggestion to benefit more commuters as far as possible was noted. STH assured that the Administration would closely monitor the operation of the Scheme upon its implementation, including the collection of data related to the Scheme, analysis on the travelling pattern of commuters and investigation of abuse cases, if any. A review would commence around a year after the Scheme's implementation.

Concerns about parallel traders benefiting from the Scheme

7. Mr Michael TIEN expressed grave concerns about abuse by the parallel traders. Mr TIEN said that apart from keeping the Scheme simple and easy to understand and operate, the Administration should ensure proper use of public money and be mindful of possible abuses. To avoid abuse by parallel traders, Mr TIEN suggested the Administration to consider mandating the entitlement to subsidy by each commuter under one designated Personalised Octopus card only. Noting that the Administration would conduct a review around one year after the implementation of the Scheme, Mr TIEN also requested the Administration to provide statistics on the number of Octopus cards with more than two daily trips to and from Lo Wu or Lok Ma Chau stations before and after the implementation of the Scheme for comparison so as to ascertain the impact of the Scheme on the travelling pattern of commuters.

8. STH noted members' concern about the prudent use of public money. STH advised that even if it was assumed that the actual public transport expenses of parallel trades were the highest among all, the number of Octopus card users with monthly public transport expenses exceeding \$2000 was still minimal, i.e. around 3000 cards. Moreover, the subsidy was subject to a maximum of \$300 per month and hence, the maximum amount of monthly subsidy for the above mentioned 3000 card holders would only be \$900,000. Therefore, the Administration took the view that additional restrictions should not be imposed to exclude a small group of people, which would complicate the operation of the Scheme and

unnecessarily increase the administrative cost while creating inconvenience to the majority of the beneficiaries.

9. Noting STH's response, Mr Michael TIEN pointed out that each parallel trader could possibly apply subsidy by using three Octopus cards and thus the Administration might have under-estimated the financial implication. Mr TIEN then urged the Administration to provide the statistics which he requested above one year after the implementation of the Scheme. Mr LAM Cheuk-ting also pointed out that each commuter could apply for subsidy by using several Octopus cards. Mr LAM then requested the Administration to closely monitor the hidden demand for public transport services arising from the implementation of the Scheme and its possible financial implication. STH assured that the Administration would closely monitor the Scheme upon its implementation and would report to the Panel the results of the review.

Coverage of the Scheme

10. Mr YIU Si-wing declared that his company operated non-franchised bus services, including the operation of the cross-boundary coach services plying between the Huanggang Control Point and various parts of Hong Kong which included Mong Kok, Kwun Tong, Wan Chai, Tsuen Wan, etc. ("the five groups (six routes)"). Mr YIU said that he supported the implementation of the Scheme but he had concerns about its coverage.

11. Mr YIU Si-wing pointed out that there was currently around 50,000 commuters using the coach services of the five groups (six routes) daily. The majority of these commuters were Hong Kong residents who had to travel to the Mainland daily for work or study. Mr YIU further pointed out that the five groups (six routes) were operating on fixed-schedule under the regulation of the Transport Department and that Octopus payment system had been installed on the coaches providing the services of these routes. In light of the above, Mr YIU opined that it was unfair to exclude the five groups (six routes) from the Scheme while covering Mass Transit Railway ("MTR") trips to and from Lo Wu or Lok Ma Chau. Mr YIU then urged the Administration to review the coverage of the Scheme with a view to including the five groups (six routes) to address the needs of the commuters mentioned above. The Chairman shared Mr YIU's view and made the same request.

12. STH responded that the joint letter from Mr CHAN Han-pan, Mr LAU Kwok-fan, Dr LO Wai-kwok, Mr Frankie YICK and Mr YIU

Si-wing requesting the Administration to include five groups (six routes) under the Scheme was received in December 2017. After careful consideration, the Administration decided not to cover such routes having regard to the Administration's policy to confine the scope of the Scheme to public transport services running within the boundary of Hong Kong. Any cross-boundary services, including the coach services operating via Huanggang (which was outside the boundary of Hong Kong) would not be covered by the Scheme. STH supplemented that since Lo Wu and Lok Ma Chau stations were within the boundary of Hong Kong and thus MTR trips to and from these two stations would be covered under the Scheme.

Regulating operation of red minibuses ("RMBs")

13. Mr LAU Kwok-fan welcomed the Administration's proposal of expanding the Scheme to cover more public transport services¹, in particular the non-franchised buses providing residents' services ("RS") and RMBs. Mr Michael TIEN and Mr LUK Chung-hung also welcomed the above proposed expansion of coverage. In this connection, Mr LAU asked whether the Administration would take the opportunity to enhance the regulation of RMB operation, in particular, whether further steps would be taken to promote the conversion of RMBs to GMBs.

14. STH advised that it had been the Administration's established policy to encourage the conversion of RMBs to GMBs. Notwithstanding the above mentioned policy, the selection exercise of GMB operators had to be done in an open and fair manner, through open tenders. STH further advised that there was an established mechanism for the selection of GMB operators and that under the existing marking scheme, applicants who were new entrants to the GMB trade (including the existing operators operating RMB services only) would be given full marks under the assessment item of "whether the applicant was a new entrant to the GMB trade".

15. Mr Micheal TIEN also raised concern about the regulation of RMB operation, in particular fare regulation. Mr TIEN pointed out that

¹ The Administration initially proposed that the Scheme should cover MTR, franchised buses, green minibuses ("GMBs"), ferries and trams. Noting that there were views requesting the Administration to cover other public transport services in order to benefit more commuters, the Administration now proposed to cover RS, employees' services, RMBs and Kaitos under the Scheme, subject to that the operators concerned agreed to comply with some prescribed operational requirements.

price fluctuation of RMB services, especially substantial price increase during adverse weather conditions, should be an issue to be addressed.

16. Mr LAM Cheuk-ting raised similar concern on the price fluctuation of RMB services and sought clarification on whether the Administration would regulate the fare of the services provided by RMB operators joining the Scheme.

17. Mr POON Siu-ping enquired on the anticipated number of RMB operators who would be joining the Scheme.

18. STH responded that RMB operators could still flexibly adjust their routes and fares having regard to actual passenger demand and market situation according to the existing regulatory regime even if they joined the Scheme. Nevertheless, RMB operators joining the Scheme had to observe a set of prescribed operational requirements which included, among others, providing basic route information, daily operational details and statistics on income to the Administration for monitoring purpose. STH also emphasized that the subsidy would be subject to a maximum of \$300 per month per Octopus card. The Administration considered that such arrangement should have struck a balance between the flexible operation mode of RMBs and appropriate monitoring.

19. Mr LAM Cheuk-ting urged the Administration to step up the monitoring measures on RMB operation. Mr LAM then suggested the Administration to set a cap for the fare of each RMB trip, say fare in excess of \$20 or \$25 would not be covered by the Scheme. Noting Mr LAM's suggestion, STH said that the Administration would review the monitoring measures as appropriate and discuss with the RMB operators on the relevant details.

Electronic payment system

20. In response to Mr LAU Kwok-fan's enquiry about the amount of administrative fee to be charged by Octopus Cards Limited ("OCL") in relation to the implementation of the Scheme, Deputy Secretary for Transport and Housing (Transport) 2 ("DS(T)2") emphasized that the Administration would strive to lower the administrative fee of the Scheme as far as possible. The latest estimated administrative fee to be charged by OCL (including other third-party service providers entrusted by OCL) would be around 1% of the subsidy amount. The above mentioned administrative fee would cover, among others, data analysis and regular

submission of reports by OCL to the Administration for monitoring purpose.

21. While acknowledging the collection of subsidy through the services provided by OCL would be convenient for commuters, Mr LAU Kwok-fan asked whether the Administration would open up opportunities for other electronic payment operators in the future. Mr WU Chi-wai also urged the Administration to open up the electronic payment market.

22. Having noted that the cost for system development and procurement and installation of Octopus readers had been included in the budget, Mr WU Chi-wai expressed that any cost incurred for hardware development should be borne by OCL, not to mention that an administrative fee would also be charged. In this connection, the Chairman pointed out that any cost incurred for hardware development, such as installation of Octopus readers, would usually be borne by the transport operators concerned.

23. STH responded that the proposed hardware development, including installation of dedicated Octopus readers in MTR stations and modification of the system at convenience stores/supermarkets, mainly aimed at facilitating the commuters to collect subsidy. DS(T)2 explained that separate budget was prepared for recurrent expenditure (which included the administrative fee for data analysis and submission of exceptional reports by OCL for monitoring purpose) and non-recurrent expenditure (which included the one-off cost for system development/modification and installation of Octopus readers) so as to distinguish the nature of the items clearly. DS(T)2 assured that the Administration would endeavour to lower the administrative cost as far as possible. DS(T)2 further advised that while existing Octopus system was chosen to implement the Scheme at this stage, given that commuters generally made use of Octopus cards instead of other electronic payment system for paying public transport expenses, the Administration would keep an open-mind in exploring the feasibility of the participation of other new electronic payment systems in the Scheme having regard to prevailing circumstances in the future.

24. Mr Charles Peter MOK concurred with Mr WU's views and expressed that the OCL had been monopolizing the electronic payment market in Hong Kong. Mr MOK opined that the Administration was setting a bad example by "endorsing" the OCL as the only electronic payment operator for transport services and that this kind of practice which was possibly anti-competitive would in turn hinder the

technological development in Hong Kong. He pointed out that there were other electronic payment systems under other Government initiatives, such as parking meter system.

25. STH noted members' concern on providing more choices of electronic payment systems under the Scheme. He supplemented that Octopus system was the most appropriate choice to implement the Scheme in view of the prevailing habit of commuters for using Octopus cards to pay transport expenses. Moreover, OCL had been providing reliable and convenient services for commuters which was an important factor in implementing the Scheme.

Conclusion

26. Upon the Chairman's invitation, members indicated support to the funding proposal of the Scheme and its submission to FC. Mr WU Chi-wai said that the Democratic Party supported the funding proposal of the Scheme. However, Mr WU urged the Administration to explore means to provide more diversified electronic payment platforms under the Scheme. Mr Charles Peter MOK requested the Administration to seek advice from the Competition Commission on the issues related to the participation of other electronic payment systems in the Scheme. STH said that the Administration shared the same view to allow the participation of other electronic payment systems in the Scheme where practicable and that advice from the Competition Commission would be sought in this regard.

II. Toll rationalisation among three road harbour crossings and three land tunnels between Kowloon and Sha Tin

LC Paper No. CB(4)235/17-18(01) - Wording of a motion to be moved by Hon LUK Chung-hung (Chinese version only)

LC Paper No. CB(4)235/17-18(02) - Wording of an amendment motion proposed by Hon Tanya CHAN to amend the motion to be moved by Hon LUK Chung-hung (Chinese version only)

Motions

27. The Chairman said that a motion had been moved by Mr LUK Chung-hung and amended by Ms Tanya CHAN under this agenda item at the meeting held on 17 November 2017. However, it had not been dealt with owing to insufficient meeting time.

28. The Chairman then referred members to the original motion moved by Mr LUK Chung-hung and its amendment moved by Ms Tanya CHAN—

Original motion moved by Mr LUK Chung-hung -

"有鑑於公共交通服務需要行走固定路線，故調整隧道費將不會影響各條隧道的車流量分布，因此本會要求政府與公共交通服務營辦商(下稱營辦商)訂立協議，營辦商須在政府下調或取消固定路線公共交通車輛的隧道費後，促使減低票價，從而減輕市民交通費負擔。"

(Translation)

"As public transport services need to operate on fixed routes, and hence the adjustment of tunnel tolls will not have any impact on the traffic distribution among the various tunnels. This Panel therefore requests the Government to enter into agreements with the operators of public transport services so that after the Government adjusts downwards or removes the tunnel tolls for fixed-route public transport services, the operators will be propelled to reduce the fares so as to ease the burden of travelling expenses on the public."

Amendment moved by Ms Tanya CHAN-

"有鑑於公共交通服務需要行走固定路線，故調整隧道費將不會影響各條隧道的車流量分布，因此本會要求政府與公共交通服務營辦商(下稱營辦商)訂立協議，營辦商須在政府下調或取消固定路線公共交通車輛的隧道費後，促使減低票價，從而減輕市民交通費負擔。"

輕市民交通費負擔直接降低相關巴士路線的票價，以回饋乘客。"

(Translation)

"As public transport services need to operate on fixed routes, and hence the adjustment of tunnel tolls will not have any impact on the traffic distribution among the various tunnels. This Panel therefore requests the Government to enter into agreements with the operators of public transport services so that after the Government adjusts downwards or removes the tunnel tolls for fixed-route public transport services, ~~the operators will be propelled to reduce the fares so as to ease the burden of travelling expenses on the public~~ ***the operators will be required to directly lower the fares of respective bus routes to benefit passengers.***"

(Amendments were marked in ***bold and italic type*** or with deletion line.)

29. The Chairman put to vote the amendment moved by Ms Tanya CHAN to the original motion moved by LUK Chung-hung. A total of 3 members voted for the motion, 8 voted against it and none abstained from voting. The Chairman declared that the motion was negatived.

30. The Chairman then put to vote the original motion moved by Mr LUK Chung-hung. A total of 9 members voted for the motion, 1 voted against it and none abstained from voting. The Chairman declared that the motion was carried.

(post-meeting note: The Administration's response to the motion passed was issued to members vide LC Paper No. CB(4)780/17-18(01) on 21 March 2018.)

Briefing by the Administration

31. USTH informed members that the Administration had already briefed this Panel on 17 November 2017 on the preliminary findings of the toll rationalization study of three road harbour crossings ("RHC") and three land tunnels between Kowloon and Shatin, and consult members on the findings. The Administration would take into account the views of members and other stakeholders in developing toll adjustment options under the proposed framework.

Presentation of views by deputations/individuals and the Administration's response

32. Members noted the following submissions from deputations/individuals not attending the meeting –

LC Paper No. CB(4)428/17-18(01) - Mr Harrison LO Kai-yuen

LC Paper No. CB(4)428/17-18(02) - Hong Kong Logistics Association

LC Paper No. CB(4)462/17-18(02) - Hong Kong Container Tractor Owner Association Limited

33. The Chairman invited deputations/individuals to present their views. He reminded them that, when addressing the Panel at the meeting, they were not covered by the protection and immunity under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382), and their written submissions were also not covered by the Ordinance. In total, 26 deputations/individuals presented their views at the meeting, a summary of which was given in the **Appendix**.

34. In summing up the views of the deputations/individuals, the Chairman said that most of the deputations/individuals considered that tunnel traffic could not be rationalized effectively by toll adjustment only and that many of them urged the Administration to enhance public transport services. Some deputations/individuals urged the Administration to control growth in the number of vehicles and to consider aligning the tolls of the three RHCs for taxis. For long term planning, the Administration was urged to commence planning for a fourth RHC, expedite the widening work of Tai Po Road (Sha Tin section) and consider buying back Western Harbour Crossing ("WHC"). Lastly, the Administration was also requested to make plans for the implementation of electronic road pricing.

35. In response to the views expressed by deputations/individuals, USTH said that the public's expectation was noted and that the Administration would continue to strive for continuous improvement of public transport service. As for the feasibility of constructing a fourth RHC, subject to the final recommendations of the planning study "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending

2030" ("the 2030+"), it would be studied with the long term planning of other road improvement works in a holistic manner. As regards the buy-back of WHC, the Government's ownership of the tunnel would not be the prerequisite for the implementation of any toll adjustment scheme to rationalise traffic distribution among the three RHCs.

Discussion

Proposed toll adjustment proposal and alternative plan to rationalize traffic distribution

36. Mr LAU Kwok-fan expressed that the toll adjustment proposal would not be able to tackle the root cause of traffic congestion since the crux lied with the capacity of the existing road network. Moreover, Mr LAU queried why only six tunnels were included in the rationalization study and that Tai Lam Tunnel was not included. Echoing Mr LAU Kwok-fan's view, Mr LEUNG Che-cheung urged the Administration to work out measures from a wider perspective. Dr CHIANG Lai-wan and Dr Helena WONG queried the efficacy of the toll adjustment proposal since the existing road networks in Hong Kong were quite saturated and did not have room to absorb diverted traffic.

37. Ms Claudia MO opined that rights of using public transport facilities and having their own choices of routes and tunnels with shortest travelling distance/time should be the basic rights of citizens. In view of this, Ms Claudia MO expressed that the toll levels of the three RHCs should be unified.

38. USTH advised that owing to the geographical locations of the tunnels, there was a natural "pairing effect" on the use of the three RHCs and the three land tunnels. For example, the majority of the users of the Lion Rock Tunnel ("LRT") would prefer Cross Harbour Tunnel ("CHT") over Eastern Harbour Crossing ("EHC") or WHC. Similar tendencies were also observed in the eastern areas, i.e. pairing of Tate's Cairn Tunnel ("TCT") and EHC, and in the western areas, i.e. pairing of Eagle's Nest and Sha Tin Heights Tunnel ("Route 8K") and WHC. Noting this pairing effect, the Transport Department ("TD") had commenced a study on the rationalization of traffic distribution of the three RHCs and the three land tunnels in a holistic manner. In the light of the above, the current proposed framework of toll adjustment proposal was confined to the six tunnels. Pending the result of the above mentioned study and the effectiveness of the current proposal in diverting traffic flow, the Administration might consider further studies for other tunnels in the

future, say to include Shing Mun Tunnels and Tseung Kwan O Tunnel as well.

39. Mr POON Siu-ping noted that among the six tunnels in question, only the WHC would still have some spare capacities to absorb traffic diverted from other tunnels. In this connection, Mr POON asked about the progress of the latest discussion with the WHC franchisee on the plan to better utilize the capacity of the tunnel by providing appropriate subsidization from the public coffers, and whether there would be alternative plan if an agreement could not be reached with the WHC franchisee. Mr POON further enquired about the implementation timetable for the finalized toll adjustment option.

40. USTH advised that the discussion with the WHC franchise was only at an initial stage and thus it was not appropriate to disclose any details at this stage. USTH further advised that in the event an agreement could not be reached with the WHC franchisee on the lowering of WHC tolls through subsidization, the toll adjustment proposals should cover the remaining five tunnels.

41. Dr CHIANG Lai-wan pointed out that currently the Route 8K still had some spare capacities and suggested the Administration to consider making it a toll-free tunnel in order to encourage motorists to use this tunnel. However, Dr CHIANG noted that the Western District was already very congested during rush hours. Taking into account the pairing effect mentioned above, she was concerned that the congestion near both ends of WHC would be further aggravated if more motorists were attracted to use Route 8K and WHC.

Toll of WHC and subsidization arrangement

42. Ms Claudia MO opined that the cost of buying back WHC should be lower as it came close to the expiry of the franchise and she called on the Administration to seriously consider buying back WHC.

43. USTH advised that buying back WHC would involve highly complicated issues such as the calculation of its asset value, thus this matter should be considered thoroughly. Moreover, taking into account factors like depreciation and cash flow of the franchisee, the cost of asset value might not necessarily be lower towards the end of the franchise period.

Toll concession of public transport service

44. Mr LAU Kwok-fan opined that the Administration should considered waiving the tolls on public buses and that the reduction in operation costs of the fixed routes concerned from the payment of toll should be utilized to subsidize the passengers of those routes directly. Echoing Mr LAU Kwok-fan's view, Mr LEUNG Che-cheung also opined that the Administration should consider reducing or waiving the tolls on public transport and increasing the toll for private cars so as to encourage commuters to use public transport.

45. Mr Addie LAM of The Kowloon Motor Bus Co. (1933) Ltd. advised that the company would keep an open mind on the above proposal suggested by Mr LAU Kwok-fan and would explore with the Administration the feasibility of its implementation. Mr LAM remarked that any fare adjustment proposal of franchised bus company would be subject to approval by TD.

46. Referring to the motion as amended by Ms Tanya CHAN under paragraph 2 above, Mr Jeremy TAM also emphasized that if the Administration could adjust downwards or waive the tunnel tolls for fixed routes public transport services, the operators concerned should be required to "use the dedicated funds" to subsidize the passengers of the fixed routes concerned.

47. USTH advised that an established mechanism was in place to review franchised bus fares and that the tolls of RHCs only accounted for a small portion of the total operating cost of the franchised bus company concerned. In determining the fares of fixed routes public transport service, the Administration would take into account a basket of factors in a holistic manner instead of the fare levels in accordance with tolls of tunnel used in the routes. USTH remarked that the adjustment of tunnel tolls had to be approved by the Legislative Council.

48. Mr LAU Kwok-fan urged the Administration to review the existing mechanism and liaise with bus companies on provision of direct subsidy to passengers of the fixed routes concerned upon waiving of tunnel toll and to include public buses using Tai Lam Tunnel.

49. USTH advised that the Administration would take into account members' view on bus fare adjustment and undertook to convey the relevant views to franchised bus companies.

Control vehicle growth

50. Dr CHIANG Lai-wan pointed out that the number of private cars had increased by around 50% in the past 10 years or so but the road network had not been expanded or improved much. Dr CHAING thus opined that the crux of the traffic congestion lied with the growth in the number vehicles, in particular, private cars and therefore the Administration should work out measures to control growth in the number of vehicles. Moreover, the Administration should subsidize large scale park and ride facilities at major transport interchange so as to encourage commuters to take MTR for crossing the harbour. Dr Helena WONG also expressed that the Administration should take measures to control vehicle growth.

51. Noting members' view on controlling vehicle growth, USTH said that there might be divergent views on this issue and the Administration would have to balance the interests of different stakeholders in taking forward initiatives in this regard. As regard the provision of large scale park-and-ride facilities, USTH acknowledged it as a good suggestion. However, the limited supply of land might hinder its implementation.

52. Ms Claudia MO asked whether the Administration had any data with regard to the same person being the registered owner of several private cars. She opined that the driving patterns of this kind of owners should also be taken into account by the Administration when working out initiatives relating to controlling vehicle numbers and toll adjustment.

53. While acknowledging the need to control the growth in the number of vehicles, Dr KWOK Ka-ki pointed out that due to the poor public transport network in some remote areas (such as Hung Shui Kiu and South Yuen Long), there was genuine need for commuters residing in those areas to rely on private cars for daily commuting. In this connection, Dr KWOK suggested the Administration to work out measures to encourage these commuters to better utilize their private cars, for instance to impose higher toll for private car with one passenger only and to allow those with two or more passengers to use "fast-lanes" or bus-only lanes. Mr Jeremy TAM concurred with Dr KWOK's view and made similar suggestion. USTH noted the suggestions.

Construction of a fourth RHC and other long term plan

54. Dr CHIANG Lai-wan urged the Administration to make plans for the construction of the fourth harbour-crossing tunnel as soon as possible

since it might take 20 years from the planning stage to the commissioning of a tunnel. Possible locations included Hung Hom to Hong Kong Convention and Exhibition Centre, in between CHT and EHC near Kowloon City, and Tseung Kwan O to East Hong Kong Island. Dr Helena WONG also urged the Administration to expedite the planning of a fourth RHC.

55. Dr Helena WONG opined that the commissioning of the Hong Kong-Zhuhai Macao Bridge ("HZMB") would increase the traffic volume in the near future. In this connection, Dr WONG asked whether the Administration had estimated the impact of the said increase in traffic volume on the traffic flow of the six tunnels. She also expressed that matters relating to the HZMB, including the Administration's estimates on traffic flow, licensing of vehicles crossing the borders and the parking arrangement, should be discussed at this Panel as soon as practicable.

56. The Chairman advised that the item relating to the commissioning of HZMB was tentatively scheduled to be discussed at the regular meeting to be held in February 2018.

(post-meeting note: The discussion of the item of operational arrangement of the HZMB and Hong Kong Port was subsequently re-scheduled to the regular meeting held in May 2018.)

57. Mr LEUNG Che-cheung also suggested the Administration to explore alternative ways and work out long term plan to solve the congestion at tunnels. Mr LEUNG suggested the Administration to explore the operation of ferry service from Tuen Mun to Central.

58. USTH advised that subject to the final recommendations of the 2030+, the Administration would examine the feasibility of constructing a fourth RHC. USTH further advised that, among others, quite a number of technical issues would have to be resolved in relation to the execution of the tunnel construction works in the Victoria Harbour or near the foreshores on both sides. Owing to the presumption against reclamation in the harbour under the Protection of the Harbour Ordinance (Cap 531), overriding public need for reclamation must be established to rebut the above presumption before such a project might proceed. USTH emphasized that the planning for long term plans and measures under the 2030+ had already commenced with a view to meeting the traffic demand beyond 2030.

Concern of the taxi trade

Admin

59. Mr Jeremy TAM urged the Administration to consider aligning the tolls of the three RHCs for the return trip of empty taxis. Mr TAM also requested the Administration to provide the respective number of empty taxis using the three RHCs.

(post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)744/17-18(01) on 14 March 2018.)

60. Mr WONG Po-keung of Hong Kong Taxi Owners' Assn. Ltd. urged the Administration to listen to the views of the taxi trade, in particular the difficulties faced by the trade in relation to the issue of refusal of hire by taxi drivers. Mr WONG urged the Administration to consider lowering the toll for return trip of empty taxi using WHC.

Conclusion

61. In summing up members' views, the Chairman urged the Administration to work out a forward looking transport policy in tandem with the future development of new areas. Among others, the planning of a fourth RHC should commence as soon as practicable. Moreover, in view of the rapid development of Hung Shui Kiu and the overloading of existing West Rail Line, the Administration should also make plans for a new railway linking up Tsuen Wan and Tuen Mun.

III. Any other business

62. The Chairman informed members that the following items would be discussed at the next regular meeting to be held on 19 January 2018:

- (a) New Franchise For The "Star" Ferry Company, Limited;
- (b) 7861TH-2 - Widening of Tai Po Road (Sha Tin Section) - construction; and
- (c) Implementation of a new generation of on-street parking meter system.

63. Members also noted that a special meeting was scheduled for 22 January 2018 at 2:45 pm to receive the public's view on "Progress of Implementation of Measures under Public Transport Strategy Study".

64. There being no other business, the meeting ended at 12:01 pm.

Council Business Division 4
Legislative Council Secretariat
20 September 2018

Panel on Transport

Special meeting on Tuesday, 9 January 2018, at 8:30 am

Toll rationalisation among three road harbour crossings and three land tunnels between Kowloon and Sha Tin

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission/Major views and concerns
1.	DAB	<ul style="list-style-type: none"> ● opined that the Administration's proposal of toll subsidization arrangement might probably divert the traffic to West Harbour Crossing ("WHC") thereby causing traffic congestion in the Western districts ● opined that the Administration should put forward a concrete proposal of subsidization arrangement ● suggested the Administration to consider the way forward for WHC franchise which is due to expire in 2023 ● opined that the arrangement of autotoll could be further enhanced
2.	The Lion Rock Institute	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)462/17-18(01) (Chinese version only)
3.	Public Transportation Think Tank of Hong Kong	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)451/17-18(02) (Chinese version only)

No.	Name of deputation/individual	Submission/Major views and concerns
4.	Designing Hong Kong	<ul style="list-style-type: none"> ● opined the latest technology should be used for tunnel charging and urged the Administration to mandate electronic charging for all vehicles in Hong Kong ● opined that the objectives of traffic management should also include improving air quality and promoting shared transport to benefit commuters ● opined that toll rationalization was not just about averaging the flow among all the tunnels. Instead, the Administration should also control vehicle growth and increase the cost of vehicles entering urban areas since all the roads in urban areas could no longer accommodate any extra vehicles
5.	Hong Kong Taxi Owners' Assn. Ltd.	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)451/17-18(01) (Chinese version only)
6.	The Civic Party	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)462/17-18(04) (Chinese version only)
7.	The Young Civics	<ul style="list-style-type: none"> ● opposed to the Administration's proposal of toll adjustments proposals for the rationalization of traffic distribution among tunnels ● opined that the toll adjustment proposals would not be able to change the driving patterns of private car drivers and the routing of their journeys and thus would not help to alleviate the traffic congestion at tunnels ● opined that some of the tunnels were already overloaded and worried that the implementation of the above proposal would aggravate the congestion

No.	Name of deputation/individual	Submission/Major views and concerns
		<p>near WHC</p> <ul style="list-style-type: none"> ● urged the Administration to provide incentives for the use of public transport and work out initiatives to enhance the quality of public transport services and long term plans on construction of new tunnels and roads
8.	Tai Wo Motors Ltd	<ul style="list-style-type: none"> ● suggested the Administration to consider aligning the tolls of Cross Harbour Tunnel ("CHT") and WHC, in particular, for the return trips of empty taxis
9.	Liberal Party	<ul style="list-style-type: none"> ● opined that the toll adjustment proposals might not be able to change the driving patterns of private car drivers and the routing of their journeys and thus queried the efficacy of the proposal in alleviating the traffic congestion at tunnels ● opined that a holistic approach, including the geographical position of the tunnels and the driving patterns of drivers, should be taken into account in working out the traffic diversion plan for the six tunnels ● opined that the Administration should review the traffic condition after the commissioning of Central - Wanchai Bypass before embarking on further plan of toll rationalization ● the Administration should consider buying back WHC
10.	Hong Kong Future Road study	<ul style="list-style-type: none"> ● opined that the toll adjustment proposals would not be able to change the driving patterns of private car drivers and the routing of their journeys and

No.	Name of deputation/individual	Submission/Major views and concerns
		<p>thus would not help to alleviate the traffic congestion at tunnels</p> <ul style="list-style-type: none"> ● suggested the Administration to consider a territory-wide traffic management plan. ● Among others, considerations should be given to the rapid development of North East New Territories and that transport planning should be able to cater for the structural change in industries and population
11.	Hong Kong Land Transport Council	<ul style="list-style-type: none"> ● opined that the toll adjustment proposals would not be able to change the driving patterns of private car drivers and the routing of their journeys and thus would not help to alleviate the traffic congestion at tunnels ● worried that the implementation of the above proposal would aggravate the congestion near WHC ● opined that the Administration should also control vehicle growth, which was the root cause of traffic congestion ● urged the Administration to provide incentives for the use of public transport
12.	New People's Party and Civil Force	<ul style="list-style-type: none"> ● opined that the Administration should control vehicle growth, which was the root cause of congestion, particularly the growth in the number of private cars ● urged the Administration to consider adopting improved road designs and construction of tunnels and by-pass as well as expediting the implementation of widening of Tai Po Road (Sha Tin section) and T4

No.	Name of deputation/individual	Submission/Major views and concerns
		<p>Trunk Road project</p> <ul style="list-style-type: none"> ● urged the Administration to provide incentives, including Bus-Bus Interchange concession, for the use of public transport ● suggested the Administration to take into account travel patterns and transport mode preferences of residents for transport planning and use advanced technology to facilitate traffic management
13.	Labour Party	<ul style="list-style-type: none"> ● queried the efficacy of toll adjustment proposal in alleviating the traffic congestion at tunnels ● opined that the Administration should tackle the root cause of traffic congestion by constructing tunnels and by-pass as well as controlling vehicle growth
14.	Shatin Commons	<ul style="list-style-type: none"> ● opined that the Administration should thoroughly study the feasibility of the buying back of WHC
15.	Taxi Drivers and Operators Association	<ul style="list-style-type: none"> ● opined that the problem of refusal of hire by taxi drivers could be solved by unifying the toll level of the three harbour crossing at \$50 for a round trip and that the return trip of empty taxi should be free of charge or charged at \$25 for single trip
16.	Miss HO Ka-yau	<ul style="list-style-type: none"> ● expressed that Sha Tin residents were suffering from serious traffic congestion since the users of Lion Rock Tunnel (LRT) and Tate's Cairn

No.	Name of deputation/individual	Submission/Major views and concerns
		<p>Tunnel ("TCT") had exceeded the capacity</p> <ul style="list-style-type: none"> ● expressed that, more often than not, Eagle's Nest and Sha Tin Heights Tunnel would not be a choice for commuters heading for Hong Kong Island West since the toll of WHC was expensive ● opined that toll adjustment proposal might not be able to tackle the root cause of traffic congestion ● asked the Administration to consider the buying back of WHC
17.	中西區交通關注組	<ul style="list-style-type: none"> ● expressed that the traffic demands for CHT and Eastern Harbour Crossing ("EHC") had far exceeded their respective design capacities while WHC should have a little room to absorb traffic diverted from CHT and EHC. Thus the crux of the toll adjustment proposal lied with the toll level of WHC ● expressed that the autotoll arrangement at CHT had caused uneven traffic flow among different lanes ● suggested the Administration to look into the toll rates of taxis in reviewing the issue of refusal of harbour-crossing passengers by taxi drivers ● asked the Administration to consider the buying back of WHC
18.	陳君寶先生	<ul style="list-style-type: none"> ● supported the proposed toll adjustment proposal but remarked that agreement should be reached with the public transport operators concerned so that the public transport fee and the frequency of services would be adjusted to benefit commuters

No.	Name of deputation/individual	Submission/Major views and concerns
		<ul style="list-style-type: none"> ● urged the Administration to further expand the East Rail line and consider constructing a light rail system in Tai Po
19.	Mr KAN Siu-kei	<ul style="list-style-type: none"> ● expressed grave concern about the serious traffic congestion in Sai Kung and Tseung Kwan O, in particular the congestion of Tseung Kwan O Tunnel, and overloading of MTRCL's Tseung Kwan O line during peak hours ● urged the Administration to expedite the works of Tseung Kwan O and Lam Tin Tunnel ● opined that different types of transport modes, for instance railway and bus services, should be complementary to each other to benefit commuters and a holistic approach should be taken for the overall transport planning
20.	Mr TANG Ka-piu	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)428/17-18(01) (Chinese version only)
21.	黃遠康先生	<ul style="list-style-type: none"> ● emphasized that the EHC had already reached its saturation and in turn caused the congestion at Tseung Kwan O Tunnel ● opined that the toll adjustment proposal would aggravate the situation of traffic congestion and that the Administration should consider constructing the fourth harbour crossing tunnel

No.	Name of deputation/individual	Submission/Major views and concerns
22.	The Federations of Hong Kong & Kowloon Labour Unions	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)462/17-18(05) (Chinese version only)
23.	The Kowloon Motor Bus Co. (1933) Ltd.	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)462/17-18(01) (Chinese version only)
24.	Motor Transport Workers General Union	<ul style="list-style-type: none"> ● opined that the toll rates for taxis should be unified for the three harbour crossing tunnels as well as for the three land tunnels between Kowloon and Shatin
25.	Public Transport Research Team	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)451/17-18(03) (Chinese version only)
26.	Hong Kong Public Transport Concern Group	<ul style="list-style-type: none"> ● presentation of views as set out in submission LC Paper No. CB(4)462/17-18(03) (Chinese version only)