

立法會
Legislative Council

LC Paper No. CB(4)1550/17-18
(These minutes have been seen
by the Administration)

Ref : CB4/PL/TP/1

Panel on Transport

**Minutes of meeting held on
Friday, 16 March 2018, at 10:45 am
in Conference Room 3 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 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 CHAN Han-pan, JP
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
Ir Dr Hon LO Wai-ki, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick

Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying
Hon Tanya CHAN
Hon LUK Chung-hung
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho

Member attending : Hon KWOK Wai-keung, JP

Members absent : Hon Michael TIEN Puk-sun, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming

Public officers attending : **Agenda item III**

Dr Raymond SO, BBS, JP
Under Secretary for Transport and Housing

Ms Ivy LAW, JP
Deputy Secretary for Transport and Housing
(Transport)³

Mr Wilson PANG Wai-shing
Assistant Commissioner for Transport/Technical
Services
Transport Department

Mr Tony YAU Kwok-ting
Chief Engineer/Road Safety and Standards
Transport Department

Mr CHENG Hung-leung
Transport Specialist (Standards)
Transport Department

Agenda item IV

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

Ms Macella LEE Sui-chun, JP
Deputy Commissioner for Transport/Transport
Services and Management
Transport Department

Mr Philip HAR Mung-fei
Principal Assistant Secretary for Transport and
Housing (Transport)4

Ms Stella LEE Yim-fong
Assistant Commissioner for Transport/
Management and Paratransit
Transport Department

Agenda item V

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

Miss Crystal YIP
Principal Assistant Secretary for Transport and
Housing (Transport)1

Ms Tammy CHAN
Chief Treasury Accountant (Transport)
Transport and Housing Bureau

Mr Patrick WONG
Assistant Commissioner for Transport/Bus and
Railway
Transport Department

Mr CHAN Chau-fat
Assistant Director/Railways
Electrical and Mechanical Services Department

Attendance by invitation : Agenda item V

Hong Kong Tramways Limited

Mr Cyril AUBIN
Managing Director

Mr Benjamin LEE
Operations Manager

Clerk in attendance : Mr Lemuel WOO
Chief Council Secretary (4)6

Staff in attendance : Miss Katherine CHAN
Council Secretary (4)6

Ms Emily LIU
Legislative Assistant (4)6

Action

I. Information paper(s) issued since the last meeting

- (LC Paper No. CB(4)639/17-18(01) - Administration's response to the letter from Hon Michael TIEN requesting to discuss "The proposed toll schemes for the Main Bridge of the Hong Hong-Zhuhai-Macao Bridge"
- LC Paper No. CB(4)640/17-18(01) - Administration's response to the joint letters from Hon Jeremy TAM Man-ho, Dr Hon KWOK Ka-ki and Hon Tanya CHAN; and Hon CHU Hoi-dick, Hon Charles Peter MOK and Dr Hon Fernando CHEUNG Chiu-hung; and the letter

- from Hon CHAN Han-pan requesting to discuss the issues relating to the Hong Kong-Zhuhai-Macao Bridge Project
- LC Paper No. CB(4)660/17-18(01) - Letter from Hon Jeremy TAM Man-ho on private driving instructors' licences
- LC Paper Nos. CB(4)711/17-18(01) and (02) - Letters from Hon LAM Cheuk-ting and Dr Hon CHENG Chung-tai on issues relating to management of bus captains
- LC Paper No. CB(4)716/17-18(01) - Administration's response to the letter from Dr Hon CHENG Chung-tai requesting to discuss the traffic accident on Fanling Highway
- LC Paper No. CB(4)722/17-18(01) - Joint letter from Hon Tanya CHAN, Hon Jeremy TAM Man-ho, Dr Hon KWOK Ka-ki and Hon Alvin YEUNG on the operational details of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link
- LC Paper No. CB(4)742/17-18(01) - Joint letter from Hon Jeremy TAM Man-ho, Dr Hon KWOK Ka-ki, Hon Tanya CHAN and Hon Alvin YEUNG on the working and rest time

arrangements for
professional drivers)

Members noted the above papers issued since the last meeting.

2. The Deputy Chairman referred to his letter concerning the management of bus captains [LC Paper No. CB(4)711/17-18(01)], and requested the Panel on Transport ("the Panel") to discuss the matter at a future meeting. The Chairman said that he had already instructed the Administration to provide a written response on the matter.

(Post-meeting note: The Administration's written response was issued vide LC Paper No. CB(4)785/17-18(01) on 21 March 2018.)

3. Ms Tanya CHAN referred to the joint letter she had submitted together with Mr Jeremy TAM, Dr KWOK Ka-ki and Mr Alvin YEUNG on the operational details of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link [LC Paper No. CB(4)722/17-18(01)]. She requested that the matter should be discussed at the Panel meeting or the Subcommittee on Matters Relating to Railways ("the Subcommittee") meeting. The Chairman responded that he would discuss with the Subcommittee Chairman on whether the said matter should be followed up by the Panel or the Subcommittee in future.

II. Items for discussion at the next meeting

(LC Paper No. CB(4)719/17-18(01) - List of outstanding items for discussion

LC Paper No. CB(4)719/17-18(02) - List of follow-up actions)

4. Members agreed to discuss the following items at the next regular meeting to be held on 27 April 2018:

- (a) Provision of Hillside Escalator Link and Elevator System and Elevated Walkway;
- (b) Legislative amendments on enhancing the safety requirements of road works; and
- (c) Installation of additional traffic detectors, speed map panels and journey time indication systems.

5. Dr Helena WONG requested the Panel to discuss the item on operational arrangements for the Hong Kong-Zhuhai-Macao Bridge ("HZMB") and the Hong Kong Port, as set out in LC Paper No. CB(4)719/17-18(01), as soon as practicable. Ms Tanya CHAN concurred with Dr WONG's suggestion. The Chairman said that according to the Administration, the item would be discussed in the second quarter of 2018. He would also follow it up with the Administration.

(Post-meeting note: The item on operational arrangements for HZMB and the Hong Kong Port was discussed at the Panel meeting on 18 May 2018.)

6. To avoid clashing with the meeting of the Bills Committee on Guangzhou-Shenzhen-Hong Kong Express Rail Link (Co-location) Bill to be held at 10:45 am on 27 April 2018, the Chairman proposed and members agreed that the next regular meeting would start at 8:30 am and end at 10:30 am on the same date.

III. Update of Road Users' Code

(LC Paper No. CB(4)719/17-18(03) - Administration's paper on update of Road Users' Code)

7. At the invitation of the Chairman, Under Secretary for Transport and Housing ("USTH") briefed members on the proposed update of the Road Users' Code ("the Code") by making reference to the printed draft of the Code ("the draft Code"). He said that the proposed update and amendments to the Code mainly sought to reflect the amendments to traffic legislation and rules made since the last update of the Code in 2000, add advices and update the information provided to road users. USTH advised that the Administration planned to submit the relevant subsidiary legislation for negative vetting by the Legislative Council ("LegCo") within the 2017-2018 legislative session.

Cycling safety

8. Dr KWOK Ka-ki indicated that he did not object to the proposed update of the Code but was disappointed to note that the Administration had not formulated a policy on using bicycle as a mode of green transport and adequately promoted cycling safety as was the case in some overseas countries. He considered that more guidelines on cycling safety should be provided in the draft Code, such as requiring cyclists to wear reflective clothing and turn on warning light on bicycles at night, reminding other

drivers to take extra care of cyclists nearby, or giving priority to cyclists on the road.

9. USTH responded that the Administration had been promoting cycling safety through various channels such as Announcement of Public Interest on radio and television reminding drivers to give cyclists the right of way and courtesy as any other drivers. The draft Code also provided the relevant safety guidelines, including reminding cyclists to wear personal protective equipment, and reminding other road users to take extra care of cyclists.

10. Mr CHU Hoi-dick asked whether specific guidelines on the distance between cyclists and kerb would be provided in the draft Code. In his view, cyclists should always be allowed to ride in the middle of the lane to enhance safety, as drains or covers were always situated along the left side of the road, and cyclists riding on the left would easily be affected by the air flow generated from vehicles passing by.

11. Chief Engineer/Road Safety and Standards ("CE/RSS") of the Transport Department ("TD") advised that the Administration had consulted relevant stakeholders on cycling and incorporated their views in the draft Code where appropriate. For example, the draft Code had specified that when cyclists were about to make a turn or come to a narrow road, they might ride in the middle of the lane if it was safe to do so. Furthermore, the draft Code had specified that drivers should look out for cyclists and make allowance for the differences between their vehicles and bicycles.

12. Mr CHU Hoi-dick further enquired whether drivers who overtook a bicycle should follow the rule of overtaking only on the right as if they were overtaking other types of vehicles. CE/RSS replied that the draft Code had provided guidelines that drivers should not attempt to overtake cyclists until there was sufficient room to do so, and drivers must not overtake if they had to cross or drive on double white lines, with the solid line nearer to them.

13. The Chairman expressed concern that many cyclists, in particular those who provided food-delivery services, did not follow the safety rules when riding on the carriageway at night. He hoped that the Administration would strengthen the promotion of cycling safety to them.

Fatigue driving

14. Mr POON Siu-ping referred to the guidelines on "Avoid fatigue driving" mentioned on page 50 of the draft Code and asked whether more

specific guidelines would be provided, such as specifying the recommended maximum driving hours for drivers.

15. USTH replied that it was difficult to provide a single definition of "fatigue driving" applicable to all transport trades. Under the draft Code, drivers were not recommended to drive if they were tired. He added that the draft Code had provided a general guideline on "fatigue driving" for road users. For working hours of bus captains, the Administration had earlier issued the revised Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks.

Right-driving arrangement and left-hand drive vehicles

16. Mr CHAN Chi-chuen considered that the draft Code should illustrate more clearly with diagrams the "driving on the right" ("right-driving") arrangement on the Hong Kong Link Road ("HKLR"), and the points to note by drivers while driving on the right. He also referred to page 71 of the draft Code and asked how the public could obtain information about the relevant legislation, rules and advice on right-driving arrangement from "Further Reference Materials".

17. USTH advised that to tie in with the traffic arrangement of the Main Bridge of HZMB, legislative amendments had earlier been made for the adoption of right-driving arrangement on HKLR and the Scenic Hill Tunnel. He explained that the draft Code had provided guidelines on the general traffic arrangements in Hong Kong. To acquaint drivers with the right-driving arrangement which was only applicable on HKLR and the Scenic Hill Tunnel, relevant pamphlets for drivers' reference would be made available by scanning the QR Code provided on page 139 (Further Reference Materials) of the draft Code. TD would also provide a designated webpage to introduce the right-driving arrangement on its website. At the request of Mr CHAN Chi-chuen, USTH and Assistant Commissioner for Transport/Technical Services of TD agreed to include a cross-reference page number of "Further Reference Materials" on page 71 of the draft Code to facilitate readers.

18. Ms Claudia MO expressed concern that some drivers of left-hand drive ("LHD") vehicles were not familiar with Hong Kong's traffic arrangements. She suggested that the Code should provide some guidelines to them, as it was expected that more LHD vehicles would be coming to Hong Kong after the commissioning of HZMB. The Administration noted her view.

Illegal occupation of carriageway

19. Dr Helena WONG welcomed the updating of the Code. However, she considered that guidelines on the proper use of road to address the problem of illegal occupation of carriageway for business activities should be provided in the draft Code. It was because those activities, such as loading/unloading of goods or goods custody, had affected drivers. She pointed out that the above problem was particularly serious in the vicinity of Yau Ma Tei Fruit Market and Sham Shui Po but the Police had rarely taken law enforcement actions against such illegal act. USTH undertook to convey Dr WONG's view to the Police and TD for following up.

Activation of the mobile application

20. Mr Jeremy TAM referred to the last page of the draft Code and expressed concern that the "Hong Kong eMobility" referred therein was not available in mobile application stores. CE/RSS advised that the "Hong Kong eMobility" mobile application was being prepared and it would be available later.

Promotion of the Road Users' Code

21. Mr Wilson OR expressed concern that while the Code was useful for both drivers and pedestrians, there was a lack of promotion of the Code. As a result, only candidates preparing for driving tests would make reference to it. He asked about the Administration's measures to strengthen the promotion of the Code after revision to widen its readership. He suggested that the Administration should promote the Code through District Councils and District Offices.

22. USTH undertook that the Administration would strengthen the publicity of the Code after its revision so as to widen its readership. He advised that new initiatives included enabling members of the public to download the full version of the Code from website and view the contents of the Code in mobile version. Besides, the Administration was also considering other promotional channels to enable the public to receive road safety information. He said that the Administration would continue to listen to the views of members and the public on how the publicity of the Code could be further enhanced.

23. In response to Mr Wilson OR's further enquiry on whether the Administration had assessed and how to assess the effectiveness of the publicity work of the Code, USTH said that the Administration had been

making use of the information technology to enhance the relevant work. He added that when the function of downloading the Code was activated, the statistics on number of downloads would also provide an indicator of the effectiveness of such promotional channel.

24. Dr KWOK Ka-ki, Mr CHAN Chi-chuen, Dr Helena WONG and Ms Claudia MO also urged the Administration to step up publicity of the Code, and target at the needs of different sectors. Dr WONG suggested that the Administration should specifically remind road users not to use mobile phone when crossing a road, and Ms MO considered that parents should be reminded about the safety issues on road crossing of their children.

25. The Chairman considered that the Administration should make reference to overseas practice and step up publicity against the use of mobile phone when crossing roads. He also considered that the Administration should announce the statistics of injuries which were caused by using mobile phone when crossing a road, if such statistics were available.

26. USTH agreed that promotion of the Code to increase the public's awareness on road safety was important. He added that, although failure to follow the provisions in the Code might not constitute an offence in itself, any such failure might be relied upon by any parties in traffic-related civil or criminal proceedings to establish or disavow the liabilities.

27. In response to Ms Claudia MO's enquiry about the estimated cost for promotion of the Code, Deputy Secretary for Transport and Housing (Transport)³ advised that the Administration would discuss with the Road Safety Council on promoting the Code and would promote the Code to different sectors of the public. The estimated cost for promotion was not available in the meantime.

Frequency of updating the Road Users' Code

28. Noting that the Code had not been revised for 18 years, Mr POON Siu-ping asked about the frequency to which the Administration would revise the Code comprehensively and whether the review had to be initiated by the Road Safety Council.

29. USTH replied that there was not a timetable for updating the Code. Notwithstanding this, since the last update of the Code, any amendments to the traffic legislation relevant to the Code had been conveyed to the public through different channels. He said that the Administration agreed that the

Code could be updated more frequently to reflect the prevailing legislation and updated information.

30. Mr Jeremy TAM expressed concern over the requirement that any amendments to the Code had to be approved by LegCo as the time-consuming legislative process would hinder frequent updating of the Code. He considered that, as a result of this restrictive requirement, the information contained in the Code would easily become outdated and misleading to road users, including those who studied the Code for taking driving tests, and that the Administration might be subject to legal challenge in legal proceedings. Mr TAM considered relevant legislative amendments should be made to the effect that amendments to the Code would no longer be subject to negative vetting by LegCo in the future.

31. USTH explained that at present, unlike other codes which were also prepared in accordance with the Road Traffic Ordinance (Cap. 374), any alterations to the Code should be deemed to be subsidiary legislation and be subject to negative vetting procedure by LegCo. He added that taking into account the fact that amendments to the relevant legislation would be made from time to time, the Code had specified that the prevailing legislation took precedence. He thanked Mr Jeremy TAM for his views and undertook to follow up his suggestion.

32. The Chairman shared the views of other members that the Code should be updated more timely to reflect the prevailing legislation. He suggested that when printing the Code, the Administration might consider using loose-leaf publication to facilitate replacing pages with updated information without the need to print all pages of the Code for each revision. The Administration noted his views.

33. After discussion, the Chairman concluded that the Panel supported the Administration's legislative proposal.

IV. Duration of ferry service licences

- (LC Paper No. CB(4)719/17-18(04) - Administration's paper on duration of ferry service licences

- LC Paper No. CB(4)719/17-18(05) - Paper on duration of ferry service licences prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(4)747/17-18(01) - Submission from 離島渡輪牌照關注組(坪洲)

34. At the invitation of the Chairman, Deputy Secretary for Transport and Housing (Transport)2 ("DSTH(T)2") briefed members on the Administration's proposal to amend the Ferry Services Ordinance (Cap. 104) to relax the cap on the licence period for newly granted or extended licences on each occasion, i.e. from not exceeding three years to not exceeding five years, with the aggregate licence period remained to be capped at 10 years ("the Proposal"). He also said that the Administration planned to introduce an amendment bill to LegCo within the 2017-2018 legislative year to implement the Proposal.

Licence period

35. Relaying the views expressed in the submission from 離島渡輪牌照關注組(坪洲) [LC Paper No. CB(4)747/17-18(01)], Ms Claudia MO asked about the justifications for relaxing the cap on each licence period to five years (instead of four years), and whether the outlying island residents were consulted on the Proposal.

36. In response, DSTH(T)2 explained that the Proposal had been put forward with a number of factors being taken into account, such as local ferries' operational characteristics and business environment of the local ferry trade. The objectives were to enhance the business environment of the local ferry trade and to facilitate ferry operators' long-term planning and investment, and in turn enhance the financial viability of ferry services and encourage continuous improvement to service quality. Deputy Commissioner for Transport/Transport Services and Management ("DC/TSM") of TD supplemented that TD had consulted the ferry trade which in general supported the Proposal.

37. At the request of Mr CHU Hoi-dick, the Administration undertook to provide a written response to the views expressed in the abovementioned submission from 離島渡輪牌照關注組(坪洲).

(Post-meeting note: The Administration's written response in Chinese version was issued vide LC Paper No. CB(4)779/17-18(01) on 21 March 2018.)

38. Mr Kenneth LAU considered that, as it was unlikely that there would be new operator interested in providing ferry services (in particular the six

major outlying ferry routes), the Administration should consider further relaxing the cap on the licence period for newly granted and extended licences on each occasion or even the cap on the aggregate licence period. To further encourage ferry operators to make longer-term investment and operational planning, the Chairman also urged the Administration to relax the cap on the licence period for newly granted and extended licences on each occasion from the proposed five years to 10 years.

39. To better understand the impact of relaxation of the cap on licence period, Mr Jeremy TAM enquired about the numbers of cases that, upon expiry of their original ferry service licences, the ferry operators did not apply for the licence extensions or their applications for extension of licence were turned down by the Administration. He also asked about the numbers of cases that the incumbent ferry operators were not awarded licences for operating the same ferry services as a result of open tender exercises.

40. DSTH(T)2 responded that the Administration would provide supplementary information requested by Mr Jeremy TAM. In response to Mr TAM's further enquiry about regulation on ferry operators' applications for termination of licences, DC/TSM replied that the licensed ferry operators might terminate the licences by giving a six-month notice according to the licence conditions. TD would then invite expression of interest from the ferry trade for the provision of the ferry services concerned.

(Post-meeting note: The Administration's written response in Chinese version was issued vide LC Paper No. CB(4)1242/17-18(01) on 13 June 2018.)

41. Mr CHAN Chun-ying enquired about how the Administration could ensure a fair competition for prospective ferry operators so that the ferry services would not be operated only by certain group companies as well as their subsidiaries and affiliates.

42. In response, DC/TSM explained that at the end of the aggregate licence period (i.e. including all extended licence period(s)), the Administration would conduct public tender exercise(s) for the concerned ferry route(s) if more than one party expressed interest in operating the ferry route(s) in order to maintain a competitive business environment in the ferry trade. Interested parties might submit tenders to the Administration for consideration and the successful bidder would become a legal entity under Cap. 104 to operate the licensed ferry service(s). DSTH(T)2 and DC/TSM further said that past experience showed that, due to operating difficulties faced by the ferry routes, even if bids were invited during public tender

exercise(s), it was a rare case for new operators to enter into market to provide ferry services.

Monitoring of ferry services and pier facilities

43. In view of the longer ferry service licence period proposed, Mr Andrew WAN enquired whether tighter licence conditions would be imposed to enhance monitoring of the ferry operators' service performance. Mr CHAN Chun-ying considered that the new licence should include the condition specifying the age limits for vessels to be used in order to further improve the ferry services. Regarding Mr CHAN's view, DC/TSM responded that TD could specify the vessel requirements in the tender document taking into account all relevant factors including the business environment of the ferry trade.

44. Mr POON Siu-ping also asked if the new licence would include a clause requesting ferry operators to formulate specific plans to strengthen staff training and reduce uncertainties in the employment and promotion prospects for their staff. In reply, DSTH(T)2 advised that the Administration would relay Mr POON's views on staff training to the Marine Department for consideration.

45. Mr CHU Hoi-dick enquired about how TD would follow up the problems with licensed ferry services including the deviation from service schedules and lost trips. He asked whether the licensed ferry operators should give notice in writing to the Commissioner for Transport ("the Commissioner") as soon as practicable if the problem persisted for more than 48 hours in accordance with section 32 of Cap. 104.

46. In reply, DC/TSM explained that licensed ferry operators were required to provide ferry services according to the Schedules of Services, which specified the routes of ferry services, timetable, fare table, journey distance and journey time. Generally speaking, lost trips were not common in ferry services. If members of the public lodged complaints against reliability of the ferry services, TD would look into the complaints and request the concerned ferry operators to explain the reasons for the non-adherence to the scheduled timetable approved. Major reasons given in the past included inclement weather and longer time required for boarding and alighting. TD would investigate individual complaints cases and take actions deemed appropriate.

47. DC/TSM also advised that section 32 of Cap. 104 was applicable whenever a licensed ferry operator had to suspend or alter the licensed

service due to unforeseeable circumstances such as mechanical breakdown of a vessel. The ferry operator should give notice in writing to the Commissioner as soon as practicable after he became aware that the suspension or alteration was likely to continue or occur for the specified period as stipulated in section 32(1) of Cap. 104. Assistant Commissioner for Transport/Management and Paratransit ("ACT/MP") of TD added that suspension or alteration of licensed service would be announced to the public through various means, including TD's website, media and notices posted at the piers.

48. Dr KWOK Ka-ki relayed the concerns of some outlying island residents over the ferry operators' operational performance, such as the undesirable arrangement of leaving passengers to wait for boarding at uncovered area of Cheung Chau Ferry Pier and dissatisfaction with the hygiene conditions of the toilets in ferry piers. He expressed concern that the situation would get worse if ferry operators were granted a longer licence period.

49. In response, ACT/MP explained that, owing to the limited space inside the Cheung Chau Ferry Pier and to manage the passenger flow in an orderly manner, ferry operators usually allowed departing passengers to enter the covered passenger waiting area of the pier for boarding about 10 to 15 minutes before the scheduled sailing time, depending on the actual situation of the passenger flow. Regarding the cleanliness of the toilets at ferry piers, TD would remind the ferry operators to make improvement in this regard. In addition, ACT/MP said that the toilet facilities at Cheung Chau Ferry Pier had been refurbished in 2015.

50. DC/TSM supplemented that upon relaxation of the cap on licence period, the Commissioner might still grant a licence for a period of less than five years. The Commissioner might also revoke the operator's licence under section 34 of Cap. 104 if it appeared that without good cause a ferry operator had failed, or was likely to fail, to maintain a proper and efficient ferry service.

51. Mr YIU Si-wing expressed concern that some of the public toilets and fire safety facilities at outlying island ferry piers were substandard, which would affect tourists' impression of Hong Kong. He asked whether the Administration would formulate measures to improve the situation. In response, DSTH(T)2 advised that pier maintenance was the Administration's responsibility and relevant departments, including Architectural Services Department ("ASD"), Electrical and Mechanical Services Department and

Civil Engineering and Development Department, would review the existing pier facilities for making improvement as appropriate.

52. In response to the Chairman's enquiry, ACT/MP informed members that ASD was conducting a study on refurbishing the toilet facilities at Sam Ka Tsuen Public Pier and would commence the relevant works as soon as practicable after the study. She said that TD would follow up the refurbishment work with ASD.

53. Mr POON Siu-ping noted that at present, ferry operators might sub-let premises at the piers for commercial activities to generate non-fare box revenue, with the aim of cross-subsidizing ferry services to alleviate the operators' pressure to increase fare. He enquired whether the Administration would enhance regulating the ferry operators' non-fare box revenue when a longer licence period was granted.

54. In response, DSTH(T)2 advised that upon the relaxation of the cap on each licence period, the ferry operators might extend the period of their sub-let contracts accordingly so that a wider sources of tenants could be engaged, in particular those requiring a longer payback period such as restaurant operators. It was expected that this arrangement would also allow ferry operators more room to make longer term planning by having a more accurate financial projection. DSTH(T)2 assured members that the Administration would keep monitoring the financial situations of ferry operators so as to ensure that the non-fare box revenue generated would be used for cross-subsidizing ferry services.

Exploring other long-term operational model for providing ferry services

55. Mr Andrew WAN asked whether the Administration would explore other more desirable long-term operational model, such as enhancing Special Helping Measures to the six major outlying island ferry routes with a view to better maintaining the financial viability of ferry services and alleviating the burden of fare increase on passengers in future. Mr WAN, Mr Kenneth LAU and Ms Claudia MO asked if the Administration would consider owning the ferry fleet and outsourcing the service operation.

56. Dr KWOK Ka-ki also urged the Administration to explore the most desirable long-term operation model so as to improve ferry operators' operational performance.

57. In response to members' views, DSTH(T)2 advised that the Administration would study the most desirable long-term operation model

for the outlying ferry services in the mid-term review (in the first half of 2019) for the current licence period. In the mid-term review, the Administration would study the merits and demerits of various options and report the review outcome to the Panel in due course. He also said that at present, the mid-term review was conducted during the three-year licence period for monitoring the proper spending of public funds. After the relaxation of the cap of each licence period, the Administration would consider suitably increasing the number of mid-term reviews such as, for example, carrying out two mid-term reviews within a five-year licence period to ensure proper spending of public funds.

Role and positioning of licensed ferry services

58. Dr Helena WONG considered that the Administration should review the roles and positioning of ferries in public transport, in particular the in-harbour ferry routes, with a view to alleviating the pressure of road traffic by providing ferry services as alternative transport means. She further suggested that the Administration should explore the possibility of constructing new piers or utilizing the existing piers to provide ferry feeder routes in the newly developed areas, like the West Kowloon Cultural District and the Kai Tak Development Area.

59. In reply, DSTH(T)2 explained that in view of difficulty to comply with the Protection of the Harbour Ordinance (Cap. 531), construction of new piers might not be an easy option. Nonetheless, the Administration would study the feasibility of providing more in-harbour ferry routes by utilizing the existing piers. The Administration would keep an open mind in listening to different views on enhancing the ferry services.

60. DC/TSM supplemented that in-harbor licensed ferry services were available between North Point and Kwun Tong via Kai Tak. However, in view of the low patronage to/from Kai Tak on weekdays, regular services were mainly provided at weekends. Upon the development of Kai Tak, the Administration would closely monitor the situation and review the service level of the existing ferry service.

Conclusion

61. The Chairman concluded that members were generally supportive of the Proposal in paragraph 34.

- V. Fare increase application from Hong Kong Tramways Limited**
(LC Paper No. CB(4)719/17-18(06) - Administration's paper on fare increase application from Hong Kong Tramways Limited
- LC Paper No. CB(4)719/17-18(07) - Paper on fare increase application from Hong Kong Tramways Limited prepared by the Legislative Council Secretariat (background brief))

(At 12:19 pm, the Chairman proposed and members raised no objection to extending the meeting for 15 minutes to 1:00 pm. At 12:57 pm, the Chairman proposed and members raised no objection to further extending the meeting for five to 10 minutes to allow all members who had indicated their intention to speak to raise their questions.)

62. At the invitation of the Chairman, DSTH(T)2 briefed members on the fare increase application from Hong Kong Tramways Limited ("HKT"). DSTH(T)2 advised that the Administration had to ensure that HKT would have sound financial capability in providing efficient and quality tram services at reasonable fares. The Administration had taken into account various factors of consideration, including the quality and quantity of service provided by HKT and its planned improvement projects; the changes in operating costs and revenue since the last fare adjustment; forecasts of future operating costs, revenue, profit and return; and the likely public acceptability.

63. With the aid of a PowerPoint presentation [LC Paper No. CB(4)764/17-18(01)], Managing Director of HKT ("MD/HKT") explained to members the reasons for HKT's fare increase application, the main challenges faced by HKT, and its proposed improvement projects.

Fare increase application

64. Mr CHAN Chun-ying was supportive of HKT's fare increase application as it would enable its continuous investment in the tramway system and maintenance of a sustainable operation of tram services. Dr Helena WONG and Mr LUK Chung-hung considered the magnitude of HKT's proposed fare increase mild.

65. Noting that HKT last increased its fares in June 2011 and its profit after tax had remained more or less the same in recent years, Mr KWOK Wai-keung asked HKT to elaborate on the reasons for its fare increase application. In reply, MD/HKT explained that given the keen competition from other public transport modes, the patronage of the tram had been decreasing. At the same time, the potential to further increase the advertising space and hence non-fare box revenue was rather limited. If the trend of the declining patronage continued and there was no further increase in non-fare box revenue, the long-term sustainability of the tramway operation would be in question.

66. Mr Jeremy TAM said that he had no objection to HKT's fare increase application but hoped that HKT could generate more revenue from advertisements. In reply, DSTH(T)2 advised that the advertising on tram body and at tram stop shelter accounted for some 40% of HKT's total revenue in recent years. The Administration noted that all tram bodies in general had been displayed with advertisements and most tram stop shelters with commercial potential were also fully utilized. Therefore, the scope for further increase in non-fare box revenue for HKT was limited. MD/HKT supplemented that HKT's advertising agency would closely monitor the market and assisted the company in increasing its advertising revenue having regard to the changes in market situation.

Fare concessions

67. Noting that the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities ("the Scheme") did not cover tram services and so the elderly might choose public transport modes other than tram, resulting in further declining ridership of tram services, Mr LUK Chung-hung, Mr KWOK Wai-keung, Mr CHAN Chi-chuen and Mr Jeremy TAM urged the Administration to consider extending the Scheme to cover tram services, even to allow free ride for elderly people. In response, DSTH(T)2 explained that as the Scheme was currently under review, he would relay members' views to the responsible bureau, Labour and Welfare Bureau, for consideration.

68. Dr Helena WONG also enquired if the Administration would provide subsidies to tram services in order to allow free ride for elderly people and eligible persons with disabilities ("PwDs"). Furthermore, as fare concessions for students were currently offered by other public transport operators, she suggested that HKT should also provide fare concessions to full-time students aged 12 or above with a view to reducing the fare burden of the public.

69. In response, DSTH(T)2 advised that in view of the continuous trend of decrease in HKT's fare receipt and the very low fare being charged, it was understood that HKT was in a difficult position to further provide fare concessions to the elderly and eligible PwDs, as well as students. MD/HKT further explained that the tram fare, which had already been very low as compared with other public transport modes, was considered affordable to students. Therefore, HKT had no plan to provide fare concessions to full-time students at the present stage.

Non-fare factors for a sustainable tram service

70. Referring to an earlier application made by someone to the Town Planning Board to do away with tram road usage in certain areas so as to remove the tram services from certain road sections in Central, Mr KWOK Wai-keung said that he, together with the Hong Kong Federation of Trade Unions and the Hong Kong Tramway Workers Union, had opposed to the application.

71. MD/HKT advised that due to the competition from other public transport modes such as the Mass Transit Railway, the patronage for tram had been decreasing. Traffic congestion causing adverse impacts on the operational efficiency of tram services had aggravated the situation. As such, MD/HKT hoped that more traffic management measures, such as extending or adjusting existing tram lanes and designation of new tram lanes, could be imposed to facilitate efficient tram operation.

72. Mr CHAN Chi-chuen pointed out that the real-time tram arrival data provided by HKT on its website and mobile application was not accurate. He urged HKT to rectify the problem as soon as practicable so that commuters could make reference to the data provided by HKT when planning their trips. MD/HKT responded that to address the reliability issues, HKT would take necessary actions to enhance the relevant system and correct the problem.

73. Noting that HKT had launched the air-conditioned "cooler tram" to improve passenger riding comfort on trial, Mr CHAN Chun-ying enquired how many air-conditioned trams had been put into service, and whether HKT would further expand this improvement project. In reply, DSTH(T)2 and MD/HKT explained that currently, there was one air-conditioned tram on trial and 96% of the passengers interviewed were satisfied with the trial ride. However, to fully implement the improvement project, HKT had to overcome the difficulties in minimizing energy consumption and maintenance costs for providing more air-conditioned trams.

74. Mr CHAN Chun-ying and Mr LEUNG Che-cheung asked about the Administration's expenditure in subsidizing HKT to replace tram tracks at key locations with new technology. Mr CHAN asked if the Administration would provide more subsidies to the company to further reduce HKT's maintenance cost in the long-run. In reply, DSTH(T)2 advised that the Administration had made a total provision of around \$20 million to subsidize HKT to expedite the tram track replacement of the key bends and junctions with the use of the rail jacket technology on a matching basis. Upon completion of the works, a total of about 2.4 km of tram track would have been replaced. In the future, the Administration might consider providing more subsidies to HKT if the capital investments in the improvement projects were considered financially not viable for the company.

Barrier-free tram service

75. Dr Helena WONG asked if tram design would be improved to enhance the accessibility by wheelchair users, so as to further promote barrier-free public transport services and facilities. In reply, DSTH(T)2 explained that the Administration had been taking care of the basic transport needs of PwDs and had introduced a series of measures, together with public transport operators, to facilitate the use of railway, franchised bus, public light bus and taxi services by PwDs. However, given the technical constraints involved, it was infeasible to allow wheelchairs to be accommodated inside the tram compartments.

Tourist ticket and monthly ticket

76. Noting that tram was an attractive Hong Kong's icon to many tourists, Mr POON Siu-ping asked HKT for the actual number of tourists taking rides on trams, and suggested increasing the fare for the tourist ticket so as to generate more fare revenues for HKT. In response, MD/HKT explained that according to HKT's survey, tourists accounted for about 3% to 4% of the total patronage. After taking several factors into consideration, HKT considered that the fare for the tourist ticket should remain unchanged.

77. Mr LEUNG Che-cheung expressed concern that the current tourist ticket was quite expensive (i.e. \$34) and enquired about the sales figures. In reply, DSTH(T)2 advised that the tourist ticket was valid for unlimited travel on ordinary passenger trams within four consecutive days. On average, around six to 10 tourist tickets were sold per month.

78. In view of the very low sales volume, Mr Jeremy TAM and the Chairman suggested enhancing the design and package of tourist ticket to

increase its attractiveness. Otherwise, the Administration and HKT should review whether tourist ticket should be continued.

79. Mr LEUNG Che-cheung also observed that the current fare for monthly ticket was \$200 while person aged 12 or above was only charged \$2.3 per trip. Mr LEUNG considered that the monthly ticket was so expensive that even frequent commuters might not be willing to purchase this type of ticket. He suggested reviewing the fare of monthly ticket to better meet the needs of Hong Kong Island residents. Mr Jeremy TAM and the Chairman shared his views. In response, DSTH(T)2 said that HKT sold around hundreds of monthly tickets every month.

Staff remuneration of Hong Kong Tramways Limited

80. Mr POON Siu-ping enquired if HKT would enhance staff remuneration package after its fare increase application. Relaying the concern of the Hong Kong Tramway Workers Union, Mr LUK Chung-hung pointed out that the salary for newly recruited tram motormen was too low (i.e. around \$44 per hour) to attract new blood to join the trade and retain experienced staff. Hence, he suggested increasing the overall salary of tram motormen by around 7% to 8% and incorporating bonus payments into their basic salary.

81. In response, MD/HKT explained that staff costs were HKT's major cost item, accounting for about 65% of the total operating costs. The company would strive for an appropriate balance between staff costs and revenue, with a view to maintaining the long-term sustainability of the tramway operation.

82. Mr LUK Chung-hung further indicated that as the design of trams had remained unchanged for decades, the driving position at the cabin made tram motormen uncomfortable after long working hours. Therefore, he urged HKT to improve the working environment for tram motormen. MD/HKT replied that it might not be easy to change the current design, which enabled tram motormen to have a good view of the road situation and react quickly. Having said that, HKT had already started discussing with tram motormen on how to solve the problem.

83. After discussion, the Chairman concluded that the Panel did not raise any objection to the fare increase application from HKT.

VI. Any other business

84. There being no other business, the meeting ended at 1:01 pm.

Council Business Division 4
Legislative Council Secretariat
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