

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2490/11-12  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/TP/1

**Panel on Transport**

**Minutes of meeting held on  
Friday, 9 March 2012, at 8:30 am  
in Conference Room 1 of the Legislative Council Complex**

- Members present** : Hon Andrew CHENG Kar-foo (Chairman)  
Hon LAU Kong-wah, JP  
Hon LI Fung-ying, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon KAM Nai-wai, MH  
Hon CHAN Hak-kan  
Hon WONG Sing-chi  
Hon IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Tanya CHAN
- Members absent** : Hon CHEUNG Hok-ming, GBS, JP (Deputy Chairman)  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon Starry LEE Wai-king, JP  
Hon LEUNG Kwok-hung  
Hon Albert CHAN Wai-yip

**Public Officers  
attending** : **Agenda item IV**

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

Mr Patrick CHAN, JP  
Deputy Secretary for Transport and Housing  
(Transport) 3

Miss Erica NG  
Principal Assistant Secretary for Transport and  
Housing (Transport) 2

Mr LEUNG Tak-fai  
Assistant Commissioner/Technical Service  
Transport Department

Mr Everett LUK  
Chief Engineer/Traffic & Transport Survey  
Transport Department

**Agenda item V**

Ms Eva CHENG, GBS, JP  
Secretary for Transport and Housing

Mr Joseph LAI Yee-tak, JP  
Commissioner for Transport

Miss Petty LAI Chun-yee  
Principal Assistant Secretary (Transport) 6  
Transport and Housing Bureau

**Agenda item VI**

Ms Eva CHENG, GBS, JP  
Secretary for Transport and Housing

Ms Rebecca PUN, JP  
Deputy Secretary for Transport and Housing  
(Transport)2

Mr Joseph LAI Yee-tak, JP  
Commissioner for Transport

Ms Carolina YIP, JP  
Deputy Commissioner for Transport/Transport  
Services & Management  
Transport Department

**Clerk in attendance :** Ms Joanne MAK  
Chief Council Secretary (1)2

**Staff in attendance :** Ms Macy NG  
Senior Council Secretary (1)2

Ms Emily LIU  
Legislative Assistant (1)2

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Action

**I Information papers issued since last meeting**

(LC Paper No. - A booklet on anti-drug driving  
CB(1)1252/11-12(01) published by The Road Safety  
Council)

Members noted the above paper issued since the last meeting.

**II Proposal of rescheduling the regular meetings of April to June 2012**  
(Appendix II of LC Paper - Proposed meeting schedule)  
No. CB(1)1025/11-12

2. The Chairman informed members that after consulting members on the revised proposal of rescheduling the regular meetings of April to June 2012, it was noted that 17 members agreed to the proposal and the remaining two had no comments. Members endorsed the revised meeting schedule.

*(Post-meeting note: The revised meeting schedule endorsed by the Panel was sent to members on 12 March 2012 vide LC Paper No. CB(1)1278/11-12.)*

**III Items for discussion at the next meeting**

(LC Paper No. - List of outstanding items for  
CB(1)1157/11-12(01) discussion  
LC Paper No. - List of follow-up actions)  
CB(1)1157/11-12(02)

3. Members agreed to discuss the following items at the next regular meeting on 12 April 2012 –

- (a) access to franchised buses for persons carrying oxygen cylinders;
- (b) adjustment to MTR fares and the Fare Adjustment Mechanism of the MTR Corporation Limited; and
- (c) the fire incident of Lion Rock Tunnel and fire prevention in tunnels in Hong Kong.

*(Post-meeting note: On the instruction of the Chairman, in order to allow more time for discussion of the item "Adjustment to MTR fares and the Fare Adjustment Mechanism of the MTR Corporation Limited", the item "Access to franchised buses for persons carrying oxygen cylinders" was subsequently deleted from the agenda of the meeting on 12 April 2012. The Administration, instead, consulted members on the subject by circulation of paper.)*

**IV Trial of advanced traffic detection technologies**

(LC Paper No. - Administration's paper entitled  
CB(1)1157/11-12(03) "Trial of advanced traffic detection  
technologies")

4. Under Secretary for Transport and Housing (USTH) and Assistant Commissioner/Technical Service (AC/TS) of Transport Department (TD) briefed members on the Administration's proposal to carry out a trial to evaluate the effectiveness of the following state-of-the-art traffic detection technologies in the Hong Kong environment (the trial), for collection of traffic data such as vehicle speed and volume –

- (a) Automatic Licence Plate Recognition (ALPR);
- (b) Bluetooth Identification (BI);
- (c) Video-based Analysis (VBA); and

(d) Microwave Radar (MR).

The trial

5. Noting that funding approval was given by the Finance Committee (FC) in November 2010 for implementing a new Traffic and Incident Management System (TIMS) in TD, Mr WONG Sing-chi asked about the relationship of the proposed trial with the TIMS, and how the traffic information collected by the four traffic detection technologies would be disseminated.

6. AC/TS said that the Administration got funding approval from FC to create a new commitment of \$100,000,000 to develop a TIMS in TD to facilitate traffic and transport incident management and dissemination of real-time traffic and transport information. He explained that TIMS was a computer system to perform automatic incident detection, generate suggested traffic and transport contingency plans, share incident information among all stakeholders, streamline the dissemination of traffic and transport information to the public, and coordinate the existing and future Traffic Control and Surveillance Systems. It would also include a common data platform for interested parties to acquire TD's incident information for developing value-added services. The TIMS Project did not include installation of detectors on roads to collect traffic data. The purpose of the trial was to assess several types of traffic detection technologies which might be suitable for future use in Hong Kong. These technologies would be useful in the collection of traffic data for the detection and handling of traffic incidents.

7. Pointing out that real-time traffic information was currently provided on Gloucester Road to facilitate drivers to make an informed route choice to cross the harbour before arriving at the critical diversion point, Mr LAU Kong-wah considered that the Journey Time Indication System was very useful. He asked how the new types of traffic detection technologies would enhance the dissemination of real time traffic information.

8. AC/TS responded that traffic information such as speed, density and traffic volume was currently not available in Hong Kong unless counted manually. In order to enhance traffic and incident management capabilities, there was a need to conduct the proposed trial to evaluate new types of traffic detectors available in the market in respect of their functionalities and effectiveness in the Hong Kong environment, so that efficient and effective ways to install more traffic detectors could be developed.

9. In response to members' enquiries, USTH said that the trial would last for about 15 months. The Administration would decide on the suitable technologies for wider application in Hong Kong after the trial, and would estimate the cost-effectiveness of various options before seeking funding approval from the FC.

#### Selection of the four traffic detection technologies

##### *Overseas experiences in adopting traffic detection technologies*

10. Ms LI Fung-ying asked whether the Administration had assessed the effectiveness of the four traffic detection technologies, such as the accuracy of the data collected in other overseas areas, before proposing to conduct a trial of the four technologies. Sharing similar concern, Mr LAU Kong-wah asked about the traffic detection technologies currently in use in Tokyo.

11. USTH and AC/TS replied that all the four traffic detection technologies were being widely used overseas to collect real-time traffic information to facilitate traffic and incident management. AC/TS mentioned the following examples: VBA was being used in Korea; BI in the United States, Germany and Austria; and MR in the Mainland, Taiwan and New Zealand. However, there was a need to conduct a trial of the technologies to evaluate their performance and effectiveness, including their reliability, in the Hong Kong environment. The Administration did not have information about the application of traffic detection technologies in Tokyo.

##### *The need to include all the four technologies in the trial*

12. Ms LI Fung-ying pointed out that when the bluetooth devices were disabled, BI technology would be unable to detect the identification signal of the devices. In her view, MR seemed to be the most effective technology in terms of privacy protection. She asked whether the Administration would only include some of the four proposed technologies in the trial instead of testing all the four technologies in one go. Sharing similar concern, Mr LAU Kong-wah considered that the Administration should test the performance of the most effective technology only.

13. AC/TS replied that for traffic management purpose, information on the volume and speed of general traffic would be sufficient, and it was not necessary to collect precisely the data of every vehicle. As such, despite the disabling of some bluetooth devices, the overall effectiveness of BI would not be affected. He added that each technology might have its limitations, for example, the performance of VBA might be affected by weather conditions.

In addition, trams might affect the microwave signals generated and detected by MR, which were used to measure the vehicle speed. As such, there was a need to compare the effectiveness of the four technologies before deciding on which technologies should be adopted for extensive use.

*Feasibility of adopting Global Positioning System (GPS) for traffic management*

14. Pointing out that GPS was commonly used to collect traffic information in overseas countries, Mr KAM Nai-wai enquired why GPS was not included as one of the technologies for trial.

15. AC/TS said that the Administration had studied the feasibility of adopting GPS to obtain traffic information. The technology was however considered not suitable because, unlike the four selected detection technologies, adoption of GPS would entail the need to install additional equipment on the roads and in a large number of vehicles. He supplemented that when the development of GPS had become mature in the future, TD would further study the feasibility of adopting GPS for traffic management.

16. Mr KAM Nai-wai strongly requested the Administration to re-consider including GPS in the trial as usage of such technology was popular in vehicles in Hong Kong. Otherwise, Hong Kong would lag behind other countries when the development of GPS had become mature.

Application of different technologies at different locations

17. Noting that different technologies would be tested at four locations, namely Nathan Road, Hennessy Road, Kwun Tong Bypass and Cheung Pei Shan Road, Miss Tanya CHAN asked about the criteria of choosing the specific kinds of technologies for the field trial in a specific location.

18. In reply, AC/TS said the four locations represented the major road types in Hong Kong, with Nathan Road being an urban primary distributor road, Hennessy Road being an urban road with tram, Kwun Tong Bypass being a strategic road and Cheung Pei Shan Road being a strategic road with noise barrier. He further said that when choosing specific kinds of technologies for the field trial in a specific location, considerations had been given to the characteristics and limitations of each technology itself. For example, as there were trams and noise barrier on Hennessy Road and Cheung Pei Shan Road respectively, TD would evaluate their impacts on the microwave signals which would be generated and detected by MR. He

added that, if no problem was anticipated in the application of a type of technology at a particular type of road, field trial would not be conducted.

19. Mr WONG Sing-chi enquired whether the four technologies, if proved to be effective after the trial, would be used concurrently in each district. AC/TS replied that TD would apply suitable technologies on different roads based on the road characteristics.

Concern about protection of personal data

20. Referring to incidents of leakage of personal data by government departments, Mr KAM Nai-wai expressed concern about the measures to be taken to prevent leakage of personal data collected during the trial, such as licence plate numbers of relevant parties. Ms LI Fung-ying considered it important to ensure protection of data privacy in the use of traffic detection technologies.

21. AC/TS responded that to ensure compliance with the Data Protection Principles set out in the Personal Data (Privacy) Ordinance (Cap. 486), all raw data collected by using the above technologies would be encrypted before further processing to make them not recognizable outside the system, and the encrypted raw data would be deleted immediately after processing. He added that the relevant data would not be stored permanently in the computer system.

**V Proposal of Hon Andrew CHENG to seek the Legislative Council's authorization to empower the Panel on Transport to exercise the powers under the Legislative Council (Powers and Privileges) Ordinance to order the production of information concerning the discussion and decisions on the ad hoc quota trial scheme for cross-boundary private cars at the Hong Kong/Guangdong Co-operation Joint Conference, including the records of its meetings**

(LC Paper No. CB(1)1235/11-12(01)	No. -	Motion proposed by Hon Andrew CHENG
LC Paper No. CB(1)1258/11-12(01)	No. -	Secretary for Transport and Housing's letter dated 8 March 2012 to Panel Chairman
LC Paper No. CB(1)1132/11-12(01)	No. -	Secretary for Transport and Housing's letter dated 27 February 2012 on the Administration's response to issues raised at the



LC	Paper	No.	-	meeting on 16 February 2012
CB(1)1235/11-12(02)				Submission provided by Hong Kong Christian Institute
LC	Paper	No.	-	Submission provided by
CB(1)1272/11-12(01)				Community Development Initiative)

22. The Chairman said that he was requested by some members at the last special meeting on 29 February 2012 to move a motion to seek the LegCo's authorization to empower the Panel to exercise the powers under the LegCo (Powers and Privileges) Ordinance (P&PO) to order the production of information concerning the discussion and decisions on the ad hoc quota trial scheme for cross-boundary private cars (the Scheme) at the Hong Kong/Guangdong Co-operation Joint Conference (HKGDCJC), including the records of its meetings. The Chairman asked members if there was any objection for him to preside over the discussion and voting on this item. No members expressed objection.

23. The Chairman further said that a number of members had expressed grave concern as to whether the Scheme would be implemented on a reciprocal enforcement basis. These members had queried whether the Hong Kong Government had given an undertaking to the Guangdong Government during their discussion on the Scheme that, once Hong Kong people were allowed to drive northbound to the Mainland, Mainland residents would also be allowed to drive southbound to Hong Kong. It was therefore necessary for the Panel to obtain the relevant official records to examine whether the Hong Kong Government had given such an undertaking. The Chairman added that should there be such an undertaking given by the Hong Kong Government, Panel members would urge the Administration to review and discuss the Scheme afresh.

24. With reference to her letter sent to the Chairman on the previous day, Secretary for Transport and Housing (STH) advised that regarding the plenary and working meeting of HKGDCJC held on 23 August 2011 and 9 January 2012 respectively, the Administration had announced the progress of cooperation about the Scheme by way of press release and press conference on the same day after the meetings. STH confirmed that the relevant public announcement had already fully reflected the records of the meetings. She also invited members to note that the minutes of Government-to-Government meetings were not public documents according to standard practice.

25. Mr WONG Sing-chi, however, said that it was still necessary to ascertain whether the policy and rationale behind the Framework Agreement on Hong Kong/Guangdong Co-operation (Framework Agreement) was that all the co-operation initiatives (including the Scheme) under the Framework Agreement were to be implemented on a reciprocal enforcement basis. Mr WONG further said that, if there was already such a mutual agreement reached between both sides, implementation of the first phase of the Scheme was bound to be followed by the second phase. He considered it necessary to obtain the relevant official information to examine the policy and rationale behind.

26. Mr Tommy CHEUNG said that the scope of study intended by Mr WONG Sing-chi seemed to be much wider than that as defined in the proposed motion. He further said that he would not support the motion given STH's confirmation that the relevant public announcement had already fully reflected the records of the HKGDCJC meetings. He added that the Liberal Party also shared the public's grave concern about the implementation of the second phase of the Scheme.

27. Mrs Regina IP said that the New People's Party only supported the implementation of the first phase of the Scheme but not the second phase. She expressed concern about the timetable for introducing the legislative amendments for implementation of the second phase and relevant procedures. STH said that the implementation of the second phase of the Scheme would involve legislative amendments to provide a legal basis for the issuance of temporary licences to Guangdong private cars and for charging the relevant fees. STH pointed out that the Guangdong side was fully aware of the need to amend the legislation and go through the relevant procedures. She assured members that Mainland vehicles would only be allowed to take southbound tours in the second phase when adequate facilities and support measures had been put in place. STH further said that the earliest possible date for qualified Hong Kong vehicle owners to enter Guangdong with ad hoc quota was 27 April 2012. As it would take some time for the Administration to review the effectiveness of the first phase and to conclude from the experience, it was not envisaged that the relevant subsidiary legislation could be introduced within the current legislative session.

28. Mr KAM Nai-wai said that to his understanding, the public generally believed that the Scheme was to be implemented on a reciprocal enforcement basis. It was therefore necessary for the Administration to provide the relevant records to clarify if there was such a mutual agreement between the Governments of Guangdong and Hong Kong. Mr KAM further said that although the second phase of the Scheme would be implemented through

legislation, the relevant legislative amendments were bound to be passed by LegCo given the composition of LegCo and its voting method. Mr KAM asked whether the correspondence between the two Governments concerning the discussion and decisions on the Scheme could be made available.

29. STH explained that the correspondence were not documents in the public domain. As regards concern about the second phase of the Scheme, STH reiterated that the Administration would further study and discuss the specific arrangements for the second phase with the Guangdong Government when there was experience in smooth operation after implementing the first phase for a period of time. The relevant departments of the Governments of Guangdong and Hong Kong would, after the launch of the first phase, carefully monitor and deal with the problems encountered during implementation. The two sides would also communicate and co-ordinate with each other to review the effectiveness of the first phase, including the views of the public on the Scheme, for further study before coming up with any recommendation.

30. Miss Tanya CHAN asked whether the Administration had discussed with the Guangdong Government to seek their consent to disclose the relevant meeting records. STH explained that it was the standard practice not to disclose the minutes of Government-to-Government meetings. It would therefore be inappropriate to seek the consent of the Guangdong Government to disclose the relevant records.

31. Mr LAU Kong-wah, Ms LI Fung-ying and Mr CHAN Hak-kan pointed out that the Scheme had been widely discussed in the community, and the Administration should be fully aware of the concerns expressed by the Panel and the public. As the second phase of the Scheme would be implemented through legislation, LegCo Members would certainly take into full account the views of the public in deciding whether they would support the relevant legislation or propose any amendment. Ms LI Fung-ying said that she did not see the purpose of ordering the production of the relevant meeting records at the present stage. Mr IP Wai-ming said that given the confirmation provided by STH in her letter, he also considered it unnecessary to order the production of the relevant meeting records. He added that the Hong Kong Federation of Trade Unions and the Motor Transport Workers General Union Kowloon Division were also concerned about the impact of the second phase of the Scheme on law enforcement in Hong Kong (e.g. enforcement against illegal workers). He believed that LegCo Members and the public would carefully study the detailed arrangements of the second phase when they had been worked out. He also reminded the Administration to take measures to ensure that Hong Kong drivers participating in the first

phase of the Scheme would have a full grasp of the traffic conditions and points to note while driving on the Mainland.

32. The Chairman invited members to note that the information on the Scheme as given in the relevant press releases was actually very brief. He said that he had decided to move the motion having regard to the wide public concern about whether the Governments of Guangdong and Hong Kong had reached a mutual agreement that, once Hong Kong people were allowed to drive northbound to the Mainland, Mainland residents would then be allowed to drive southbound to Hong Kong. The Chairman said he noted that Hong Kong people were worried about the existence of such a mutual agreement. He considered that LegCo should seek clarification on this point.

33. After discussion, the Chairman moved the following motion –

"交通事務委員會要求立法會授權本事務委員會行使《立法會(權力及特權)條例》所賦予的權力，以命令當局出示在粵港合作聯席會議上就過境私家車一次性特別配額試驗計劃所作討論及決定的有關資料，包括其會議紀錄"

(Translation)

"That this Panel seek the Legislative Council's authorization to empower the Panel on Transport to exercise the powers under the Legislative Council (Powers and Privileges) Ordinance to order the production of information concerning the discussion and decisions on the ad hoc quota trial scheme for cross-boundary private cars at the Hong Kong/Guangdong Co-operation Joint Conference, including the records of its meetings"

34. The Chairman put the motion to vote. Three members voted for and six members voted against the motion. The Chairman declared that the motion was negatived.

**VI Franchises of New World First Bus Services Limited (NWFB), Long Win Bus Company Limited (LW) and Citybus Limited (Citybus) (Franchise for airport and North Lantau bus network) (Franchise 2)**

(LC Paper	No. -	Administration's paper entitled
CB(1)1157/11-12(05)		"Franchises of NWFB, LW and Citybus (Franchise 2)"

LC Paper CB(1)1157/11-12(06)	No. -	Letter dated 7 December 2011 from Panel Chairman to the Administration
LC Paper CB(1)1161/11-12	No. -	Updated background brief entitled "Franchises of NWFB, LW and Citybus (Franchise 2)" prepared by the Legislative Council Secretariat
LC Paper CB(1)1258/11-12(02)	No. -	Submission from Airport Air Freight Employees' Association)

35. STH briefed members on the salient points of the Administration's paper on franchises of NWFB, LW and Citybus (Franchise 2), including the progress made by the Administration in the negotiations with the three bus companies on the requirements of the new franchises in respect of fare concessions, enhancement in facilities and information for passengers and environmental improvement measures. Members noted that the Administration aimed to conclude the negotiations by mid-2012.

#### Fare concessions

36. Mr LAU Kong-wah said that members of North District Council had complained to LegCo Members about the inadequacy of external routes (commonly known as "E" routes) in North District. As a result, residents had to bear expensive fares of airport routes (commonly known as "A" routes). He opined that bus-bus interchange (BBI) schemes should be implemented between all "E" routes and "A" routes with a view to lowering the transport expenses for airport staff.

37. STH and Commissioner for Transport (C for T) said that in drawing up the new fare concession initiatives with the three bus companies, the Administration had put emphasis on the proposal to implement BBI schemes between "A" routes and "E" routes. The Administration had been making progress in the negotiation and would report the outcome to members in due course.

38. Pointing out that the bus franchise, once granted, would be implemented for ten years, the Chairman strongly requested the Administration to play its trump card in the franchise renewal to require the relevant bus companies to fully implement distance-based section fares and monthly tickets, instead of just implementing those measures on suitable routes.

39. STH said that section fares were currently implemented on about 90% of the bus routes. Introducing monthly tickets and full implementation of distance-based section fares might involve operational and financial difficulties. It was because those fare concessions might not increase the patronage of bus companies substantially and the market of bus services would not grow rapidly. There were also concerns on the possible impact on the bus fares in general, and that it might not be fair for all other passengers to subsidise a particular group of passengers as a result of implementing those fare concessions. As such, the Administration had to be very careful when requesting the relevant bus companies to introduce those fare concessions. She emphasised that TD was working very hard to strive for more fare concessions to meet the public's aspirations.

40. The Chairman disagreed to the views of the Administration. He considered that with the development of new railway lines, the bus companies would be willing to introduce section fares to attract more passengers for short-haul trips with a view to maintaining its competitiveness. He emphasized that section fares and monthly tickets were very important to residents of remote areas. He called on the Administration to negotiate and press for provision of section fare concessions.

#### Enhancing the standard of bus service

##### *Improvement measures to lost trip problem*

41. Miss Tanya CHAN pointed out that the former Subcommittee on the Six Orders Made under Section 5(1) of the Public Bus Services Ordinance and Gazetted on 20 January 2012 had raised concerns about the high rate of lost bus trips and the ratio of the number of buses to full-time bus drivers. She enquired whether the Administration would take the opportunity of franchise renewal to include a clause in the franchises to regulate lost trips of buses and the standard ratio of the number of buses to bus drivers, as the Chief Executive in Council had power to impose conditions upon the franchisees under section 5 of the Public Bus Services Ordinance (Cap. 230). In addition, she was concerned about the measures to be taken by TD to strengthen monitoring of the service level of bus companies.

42. C for T responded that TD was alive to the problem of lost bus trips and had been taking follow-up actions to address the problem on different fronts. He emphasised that the lost trip rates of the three bus companies to which the new franchises to be granted had all along been at a comparatively low level, in particular LW and Citybus (Franchise 2) which mainly operated in North Lantau and the Airport. As for NWFB, the lost trip rate was about

3% in 2011. He explained that as the main operating areas for NWFB were on Hong Kong Island with many busy roads, lost trips were sometimes beyond the bus companies' control. TD was closely monitoring the lost trip problem and would hold meetings with the operators reminding them to improve the situation. As regards the ratio of the number of full-time drivers to buses, there were about 2.4 full-time bus drivers per vehicle for NWFB, whereas that for Citybus and LW was 2.7 and 2.25 respectively. He further said that although TD had not set a standard ratio of the number of full-time drivers to buses, franchised bus companies were obliged to operate bus services in accordance with the routing, timetable, frequency and bus allocation as stipulated in the Schedule of Service approved by TD. He supplemented that bus companies were facing a problem of shortage of bus drivers but they had been making efforts to address the problem.

*Enhancing provision of information to passengers*

43. Mr KAM Nai-wai enquired whether the Administration would consider requiring the relevant bus companies to put in place an electronic system or GPS to gather real-time information on bus arrival and departure time at bus termini and bus stops. Sharing similar views, Mr LAU Kong-wah considered that the bus companies should have a corporate responsibility to provide real-time bus information to passengers.

44. C for T replied that the Administration was making reasonable progress in the negotiations in respect of better use of information technology to enhance information to passengers and provision of more route information inside buses, at bus termini and bus stops. The relevant bus companies had been requested to assess the technical feasibility of providing real-time information on long-haul bus routes with infrequent service and the relevant costs involved.

*Providing seating facilities at existing and new bus stop shelters*

Admin 45. Mr LAU Kong-wah suggested that the Administration should discuss with and provide resources for the relevant bus companies to provide seating facilities at existing and new bus stop shelters to facilitate elderly passengers waiting for buses. C for T undertook to liaise with the relevant bus companies regarding Mr LAU's suggestion.

*Conducting medium-term performance review*

46. Mr KAM Nai-wai asked whether the requirements for conduct of medium-term reviews would be included in the ten-year bus franchise, so as to enable the Administration to terminate the franchises if the bus companies concerned failed to meet the performance targets. C for T confirmed that there would be clauses in the new bus franchises on mid-term review. He added that the Public Bus Services Ordinance also provided a mechanism for handling unsatisfactory performance, even to the extent of terminating the franchise where necessary.

Provision of subsidies to bus companies and environmental improvement initiatives

47. Mr KAM Nai-wai expressed concern that whilst the Administration had endeavoured to negotiate for more fare concessions and service enhancement initiatives to better meet public needs and expectations, such initiatives might boost the bus fares as a whole. Pointing out that the implementation of many new railway projects might lower the competitiveness of bus services in the future, he opined that the Administration should consider providing subsidies to the three bus companies or extending the period of bus franchises to ensure their financial sustainability and in return for bus fare stability.

48. STH responded that the Administration had been striving for a balance between securing more fare concessions and service enhancement initiatives to better meet public aspirations on one hand, and the possible impact on bus fares as a whole on the other hand. There was also a need to ensure the financial sustainability of the bus companies so that they could continue to provide proper, affordable, reliable and efficient public bus services and further invest in bus operation. In assessing franchised bus fare adjustment applications, the Administration would take into account a basket of factors, which included changes in operating costs and revenue since the last fare adjustment, and the public acceptability and affordability.

49. In respect of providing subsidies to the relevant bus companies, STH pointed out that bus companies had been requested to include new/amended clauses in the new franchises to undertake, as far as reasonably practicable, to use the most environmentally friendly buses (including zero-emission buses) when replacing existing ones. In this respect, the Administration had taken the initiative to fund the full cost of procuring six hybrid buses and 36 electric buses for trial by franchised bus companies. In addition, the Administration was also funding a trial to ascertain the feasibility of retrofitting Euro II and



Euro III franchised buses with selective catalytic reduction devices to reduce emissions of nitrogen oxides from the franchised bus fleet.

50. C for T supplemented that as the bus industry was a capital-intensive industry, a longer duration of the bus franchise would facilitate the long-term planning and development of bus services. As such, the Administration recommended renewing the franchises of the three bus companies for ten years, which was in line with the established practice of franchise renewal with existing franchised bus companies.

51. Mr LAU Kong-wah expressed support for the Administration's initiative to fund the franchised bus companies in procuring electric buses and conducting the relevant trials. Pointing out that there had been a good development of electric buses and charging facilities were provided at each bus stop in Shanghai, Mr LAU called on the Administration to provide basic ancillary facilities, such as charging facilities, to promote wider use of electric buses in Hong Kong.

52. STH responded that the Administration fully supported the wider use of electric buses. Hence, it was planning to designate some pilot zones which allowed only low-emission buses to serve those areas. She added that unlike Shanghai, Hong Kong was characterised by hilly terrains with hot and humid summer which required intense air-conditioning capability. These stringent operational conditions would put electric buses, particularly their batteries and supercapacitors, to very severe test. In addition, providing charging facilities at each bus stop would require relatively high headroom, which might not be feasible in Hong Kong environment as it might affect the existing infrastructure. Therefore, a trial run for electric buses to assess their performance in different conditions and which types of electric buses were suitable for Hong Kong environment was essential before wider application was considered.

Admin

53. Summing up, the Chairman requested the Administration to address members' concern raised at the meeting and provide a progress report on the franchise renewal before the next Panel meeting for members' information. In addition, he also directed that the subject should be included in the agenda of the Panel meeting in May 2012.

**VII Any other business**

54. There being no other business, the meeting ended at 10:50 am.

Council Business Division 1  
Legislative Council Secretariat  
22 August 2012