

LC Paper No. CB(4)1293/14-15 (These minutes have been seen by the Administration)

Ref : CB4/PL/TP/1

Panel on Transport

Minutes of meeting held on Friday, 20 March 2015, at 10:45 am in Conference Room 3 of the Legislative Council Complex

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

Public Officers attending

: Agenda item III

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

Ms Judy CHUNG Sui-kei Principal Assistant Secretary for Transport and Housing (Transport) 5

Mr CHENG Ting-ning, JP Project Manager (New Territories East) Civil Engineering and Development Department

Mr Stephen LI Tin-sang Chief Engineer/New Territories East 2 Civil Engineering and Development Department

Mr SIU Kang-chuen Chief Traffic Engineer/New Territories East Transport Department

Agenda item IV

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

Miss Carrie CHANG Principal Assistant Secretary for Transport and Housing (Transport) 1

Miss LAW Fung-ping, JP Deputy Commissioner for Transport/Transport Services & Management Transport Department

Miss Rachel KWAN Principal Transport Officer/Bus & Railway 1 Transport Department

Mr Wilson PANG Chief Traffic Engineer/Kowloon Transport Department

	Clerk in at	tendance :	Ms Sophie LAU Chief Council Secreta	ary	(4)6
	Staff in atte	endance :	Ms Macy NG Senior Council Secret	tary	y (4)6
			Ms Emily LIU Legislative Assistant	(4)	6
<u>Action</u>			pers issued since last n CB(4)517/14-15(01)		eting Administration's response to the letter from Hon TANG Ka-piu on the impact of the drop in oil prices on the fees of franchised bus and outlying island ferry services
	LCI	Paper No. Cl	B(4)591/14-15(01)	-	Memorandum referring to the Panel the views and concerns raised by Tuen Mun District Council members regarding the transport planning in the North West New Territories
	LC I	Paper No. Cl	B(4)673/14-15(01)	-	Letter from Hon TANG Ka-piu on the proposed increase of licences for non-franchised bus (Student Service)
	LC I	Paper No. Cl	B(4)675/14-15(01)	-	Administration's letter on the review of fare adjustment arrangement for franchised buses)

<u>Members</u> noted the above papers issued since the last meeting.

2. <u>The Chairman</u> drew members' attention to the Administration's letter of 18 March 2015 which mentioned that the Administration intended to report the

outcome of the review of fare adjustment arrangement for franchised buses ("the FAA") to the Panel in early 2016 instead of April 2015 as originally scheduled (LC Paper No. CB(4)675/14-15(01)).

3. Referring to the abovesaid letter, <u>Mr Tony TSE</u> noted that one of the factors which the Government would take into account in considering the fare adjustment of franchised bus service was the outcome of the formula for a supportable fare adjustment rate ("the formula"). <u>Mr Tony TSE</u> requested the Administration to provide supplementary information for members' further consideration on the share of changes in fuel price in the Composite Consumer Price Index, which was one of the factors considered in the formula; the share of fuel cost in the total operating cost of bus operators; and whether the formula outcome had ever exceeded the triggering point of -2% for the review of bus fares.

4. <u>The Deputy Chairman</u> also expressed concern on the impact of drop of oil price on the operating cost and fees of franchised bus service, and how the value of productivity gain was determined in the formula. He hoped that the Administration would address the above matters when reviewing the FAA.

II.	Items for discussion at the next meet	ting on 17 April 2015
	(LC Paper No. CB(4)655/14-15(01)	- List of outstanding items for
		discussion
	LC Paper No. CB(4)655/14-15(02)	- List of follow-up actions)

5. <u>Members</u> agreed to discuss the following items at the next regular meeting to be held on 17 April 2015 –

- (a) Public Transport Strategy Study Review on school bus service; and
- (b) Application for toll increase by Tate's Cairn Tunnel Company Limited.

6. <u>The Chairman</u> said that the Deputy Chairman's concern raised in his letter of 18 March 2015 on the proposed increase of licences for non-franchised bus (Student Service) (LC Paper No. CB(4)673/14-15(01)) would be discussed at the next Panel meeting.

III. Widening of Tai Po Road (Sha Tin Section) – detailed design and site investigation

(LC Paper No. CB(4)655/14-15(03) - Administration's paper on 861TH – Widening of Tai Po

861TH – Widening of Tai Po Road (Sha Tin Section) – detailed design and site investigation)

7. At the invitation of the Chairman, <u>Under Secretary for Transport and</u> <u>Housing</u> ("USTH") briefed members on the Government's funding proposal for the detailed design and site investigation works of 861TH "Widening of Tai Po Road (Sha Tin Section)" ("the Project") at an estimated cost of \$43.2 million in money-of-the-day prices.

8. <u>Chief Engineer/New Territories East 2</u> of Civil Engineering and Development Department ("CEDD") then explained to members with the aid of powerpoint the details of the Project (LC Paper No. CB(4)684/14-15(01)).

Project design

9. <u>The Deputy Chairman</u> indicated support for the proposal and urged for its early implementation. Noting that the traffic congestion problem of the relevant road section had already existed for many years, he queried why the Government had not carried out the proposed works earlier.

10. <u>USTH</u> and <u>Project Manager (New Territories East)</u> ("PM(NTE)") of CEDD explained that the Government had been closely monitoring the traffic demand in Sha Tin and taking measures to tackle traffic congestion in the district. To relieve the traffic bottleneck near the New Town Plaza, the Government was constructing an additional traffic lane connecting Tai Po Road (Sha Tin Section) with Tsing Sha Highway near the Scenery Court. The relevant works were expected to be completed by mid-2015.

11. <u>USTH</u> further explained that the above road section was a two-lane carriageway when it was originally designed. Due to objections by local residents, it was commissioned in 2008 as a single-lane carriageway. In view of the practical situation in which the capacity of a single-lane carriageway was not sufficient to meet the actual demand, Sha Tin District Council had agreed to the construction of an additional lane at the relevant road section. After the completion of the above works, the Government would commence the works relevant to the widening of Tai Po Road (Sha Tin Section).

Admin 12. At the request of the Deputy Chairman, <u>the Administration</u> agreed to provide a timetable of implementing the Project.

13. <u>The Chairman and Mr Ronny TONG</u> queried whether the Project could provide a long term solution or not to the traffic congestion problem at Tai Po Road (Sha Tin Section) which was the only gateway to Ma On Shan and Sai Kung. <u>The Chairman</u> noted that Sha Tin District Council had suggested the construction of Trunk Road T4 which would serve as a bypass to the above road section. The proposal had however met strong objections by local residents because the elevated carriageway would affect the environment and view of some residential buildings. He enquired about the progress of enhancing the design of T4 and the relevant timetable.

14. <u>PM(NTE)</u> advised that the construction of Trunk Road T4 was under review by the Government as a long-term measure to solve the traffic congestion in Sha Tin. In view of the objections by local residents, the Government was actively liaising with its consultants to study whether there would be other design alternatives, including whether a portion of the road could be constructed as a tunnel or not. He hoped that there would be a proposal for consultation with the district in due course.

15. <u>Mr CHAN Han-pan</u> referred to paragraph 8 of the Administration's paper and asked whether the projected volume/capacity ("v/c") ratio in 2021 and 2026 upon the completion of the Project had taken into account the additional traffic generated by the future population growth in the New Territories ("NT") North and the new cross boundary control point. He also asked whether the Administration had planned to construct a new transport infrastructure to meet the traffic demand in NT North in the long term. He then referred to the powerpoint presentation materials and asked whether it was feasible to provide U-turn facilities on the proposed bus lane.

16. <u>PM(NTE)</u> advised that the projected v/c ratio had already taken into account the additional traffic volume generated by known development projects, including Kwu Tung North and Fanling North new development areas, Liantang/Heung Yuen Wai Boundary Control Point, Science Park Phase 3, etc. According to the assessment of the Government, the relevant road section might be operated beyond its capacity a few years after 2026 upon completion of the Project. Hence, the Government was actively exploring long-term measures to solve the problem. <u>PM(NTE)</u> also undertook to study the feasibility of providing U-turn facilities on the bus lane under the detailed design stage of the Project.

17. <u>Mr Gary FAN</u> asked about the major types of vehicles which had caused traffic congestion along the relevant road section and the anticipated traffic volume generated by the Liantang/Heung Yuen Wai Boundary Control Point. <u>PM(NTE)</u> agreed to provide the relevant information after the meeting.

18. <u>Mr WONG Kwok-hing</u> indicated support for the Project. He asked whether the Administration would consider the strong request of the transport trade for installing vehicular countdown devices ("VCDDs") and installing overhead traffic light signals at the relevant road section. He also asked whether there would be roof greening of noise barriers proposed to be installed under the Project.

19. <u>USTH</u> said that the Transport Department ("TD") had previously conducted a review on adoption of VCDDs in Hong Kong. The trials had revealed that VCDDs might increase the risk of head-rear collision due to motorists' different responses to the information displayed. As such, VCDDs were not adopted.

20. In respect of the type of traffic light signals to be used and the greening of noise barriers, <u>Chief Traffic Engineer/New Territories East</u> and <u>PM(NTE)</u> respectively replied that the matters would be considered during the detailed design stage of the Project.

21. <u>Mr Frankie YICK</u> welcomed the implementation of the Project. However, he was informed by local residents that the Project might entail the need to close the road junction leading to the bus terminus of New Town Plaza and to re-route a bus route. He asked whether it was the case. <u>PM(NTE)</u> replied in the negative.

Project cost

Admin

22. <u>Mr Tony TSE</u> noted that the Administration had spent about \$9 million to conduct an investigation study for the proposed works project in 2013. He asked about the estimated construction cost of the Project. He also enquired about the reasons for including a provision of \$6.3 million in the estimate for price adjustment when there was already a sum of \$3.4 million for contingencies. In his view, there should not be provision for price adjustment for consultancy work. <u>Mr Frankie YICK</u> shared with Mr Tony TSE.

23. <u>PM(NTE)</u> said that the Government had earlier conducted an investigation and preliminary design study for the Project. The Government would then conduct the proposed detailed design and site investigation works,

the completion of which would enable it to determine the estimated construction cost of the Project.

24. In respect of including provision for price adjustment and contingences in the estimated cost of the proposed detailed design and associated site investigation works, <u>PM(NTE)</u> explained that they were to meet the possible additional costs arising from inflation and extra works of the consultancy and site investigation respectively in the course of implementing the Project. The inclusion of provision for price adjustment in the consultancy contract was in line with the government's practice for contracts which lasted for more than one year. In response to the Chairman, <u>PM(NTE)</u> advised that the detailed design of the Project would last for about 1.5 to two years.

25. <u>Mr Frankie YICK</u> said that although it was the government's practice to include provision for price adjustment for public works projects, the inclusion for such provision in the consultancy work was not acceptable in the commercial sector.

26. <u>Mr WU Chi-wai</u> also urged the Administration to review the practice of including provision for price adjustment for consultancy work. Pointing out that the Administration should have had carefully assessed the scope of works to be carried out, he queried why there would still be circumstances of contract variations after commencement of the works. He also asked about the basis for calculating the additional fees paid to contractors due to contract variations.

27. <u>PM(NTE)</u> explained that the Government determined the scope of site investigation for a further study based on the preliminary design of the Project. There might be circumstances in which more intensive ground investigations were required due to unexpected underground conditions. He added that there were strict guidelines in the Government governing the project cost of public works projects. When the project cost had exceeded a particular amount, approval from a more senior rank staff would be required to ensure prudent use of public money.

28. <u>Mr POON Siu-ping</u> asked whether the Administration would set a ceiling for the project cost or not. He also asked about the details of amendments to the design of the Project after consultation with the district, and whether there were still objections to the Project.

29. <u>PM(NTE)</u> considered the estimate of \$43.2 million sufficient to meet the proposed detailed design and associated site investigation works. He added that pursuant to the requests of local residents, the Government had agreed to add lifts at the relevant traffic interchange and noise barriers. He said that the Government would further consult the district on the Project during the detailed design stage. At present, the Government was not aware of any requests that it would find it hard to handle.

30. <u>The Panel</u> indicated support for the Administration's funding proposal and the submission of it to the Public Works Subcommittee for further consideration.

IV. Public Transport Strategy Study - Franchised bus service

(LC Paper No. CB(4)655/14-15(04)	- Administration's paper on Public Transport Strategy Study - Franchised bus service
LC Paper No. CB(1)238/14-15(07)	- Paper on public transport strategy in Hong Kong prepared by the Legislative Council Secretariat (background brief)
LC Paper No. IN05/14-15	- Paper on franchised bus services in Seoul and Singapore prepared by the Research Office of the Legislative Council Secretariat (information note)
LC Paper Nos. CB(4)571/14-15(01) and CB(4)638/14-15(01)	- Letter from Hon Claudia MO on the calculation methods of occupancy rate and number of places for standees on franchised buses and the Administration's response)

(At 11:52 am, the Chairman said he would extend the meeting by 15 minutes.)

31. At the invitation of the Chairman, <u>USTH</u> and <u>Deputy Commissioner for</u> <u>Transport/Transport Services & Management</u> ("DC/TS&M") of TD briefed members on the outcome of the Topical Study on franchised bus service under the Public Transport Strategy Study. <u>Members</u> noted that the said Topical Study covered three areas, namely bus route rationalization, enhanced

Concerns on bus lost trips

buses.

32. <u>Members</u> in general expressed grave concern over the problem of bus lost trips. In response to Mr Jeffrey LAM's enquiry on the Administration's measures to solve the problem, <u>DC/TS&M</u> said that the TD had all along been attaching great importance to the regularity of franchised bus service. In response to the relatively higher lost trip rates between 2010 and 2012, TD and the franchised bus companies carried out follow-up actions, especially on those factors within the franchised bus companies' control. Moreover, TD had been actively encouraging the franchised bus companies to make use of information technology (e.g. real-time bus arrival information) to enhance the regularity of franchised bus service.

33. <u>Ms Claudia MO</u> noted that TD and the franchised bus companies had introduced four different periods for calculation of lost trip rates starting from 2015. Based on the new method of calculation, any difference between the number of journeys for a bus route recorded during a particular period and the number of journeys specified in the Schedule of Service for that route would be regarded as lost trips. She asked whether the Administration would also calculate the lost trip rate by making reference to the departure and arrival time of buses. <u>DC/TS&M</u> replied that the new method of calculating the lost trip rate would take into account the number of journeys specified in the Schedule of Service and the actual number of departures during a particular period.

34. <u>Mr Gary FAN</u> was dissatisfied that the outcome of the Topical Study on franchised bus service had only recapped the Administration's ongoing initiatives. Noting that the penalty for lost trips imposed on franchised bus companies was low compared to that of other countries like Singapore, he called on the Administration to review the mechanism with a view to strengthening the deterrent effect; and to make reference to overseas practices while formulating the bus policies.

35. <u>The Deputy Chairman, Dr Elizabeth QUAT</u> and <u>Mr POON Siu-ping</u> also expressed concern on the sanction mechanism in respect of bus lost trips. <u>Mr POON Siu-ping</u> asked whether the Administration would consider imposing a fine on bus companies which failed to provide bus service according to the specified schedule not due to reasons beyond their control, and requiring bus companies to credit the fine to a fare concession account as that provided by MTR Corporation Limited ("MTRCL").

USTH said that the Administration had reviewed the sanction 36. mechanism in respect of bus lost trips in response to the Ombudsman's Rigorous and fair statutory and administrative recommendations. mechanisms were in place for the close monitoring of franchised bus As far as the statutory mechanism was concerned, the Chief service. Executive-in-Council might impose penalty on the franchised bus company which failed to provide a proper and efficient service or failed to comply with the Public Bus Services Ordinance (Cap 230). As for the administrative mechanism, TD would normally follow up the matter with the franchised bus companies in writing or by issuing warning letters. То ensure that the franchised bus companies would make prompt improvement, a written notice would also be served to its board of directors when TD issued a warning letter to a franchised bus company. The Government would take into account whether any warning letters had been issued as well as the number of such letters issued when processing a fare increase application submitted by a franchised bus company. USTH said that according to past experience, the franchised bus companies would take follow-up letters or warning letters from TD seriously and take active rectification actions.

37. <u>USTH</u> further said that there were many factors leading to bus lost trips. The franchised bus companies had the responsibility to take appropriate preventive measures on factors within their control. Owing to the fact that franchised buses had to share road space with other road users, the actual road condition would inevitably affect the reliability of franchised bus service. Hence, it would be unfair to impose a penalty mechanism on bus lost trips as in the case of the railway of which service was provided on tracks for railway-use only.

38. <u>Mr LEE Cheuk-yan</u> was dissatisfied that there were no concrete measures proposed by the Administration to solve the bus lost trip problem. He noted that the relatively low remuneration for newly recruited bus drivers, as compared to that for serving bus drivers, had discouraged people from entering the trade. He opined that to some extent shortage of bus drivers had led to bus lost trips.

39. <u>The Deputy Chairman</u> and <u>Mr Frankie YICK</u> also urged the Administration to take active measures to solve the shortage problem of bus drivers. <u>Mr YICK</u> opined that consideration should be given to importing non-local drivers whereas <u>the Deputy Chairman</u> considered it important to improve the remuneration of bus drivers.

40. <u>DC/TS&M</u> said that the franchised bus companies had been making efforts to recruit bus drivers and improve their working environment. They were also required to submit to TD monthly reports about the manpower situation of bus drivers using a standardized form. Should there be any sign of driver shortage, the franchised bus companies would need to implement improvement measures as soon as possible. <u>USTH</u> supplemented that with the concerted efforts of TD and the franchised bus companies, the overall lost trip rate had dropped considerably in the past two years.

Admin 41. At the request of Mr LEE Cheuk-yan, <u>the Administration</u> agreed to provide information on the monthly statistics on the respective number of full time and part time bus drivers leaving and joining the five franchised bus companies in the past year.

42. <u>The Chairman, Mr WU Chi-wai, Mr CHAN Hak-kan and Mr LEE</u> <u>Cheuk-yan</u> noted that the busy road traffic condition in Hong Kong was one of the major causes of lost bus trips. Individual members had made the following suggestions:

- (a) <u>The Chairman</u> requested the Administration to assign double yellow line road marking within the area of bus stops, and to establish a bus bay such that motorists were required to give way to buses leaving the bus bay. Noting that TD would calculate the lost trip rate starting from 2015 in four different periods a day, he requested the Administration to also collect data for the busiest hour within each period.
- (b) <u>Mr WU Chi-wai</u> suggested that apart from establishing bus-only lanes and designated bus gates, i.e. part of the road letting buses through at a junction, TD should also consider establishing designated areas for buses in Mongkok, Kwun Tong and Central during peak hours.
- (c) <u>Mr CHAN Hak-kan</u> opined that the Administration could make reference to measures taken by overseas countries which designated special carriageways for the use of buses as well as private cars carrying three to five passengers during peak hours.
- (d) <u>Mr LEE Cheuk-yan</u> considered that the Administration should strengthen the law enforcement against illegal parking near bus stops.

43. In response, <u>DC/TS&M</u> and <u>Chief Traffic Engineer/Kowloon of TD</u> said that TD would follow up the lost trip situation of each route with the franchised bus companies and explore possible traffic management measures to improve the situation. In addition, it was TD's regular work to review the bus priority measures having regard to the actual road circumstances. In respect of measures to enhance the ease of accessibility of buses to the bus stops, the Administration would consider setting up appropriate no-stopping restrictions in front of and at the back of busy bus stops or suitably extending the duration of the existing no-stopping restrictions thereat, having regard to the local traffic situation. Local stakeholders would be consulted before the implementation of new bus priority measures.

44. USTH added that the Administration had recently requested the Police to strengthen the law enforcement of illegal parking at 40 spots. The illegal parking problem had also been addressed by the Transport Advisory Committee ("TAC") in its Study of Road Traffic Congestion in Hong Kong. He further said that TAC had recommended a number of short, medium and long-term measures to solve the traffic congestion The Administration was studying TAC's recommendations in problem. detail and would respond at an appropriate juncture. He hoped that would support the recommended measures when the members Administration proposed them to the Panel.

Concerns on bus route rationalization

45. <u>The Deputy Chairman and Dr Elizabeth QUAT</u> were concerned over the effectiveness of applying an "Area Approach" to pursue bus route rationalization. <u>The Deputy Chairman</u> enquired about the number of patronage, travelling speed of buses and level of vehicle emission after implementation of bus route rationalization. <u>Dr Elizabeth QUAT</u> requested the Administration to provide information on the number of complaints received by the Administration regarding the bus service after the implementation of the respective bus route rationalization, and the follow up actions carried out by the Administration.

46. <u>USTH</u> and <u>DC/TS&M</u> responded that:

(a) when pursuing bus route rationalization, the Administration would take into account the views of all stakeholders (including district councils concerned);

- (b) the implementation of the Area Approach rationalization in Tuen Mun and North District were quite satisfactory. After the implementation of the rationalization proposals, the patronage of franchised buses in the two districts had generally increased by about 6%; and
- (c) it was the plan of the Administration and the franchised bus companies to apply the Area Approach rationalization in various districts in the New Territories first. As the Area Approach rationalization for the New Territories had largely been finalized and implemented, TD would now focus on the urban areas.
- Admin 47. Due to time constraints, <u>the Administration</u> agreed to provide the rest of information requested by the Deputy Chairman and Dr Elizabeth QUAT after the meeting.

48. <u>Mr CHAN Kam-lam</u> considered that instead of relying too much on the franchised bus companies, the Administration should take a leading role in pursuing bus route rationalization with a view to decreasing the number of buses running on roads. While noting that the Administration had set up or enhanced the existing bus-bus interchanges ("BBIs") to tie in with Area Approach rationalization, he opined that BBI scheme could even be implemented on busy corridors as it simply involved matching of bus routes.

49. <u>DC/TS&M</u> agreed that BBI scheme was crucial to bus route rationalization. However, she said that it was not an easy task to find a suitable place to set up a large scale BBI in the urban areas. In the case of Tuen Mun Road BBIs, the Administration had made use of the opportunity of the widening works at Tuen Mun Road to set up the BBIs of such scale. Notwithstanding that, the Administration would continue to explore the possibility of setting up BBIs in other suitable locations.

50. <u>Mr LEUNG Kwok-hung</u> considered that to encourage interchange by passengers, a common pass which was applicable to both franchised buses and railway should be offered. To this end, the Administration should buy back the shares of MTRCL. After taking charge MTRCL's decision-making right, the Administration could liaise with bus companies to offer such a pass to the commuters.

51. <u>Mr Christopher CHUNG</u> considered it important for bus companies to provide real-time bus arrival information systems. To facilitate

implementation of bus route rationalization and monitoring of bus lost trips, the Administration should make use of the data collected from real-time bus arrival information systems and transaction record of octopus cards on bus fares to better understand the real-time road conditions, the patronage of individual bus routes and the travelling pattern of passengers for making sensible decisions.

52. <u>The Deputy Chairman</u> opined that the Administration should shape up the performance of bus companies by having a clear reward and penalty system and strictly enforce it. He shared that early provision of real-time bus arrival information systems was important and the imposition of heavier fines for lost bus trips was equally important. Given the operational difficulties of bus companies, he remarked that the Administration should consider funding the installation of the systems and improving the BBI concessionary schemes across different bus routes and transport modes.

53. <u>USTH</u> agreed that real-time bus arrival information systems would provide more information to help passengers better plan their journeys according to their needs. The Administration would continue to encourage the franchised bus companies, through various channels including the franchise renewal discussion, to make use of such technology more proactively. He added that it was the Government's established policy that public transport services should be run by private sector based on commercial principles.

54. <u>Ir Dr LO Wai-kwok</u> observed that there were too many double-deck buses in Hong Kong with low utilization and that the Administration encountered difficulties in implementing bus route rationalization. He asked whether the Administration would consider introducing new types of buses, like single deck buses or smaller buses, to meet the actual demand with less emission. <u>DC/TS&M</u> said that the franchised bus companies would consider all suitable types and models of buses that were technologically proven and commercially available when procuring new buses. She undertook to reflect Ir Dr LO's views to the franchised bus companies.

55. <u>Mr Frankie YICK</u> shared his experience as an operator of public transport that an operator would naturally try to maximize the utility of resources to meet the demand of customers. The Administration should consider replacing those bus routes having a low utilization rate with minibuses and to introduce minibus or other supplementary service to connect Tung Chung and Chek Lap Kok area. <u>DC/TS&M</u> said that when considering the option of introducing minibus service, the Administration

would take into account various factors, including the estimated revenue and operating cost, as well as the patronage of the proposed route. She said that introducing minibus routes to provide supplementary service or to replace bus routes with low patronage by minibus routes as part of bus route rationalization package were always an option to be considered.

56. <u>Mr Frankie YICK</u> suggested that he had raised the issue of insufficient drivers with Mr Matthew CHEUNG, Secretary for Labour and Welfare ("SLW"), who however indicated that the Labour Importation Scheme did not cover the occupation of drivers and that shortage of drivers should be under the purview of Secretary for Transport and Housing ("STH"). <u>Mr YICK</u> proposed that STH should consider making such a proposal to SLW, otherwise the shortage of drivers would deteriorate further.

57. <u>Mr WONG Kwok-hing</u> noted that among the 80 cross-harbour bus routes, 70% of which the section fares running on the Hong Kong Island was higher than those of local services by \$0.1 to \$6.8 even though they were running parallel sections, thus discouraging passengers and resulting in low utilization rate of the cross-harbour buses. He strongly requested the Administration to conduct a trial to align the bus fares of cross-harbour bus routes with those of non-cross-harbour bus routes running parallel sections on Hong Kong Island.

58. <u>DC/TS&M</u> said that the suggestion would affect the patronage of non-cross-harbour bus routes running on the Hong Kong Island. In addition, it might adversely affect the passengers of cross-harbour routes as the proposal would likely lengthen the journey time of cross-harbour bus routes due to more boarding activities. Notwithstanding that, <u>USTH</u> and <u>DC/TS&M</u> agreed to further study the matter with the franchised bus companies in a pragmatic manner.

Other views

59. Mr Jeffrey LAM, Ms Claudia MO and Dr Elizabeth QUAT expressed concern on the emission of franchised buses. In response to the enquiries about the Administration's measures to reduce the emission, USTH and DC/TS&M said that the Administration had all along been encouraging the franchised bus companies deploy to more environment-friendly buses. For franchises commencing in 2013, the franchised bus companies were required to procure new buses which were the most environment-friendly.

60. <u>Ms Claudia MO</u> asked whether the Administration had as a matter of policy set a ratio between the patronage of railway and that of franchised buses whilst she noted the use of railway, which was a green mode of transport, as the backbone of public transport. She appreciated that the franchised bus company at the Tai Lam Tunnel Toll Plaza BBI had set up a one-stop kiosk providing octopus add-value service to facilitate passengers.

However, she asked if the revenue so generated from provision of such service was in accordance with the land lease.

61. <u>USTH</u> advised that railway was the backbone of Hong Kong's public transport network accounting about 40% of the total patronage of all public transport services. With the implementation of the railway projects under the Railway Development Strategy 2014, the rail share would rise to about 50% of the total patronage of all public transport services by 2031. Yet, franchised buses would continue to be a mass carrier serving areas without direct railway access as well as providing feeder service connecting to railway network and inter-district service. It was expected that the franchised bus service would continue to account for about 30% of the total patronage of all public transport services.

62. <u>Mr POON Siu-ping</u> asked whether the Administration would relax the current policy of prohibiting pets on buses, in particular for routes with stops at pet parks. <u>DC/TS&M</u> advised that the current policy was formulated to take care of the need of all passengers. Pet owners could make use of other transport modes if needed.

63. <u>Mr CHAN Hak-kan</u> noted that two express routes, namely "T routes", were introduced in the North District and one was under discussion with the Tai Po District Council. He asked whether the Administration would discuss with bus companies to establish more T routes to relieve the burden of East Rail Line and West Rail Line.

64. <u>DC/TS&M</u> said that TD had been monitoring the patronage of T routes, and would continue to liaise with the franchised bus companies to adjust the service of existing T routes or introduce new service having regard to passenger demand.

V. Any other business

65. There being no other business, the meeting ended at 1:02 pm.

Council Business Division 4 Legislative Council Secretariat 7 July 2015