

LC Paper No. CB(4)228/15-16 (These minutes have been seen by the Administration)

Ref : CB4/PL/TP/1

**Panel on Transport** 

## Minutes of meeting held on Friday, 17 July 2015, at 10:45 am in Conference Room 3 of the Legislative Council Complex

Members present	:	Hon Michael TIEN Puk-sun, BBS, JP (Chairman) 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 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, JP
		Hon Gary FAN Kwok-wai
		Dr Hon Elizabeth QUAT, JP
		Hon POON Siu-ping, BBS, MH
		Ir Dr Hon LO Wai-kwok, SBS, MH, JP
		Hon Christopher CHUNG Shu-kun, BBS, MH, JP
		Hon Tony TSE Wai-chuen, BBS

Member attending : Hon LEUNG Che-cheung, BBS, MH, JP

Members absent	:	Hon Ronny TONG Ka-wah, SC Hon CHAN Hak-kan, JP Hon WU Chi-wai, MH Hon CHAN Han-pan, JP Dr Hon KWOK Ka-ki
Public Officers attending	:	<u>Agenda item II</u> Mr YAU Shing-mu, JP
		Under Secretary for Transport and Housing Mr Andy CHAN, JP Deputy Secretary for Transport and Housing (Transport)2 Miss Carrie CHANG Driveinel Assistant Secretary for Transport and
		Principal Assistant Secretary for Transport and Housing (Transport) 1 Mr Reginald CHAN
		Assistant Commissioner for Transport/Bus and Railway Transport Department
		Miss Carol CHEUNG Principal Transport Officer/Bus and Railway 3 Transport Department
		<u>Agenda item III</u>
		Mr YAU Shing-mu, JP Under Secretary for Transport and Housing
		Mr Andy CHAN, JP Deputy Secretary for Transport and Housing (Transport)2
		Miss Carrie CHANG Principal Assistant Secretary for Transport and Housing (Transport) 1

Ms Macella LEE Assistant Commissioner/Management and Paratransit Transport Department

Mr Dannis LEUNG Chief Transport Officer/Planning/Taxi Transport Department

#### Agenda item IV

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

Ms Rebecca PUN Ting-ting, JP Deputy Secretary for Transport and Housing (Transport)1

Mr Henry CHAN Chi-yan, JP Principal Government Engineer/Railway Development Railway Development Office Highways Department

Mr Robert CHAN Cheuk-ming Chief Engineer/Railway Development 2-2 Railway Development Office Highways Department

Mr Stephen CHAN Wai-chung Chief Engineer/NWNT Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office Highways Department

Mr David TO Kam-biu, JP Deputy Commissioner/Planning & Technical Services Transport Department

Mr Chris CHAN Yu-yuen Assistant Commissioner/Planning Transport Department

		Mr Edmond POON Chi Principal Transport Offi Transport Department	
	Clerk in attendance :	Ms Sophie LAU Chief Council Secretary	y (4)6
	Staff in attendance :	Ms Macy NG Senior Council Secretar	y (4)6
		Ms Emily LIU Legislative Assistant (4)	)6
<u>Action</u>		<b>pers issued since the las</b> CB(4)1187/14-15(01) -	t meeting Administration's response to the letter from Hon Frankie YICK Chi-ming on the directions of conducting the Public Transport Strategy Study
	LC Paper No. C	B(4)1190/14-15(01) -	Administration's response to the letter from Hon Claudia MO on introducing low-floor public light buses
	LC Paper Nos. and (02)	CB(4)1193/14-15(01) -	Memoranda referring to the Panel the views and concerns raised by Tai Po District Council members regarding the planning policies of car parking spaces and construction of footbridge network
	LC Paper No. C	B(4)1200/14-15(01) -	Letter from Hon CHAN Han-pan on the progress of providing hillside escalator links and elevator systems (Chinese version only)

LC Paper No. CB(4)1203/14-15(01)	- Letter from Tuen Mun
	District Council on the
	tendering of ferry service
	between Tuen Mun and
	Macau)

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

II. New franchises for the bus networks of Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New Lantao Bus Company (1973) Limited

(LC Paper No. CB(4)1306/14-15(01)	- Administration's paper on new franchises for the bus networks of Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New Lantao Bus Company (1973) Limited
LC Paper No. CB(4)1306/14-15(02)	- Paper on new franchises for the bus networks of of Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New Lantao Bus Company (1973) Limited

Company (1973) Limited prepared by the Legislative Council Secretariat (background brief)) Upon invitation, Under Secretary for Transport and Housing ("USTH") briefed members on the outcome of negotiation with Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) ("Citybus (Franchise 1)") and New Lantao Bus Company (1973) Limited ("NLB") on the

proposed granting of new franchises to take effect upon expiry of their current

ones on 1 June 2016 and 1 March 2017 respectively.

2.

Service performance and financial viability

3. Noting that the business of Citybus (Franchise 1) was affected adversely with the commissioning of the West Island Line ("WIL"), <u>the Chairman</u> expressed concern over the financial viability of the company within the period of the proposed new franchise, and whether it would increase bus fares significantly to maintain its rate of return on assets.

4. Deputy Secretary for Transport and Housing (Transport)2 ("DS(T)2") said that although the patronage of certain bus routes overlapping with the catchment area of the new railway were affected by the commissioning of WIL, Transport Department ("TD") had worked with the franchisees to rationalise their bus services. As a result, the franchisees had so far reduced a total of some 70 buses through the rationalisation. As part of the WIL rationalisation package, franchisees had also started operating new feeder routes to railway stations to capture new passenger demand. These should have helped Citybus (Franchise 1) improve its financial viability. He added that although there had been no fare increase by Citybus (Franchise 1) for about seven years and that it had been providing fare concessions to passengers, it had so far remained financially viable. Should there be an application for bus fare increase, the Government would prudently consider the application in accordance with established policy and procedures.

5. <u>Mr CHAN Kam-lam</u> considered the service provided by Citybus fairly acceptable. Given Citybus had not increased fares for a long time and additional resources were required for future service enhancement, he asked if the Administration would consider facilitating the long-term development needs of Citybus. On the other hand, he also expressed concern on the constrains imposed by the road networks of Hong Kong Island (particularly the Southern District) on the provision of public transport for those areas.

6. <u>USTH</u> said that given the difficulties with further expanding the road network on the Hong Kong Island, TD would pursue bus route rationalization with greater vigour to utilise road network and bus resources more efficiently. The Public Transport Strategy Study ("PTSS") would also examine the roles and positioning of various public transport services, during which the Government would also explore if there could be initiatives to facilitate the long-term development of bus services in Hong Kong.

7.  $\underline{DS(T)2}$  supplemented that the Government was receptive to plans by Citybus (Franchise 1) to increase its non-fare box revenue such as advertisement income from the upcoming mobile applications. He added that

all franchisees would be invited to submit tender bids for operating new bus routes serving new development areas to generate new streams of revenue.

8. <u>Mr Frankie YICK</u> was satisfied with the service provided by Citybus (Franchise 1) and NLB. While supporting the Administration's work to negotiate with the two bus companies on provision of fare concessions to passengers under the proposed new franchises, he requested the Administration to discuss with NLB the need to strengthen the bus service on the Lantau Island during public holidays. He was concerned over whether the whole NLB bus fleet was fully utilised during public holidays. He also suggested NLB to explore if it would be operationally feasible to offer pre-sale bus tickets eligible for boarding at a specific timeslot such that passengers purchasing the pre-sale tickets would not need to stand in long queues for buses.

9. <u>Assistant Commissioner for Transport/Bus and Railways of TD</u> ("AC/B&R") advised that NLB would deploy about 50 additional buses on weekends and public holidays to meet the additional demand and NLB would make appropriate arrangements to cater for passenger demand according to the actual situation. He undertook to reflect Mr YICK's view to NLB.

10. <u>Mr LEE Cheuk-yan</u> asked whether the two bus companies, in particular Citybus (Franchise 1) which had higher lost trip rate, had pledged to improve their lost trip problem. <u>USTH</u> replied that TD and franchisees had spared no efforts in improving their performance on service reliability. The average lost trip rate of Citybus (Franchise 1) was 4.2% in 2014 (inclusive of figures in Q4 2014 during which traffic condition was affected by the Occupy Movement protest). The corresponding figure from January to May 2015 was 1.8%.

# Provision of real time bus arrival information

11. <u>The Chairman</u> enquired whether the Administration would mandate other franchised bus companies to provide bus information through mobile application upon renewal of their respective franchises. <u>DS(T)2</u> replied in the affirmative.

12. <u>Mr WONG Kwok-hing</u> was concerned over the timetable of providing real time bus arrival information by the relevant bus companies and whether such requirement would be laid down in the proposed new franchises. <u>Mr LEE Cheuk-yan</u> also asked about the timetable of installing display panels at bus stops. <u>The Deputy Chairman</u> considered that the Administration should fund the installation of display panels to speed up the installation progress.

13. <u>USTH</u> said that the two grantees had agreed, in the form of a franchise commitment, to roll out real time bus information system in phases within the first two years of commencement of their proposed new franchises. Passengers would first be able to access bus arrival information through their own mobile devices. In addition, upon commencement of their proposed new franchises, the two franchisees would also install display panels at selected major bus termini/stops with electricity supply and shelters to show the estimated arrival time of their bus routes and carry out the installation works in phase. He drew members' attention that the franchisees' financial situation might be affected if they were required to make substantial investment at the start of their new franchises.

14. <u>DS(T)2</u> added that the ultimate goal of the Administration was to have display panels installed at all bus stops/termini with shelter and electricity supply wherever feasible. He advised that the two grantees would first complete the installation works at the major bus stops/termini with shelters and electricity supply in phases, with priority given to bus stops/termini with higher utilization. The two bus companies expected to complete their installation works at about one-third of bus stops/termini with shelter and electricity supply in the first few years after commencement of the proposed new franchises. He explained that further compressing the installation programme might have the undesirable consequence of pushing up the tender price for the panels and installation works.

15. <u>The Deputy Chairman</u> considered it more appropriate for the Administration to establish the mobile application to facilitate its monitoring of the lost trips of all franchised bus companies. <u>Mr LEE Cheuk-yan</u> also asked whether a central mobile application would be developed to provide bus information of all franchised bus companies.

16. <u>USTH</u> advised that the two grantees had agreed to provide real time bus arrival information to passengers. Each bus company would develop its own mobile applications to provide arrival information of their bus routes. A central mobile application covering bus routes of all franchisees might not have clear advantages over individual mobile applications by the franchisees. It might also be less flexible to cater for addition of new or value-adding functionalities by individual franchisees to improve their delivery of bus arrival information to passengers. <u>AC/B&R</u> supplemented that TD had been monitoring the lost trip of buses on a daily basis. It was able to access the lost trip information of franchised bus companies on existing computer platforms provided by them and connected to TD.

Fares and service of cross harbour routes

17. Noting that the Administration would explore with the grantees separately the possibility of narrowing the fare difference between harbour crossing routes after crossing the harbour and non-harbour crossing routes ("the cross harbour route proposal") along similar routeing, <u>Mr Gary FAN</u> expressed concern whether the proposal would result in reduction of service of non-harbour crossing routes. He also expressed concern on the long journey time of harbour-crossing routes and asked whether the Administration would consider rationalizing them and introducing more point to point express bus service.

18. DS(T)2 said that the franchised bus companies would carry out a trial of the cross harbour route proposal on selected routes in response to a member's suggestion, and its feasibility would still have to be assessed. The trial scheme, while involving only a change to the sectional fare structures of participating routes, would have ramifications on other aspects including bus frequency and resources, traffic congestion as well as the associated road-side air pollution. The proposal would unlikely result in reduction in frequency of the non-harbour crossing routes. A bus route served two directions. In this particular case, cross-harbour routes overlapped with one-direction service (not both-direction service) of non-cross harbour routes. As such, the other direction service of non-cross harbour routes would remain the same in terms of service frequency. To maintain this service frequency, the service frequency for the other direction that overlapping with the cross-harbour routes would need to be maintained. In respect of the long journey time of some harbour-crossing routes, he explained that this would be a separate issue to be looked into holistically from the traffic management perspective. The PTSS would examine whether there could be additional initiatives to enhance bus services.

19. <u>Mr WONG Kwok-hing</u> welcomed the cross harbour route proposal which sought to addresse the low utilization of cross harbour bus routes running on the Hong Kong Island. He asked about the concrete timetable of implementing the trial scheme. While expressing appreciation of the positive response made by the Kowloon Motor Bus Company (1933) Limited on the trial scheme, he urged Citybus (Franchise 1) and New World First Bus Limited to actively consider the cross harbour route proposal too. <u>The Chairman</u> also urged Citybus to communicate more with the Legislative Council ("LegCo") members on its service.

20. <u>USTH</u> advised that the Administration was liaising with the franchised bus companies on the timing and details of the cross harbour route proposal.

The bus companies aimed to launch a trial scheme in about one year's time on a limited scale.

### Other views

21. <u>Mr WONG Kwok-hing</u> requested the Administration to discuss with Citybus and NLB to provide passenger seating facilities at bus termini. <u>USTH</u> advised that the two bus companies had agreed to provide passenger seating facilities at bus stops with newly built passenger shelters as far as practicable.

22. <u>The Deputy Chairman, Mr WONG Kwok-hing, Mr LEE Cheuk-yan</u> and <u>Mr POON Siu-ping</u> expressed concern over the adequacy of resting facilities for bus captains as well as their rest time. <u>Mr WONG</u> and <u>Mr LEE</u> requested that a rest room should be provided at each bus terminus for bus captains. <u>Mr POON</u> asked whether there were concrete targets set for the two grantees regarding the rest time of bus drivers and the specific arrangements of providing training to bus captains at present.

23. <u>USTH</u> said that TD would relay members' concerns to the two bus companies. <u>AC/B&R</u> supplemented that at present, all franchised bus companies had put in place their own arrangements on the provision of training to newly recruited or serving bus captains. In addition, they had to comply with TD's guidelines on the provision of rest time for bus captains and regularly report to TD on the implementation of the guidelines. TD also engaged independent contractors to carry out annual compliance surveys on working hours, rest times and meal breaks of bus captains. He added that TD would follow up with the management of relevant bus companies upon receipt of any views or suggestions on staff matters through different channels, and request the bus companies to make improvements where appropriate.

24. <u>Mr LEUNG Kwok-hung</u> suggested establishing a monthly pass which was applicable for all public transport to encourage interchanges. He also considered that the profits earned by the MTR Corporation Limited ("MTRCL") should be used to subsidize the operation of buses and public light buses.

25. <u>The Chairman</u> anticipated that the market share of road transport would be decreasing amidst an expanding railway network. He opined that there should be an authority to coordinate all public transport modes in the long run. In addition, the dividends received by the Government from MTRCL should be used to subsidise road-based transport service.

III.	Public Transport Strategy Study - fuel surcharge	Outcome of the review on taxi
	(LC Paper No. CB(4)1306/14-15(03)	- Administration's paper on Public Transport Strategy Study - taxi fuel surcharge
	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. IN14/14-15	- Paper on taxi fuel surcharge in selected places prepared by the Research Office of the Legislative Council Secretariat (information note))

At the invitation of the Chairman, USTH explained to members on the 26. findings of the Topical Study under PTSS on the introduction of a taxi fuel surcharge as proposed by the taxi trade. <u>USTH</u> said that the Government had all along been taking into account a number of factors when processing the application for taxi fare adjustment. These factors included components such as overall operating cost, overall revenue, net income as well as public In general, the present mechanism was effective. acceptability. USTH further pointed out that when studying whether a taxi fuel surcharge should be introduced, TD had drawn on the experience of other cities in implementing TD had also carried out a survey and not implementing a taxi fuel surcharge. in the fourth quarter in 2014 to collect views from the stakeholders, including taxi passengers, taxi drivers and some academics, on the proposal to introduce a taxi fuel surcharge. Experience of other places showed that the levy of a taxi fuel surcharge was not common. Views collected also showed that the public views towards the proposal were mixed, with more people opposing it. The imposition of any fuel surcharge would automatically transfer the burden of fuel cost to the passengers. It might cause confusion and give an impression that passengers were subject to a "double fare increase". Besides, the setting of the fuel price level that would trigger the taxi fuel surcharge and the exact surcharge amount would entail complex arrangements and calculations. Consensus amongst all parties would not be easy to come by. In addition, the Administration also noted that short-term sharp fluctuations in international fuel price might lead to a sharp rise or fall of local liquefied petroleum gas ("LPG") price. If a sharp rise of fuel price would warrant a swift imposition of a surcharge to partially compensate for the increase in fuel expense, it would also need to tackle the question as to whether taxi fare should be lowered swiftly when LPG price dropped sharply to a low level. In suggesting to introduce a fuel surcharge, the taxi trade had not indicated what should be done when there was a sharp drop in fuel price. The Government concluded that it would be undesirable to introduce a taxi fuel surcharge. Changes in operating costs caused by fluctuations in fuel price would continue to be dealt with through the existing taxi fare adjustment mechanism.

# General views

The Deputy Chairman, Mr LEE Cheuk-yan, Mr WONG Kwok-hing and 27. Mr Gary FAN expressed concerns towards the Government's decision of not introducing a taxi fuel surcharge. They opined that the fluctuations in fuel price had greatly affected the income of taxi drivers, and considered that taxi fare increase would not benefit taxi drivers as the additional income generated from fare increase would be offset by the increase in taxi rental. Hence, they supported the introduction of a taxi fuel surcharge. Mr Gary FAN asked whether the Administration would enhance the existing taxi fare adjustment mechanism to prohibit taxi owners from increasing taxi rental after taxi fare The Deputy Chairman opined that taxi owners might not have a increase. good reason to increase taxi rental after introducing a taxi fuel surcharge, but they might increase the taxi rental after taxi fare was increased. He noted that under the existing pricing mechanism, taxi drivers were reluctant to drive long-haul routes when the fuel price increased.

28. <u>USTH</u> said that when studying any proposals relating to taxi fare adjustment, the Administration would take into account their implications on passengers, taxi drivers and the trade's development. While the amount of taxi rental was set by taxi owners based on market condition, the Administration noted that taxi owners had not increased taxi rental for a period of time after the last two rounds of taxi fare increase. In addition, it was observed that the income of both taxi drivers and taxi owners had increased since the taxi fare increase was last implemented.

29. In response to the taxi trade's proposal to implement a taxi fuel surcharge, <u>USTH</u> explained that the Administration had studied the experience of other cities regarding the implementation of a taxi fuel surcharge. The Administration noted that some cities had levied a taxi fuel surcharge for a period of time but had stopped the practice afterwards. As for Hong Kong, a fuel surcharge had once been levied in the light of an unstable oil price because of the Gulf War in 1990. When the oil price went down and the Government withdrew the fuel surcharge in 1991, it caused discontent within the taxi trade

and the surcharge was subsequently subsumed into the taxi flagfall charge. <u>USTH</u> said that the trade had not initiated discussion on whether and how metered fare could be reduced when fuel price fell substantially.

30. <u>Mr POON Siu-ping</u> noted that although some cities had cancelled the taxi fuel surcharge after launch, other cities were still implementing the surcharge. Besides, passenger fuel surcharge was also imposed on air travellers. To relieve the burden of operating taxi service, he urged that government departments should coordinate to work out a mechanism with oil companies to adjust fuel prices in a fairer manner in response to the fluctuation of oil prices.

31. <u>USTH</u> responded that the existing taxi fare adjustment mechanism in Hong Kong was a more balanced approach for tackling taxi fuel price fluctuations, with other considerations also being taken into account. The Administration had been monitoring the fuel prices charged by oil companies. If oil prices maintained on the high side for a considerable period of time, the taxi trade could and would likely request for a taxi fare increase. The Government would perform its gate-keeping role when considering the fare increase application, taking into account, among other factors, public acceptability and the operation of the trade.

32. <u>Mr Frankie YICK</u> believed that there was no direct relationship between taxi fare and taxi rental as the latter was more related to market behaviour. He noted that there had been circumstances where taxi owners decreased taxi rental with a view to recruiting taxi drivers. Even though some taxi owners would increase taxi rental after taxi fare increase, he noted that the majority of additional income would go to the taxi drivers. To mitigate the impact of fluctuations in fuel price on taxi drivers and address the recruitment difficulties of taxi drivers, he considered it more important to increase the income level of taxi drivers to one on a par with the median wage index of drivers in the transportation section, which was shared by the taxi trade. He understood the difficulties of implementing a taxi fuel surcharge and hoped that the Administration would explain in detail the matter to the taxi trade.

33. <u>Mr CHAN Kam-lam</u> noted the mixed views within the taxi trade and passengers regarding the proposal to introduce a taxi fare surcharge. He considered that there must be a consensus in the trade and the community before the proposal was to be implemented. However, he considered that the Administration should not rule out the feasibility of the proposal and should consider it again under RPR of PTSS.

34. <u>Mr Albert CHAN</u> noted that after implementing a taxi fuel surcharge, taxi owners could still increase taxi rental. In addition, he observed that the taxi licence premium had increased whereas the income of taxi drivers had decreased in general. To address the operating difficulties of taxi drivers, he suggested the Administration to consider introducing a car ownership scheme and electric taxis with lower fuel cost. He hoped that the policy of issuing taxi licence could be linked with the career of taxi drivers.

35. <u>USTH</u> noted the views of Mr CHAN and pointed out that the income of taxi drivers had increased since the taxi fare increase was last implemented. He said that the Administration would duly consider the measures to ensure the sustainability of the taxi trade when reviewing the role and positioning of taxis under RPR of PTSS.

36. <u>Mr WONG Kwok-hing</u> expressed concern that the business of the taxi trade had been affected by some taxi drivers offering fare discounts to passengers and soliciting business by making use of taxi-call service mobile applications, as well as illegal carriage of passengers by vehicles like private cars or light goods vehicles. He urged the Administration to address the matter. <u>The Administration</u> noted his view and the taxi drivers' request to improve their income.

# LPG filling stations

37. <u>Mr WONG Kwok-hing</u> said that as one of the measures to relieve the operating cost of taxi drivers, the Administration should consider the request of taxi drivers for increasing the number of dedicated LPG filling stations. Alternatively, dedicated LPG filling nozzles should be provided at each LPG filling station.

38. <u>The Deputy Chairman</u> noted that no dedicated LPG filling station was provided on the Lantau Island, which had led to high operating cost of taxi drivers on Lautau. Noting that the operation contracts of dedicated LPG filling stations would expire between 2021 and 2022, he asked whether the Administration would renew the relevant contracts by providing them land at nil premium and request enhanced service.

39. <u>USTH</u> said that the provision of dedicated LPG filling stations was under the purview of the Environment Bureau ("ENB") and the views of Mr WONG and the Deputy Chairman would be relayed to ENB.

Taxi premium

40. <u>Mr Gary FAN</u> and <u>Mr LEUNG Kwok-hung</u> attributed the difficulties faced by taxi drivers to the Administration's failure to curb the speculative activities of taxi licences which had resulted in high taxi rental. As a result, taxi drivers had no choice but to propose the taxi fuel surcharge. To curb the speculative activities of taxi licences, <u>Mr FAN</u> asked whether the Administration would make reference to the Victorian government of the Australia which introduced a type of taxi licences available to eligible applicants at a fixed annual fee on the condition that the licence holders must operate the taxis themselves.

41. <u>USTH</u> noted the views of Mr FAN and Mr LEUNG. He said that at present, about 60% of taxi licences were owned by individual persons instead of groups or companies in Hong Kong. How the management model and service quality of taxis could be improved would be studied in the review on the role and positioning of taxis under RPR of PTSS.

<b>IV.</b> Planning of transport infrastructure at Northwest New Territories
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-	(LC Paper No. CB(4)1306/14-15(04)	- Administration's paper on planning of transport infrastructure at Northwest New Territories
	LC Paper No. CB(4)1306/14-15(05)	- Paper on transport services at Northwest New Territories prepared by the Legislative Council Secretariat (background brief))

42. At the invitation of the Chairman, <u>USTH</u> briefed members on the Administration's planning of transport infrastructure in the Northwest ("NW") New Territories ("NT"), including the issues in relation to the carrying capacity of the West Rail Line ("WRL").

(At 12:23 pm, the Chairman extended the meeting by 15 minutes to 1:00 pm.)

Railway infrastructure

43. <u>Mr WONG Kwok-hing</u> criticized that the Administration's planning of transport infrastructure in NWNT was not forward-looking enough because the

railway development could not meet the transport demand arising from rapid population growth in NWNT. The planned addition of only a Hung Shui Kiu ("HSK") Station and provision of 8-compartment trains, instead of the existing 7-compartment ones, for WRL were far from sufficient to meet the transport demand generated from the HSK NDA. <u>Mr WONG</u> further commented that the transport network connecting the Light Rail, WRL and franchised bus service in NWNT was not convenient. The Light Rail was very full during peak hours and the station design was not safe. In addition, he was disappointed that the Administration did not plan to construct a railway to connect Tung Chung with Tuen Mun when designing the Tuen Mun – Chek Lap Kok Link ("TM-CLKL").

44. In response, <u>USTH</u> said that the Administration did adopt a forward-looking approach to plan the transport infrastructure in NWNT. The Administration was implementing the Shatin to Central Link ("SCL") project which would form the East West Corridor and help alleviate the passenger loading on WRL. With the commissioning of SCL, the number of train compartments per WRL train would be gradually increased and the overall carrying capacity of WRL would be increased by at least 14%.

45. The Chairman said he had made reference of the information given by compiled Administration and two tables (LC Paper the No. CB(4)1349/14-15(01)), setting out the demand and supply of transport service up to 2030 for NWNT. He considered that the expanded capacity of WRL would still fall short of the anticipated demand during rush hours from 2030. In his view, the only solution to the problem was to construct a new railway Given the lead time required, he urged the current Government to start line. planning and should take the chance of developing the East Lantau Metropolis to construct a cross-harbour railway connecting the Hong Kong Island, Kowloon and NWNT.

46. <u>USTH</u> noted the views of the Chairman and said that the extent of adequacy of transport service would be subject to the pace of population growth in the NDAs. He also pointed out the discrepancies between the Chairman's tables and the government figures might arise from the Chairman's misunderstanding or incorrect assumptions on the additional population intake in the NDAs in NWNT. For instance, the above-mentioned planning of transport infrastructure for NWNT was to take into account the demand of transport service arising from the additional population intake in the NDAs by 2031. The Government would bid for resources and commence studies timely for improving the carrying capacity of the railways in NWNT beyond 2031.

47. <u>The Deputy Chairman</u> considered the Administration's paper lacked concrete information to support the planned transport infrastructure and illustrate their effectiveness. He asked whether the Administration would submit funding applications for the design and planning of the planned railway projects in NT to LegCo in the remaining period of the current term of the Government.

48. <u>USTH</u> clarified that Annex 2 of the Administration's paper had provided information on the estimated new population to be accommodated in NWNT in future years. He advised that the population in HSK NDA was expected to grow gradually from 2024 to 2037. While the current transport infrastructure plan was devised according to the population plan in NWNT up to 2031, the Administration would study in a timely manner how transport infrastructure should be further developed to meet the traffic demand beyond 2031. <u>USTH</u> added that the railway projects in NWNT were recommended under the "Railway Development Strategy 2014" ("RDS 2014"). The Administration was still considering the funding approach of the projects and how the projects were to be carried out.

49. <u>Mr Albert CHAN</u> was dissatisfied that the Administration had all along been neglecting the transport needs of NWNT residents. He noted that it was the Government's policy to provide a railway station for every 50 000 to 80 000 residents. However, with the huge population intake at the planned HSK NDA, there would only be two additional railway stations. <u>USTH</u> advised that under RDS 2014, three railway projects in NWNT would be implemented.

50. <u>Mr LEUNG Che-cheung</u> also considered the Administration's plan insufficient to meet the traffic demand in NWNT. Noting that the train compartments were already very full during peak hours, he was concerned over the Administration's timetable of planning the transport infrastructure to meet the transport needs by 2031 and the timetable of implementing the Northern Link. <u>USTH</u> advised that the Administration would timely bid for resources as required and commence studies for improving the carrying capacity of the railways in NWNT beyond 2031.

51. <u>Ir Dr LO Wai-kwok</u> was disappointed that the Administration had announced that it would not pursue the Tuen Mun to Tsuen Wan Link ("TMTWL") which had been under discussion for years. He urged the Administration to revisit the proposal because the enhanced transport service entailed by TMTWL would provide an impetus to district and economic developments along the coastline areas between Tuen Mun and Tsuen Wan. 52. <u>USTH</u> explained that the provision of transport infrastructure should be considered in line with land use planning. He said that the residential population along the coastline areas between Tuen Mun and Tsuen Wan was expected to grow by about 11% by 2021, but there would not be any significant growth thereafter. As such, the cost-effectiveness of TMTWL, with an estimated construction cost of about \$65 billion, could hardly be established up to this point.

53. While appreciating that the addition of stations along WRL would provide convenience to passengers, <u>Mr Frankie YICK</u> urged the Administration to review the capacity of WRL to accommodate the additional patronage. He asked whether transport infrastructure would be accorded priority in the Administration's planning; and whether the Administration, when planning for transport infrastructure, would consider the impact on economic loss when passengers had to spend longer time on traffic.

54. <u>USTH</u> said that in the past, railway was provided after the development of a NDA. However, under RDS 2014, planning of housing and railway developments were considered at the same time. While planning for a new railway line, the Administration would carefully consider its financial and economic viability. In the case of TMTWL, the Administration had already considered whether alternatives were available or not.

### Road infrastructure

55. <u>The Deputy Chairman</u> was concerned over whether TM-CLKL would be commissioned in 2018 as planned. <u>Chief Engineer/NWNT of Hong</u> <u>Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office of the</u> <u>Highways Department</u> ("CE/NWNT-HZMB") advised that according to the current work progress, TM-CLKL would be commissioned in end 2018 as scheduled.

56. <u>Mr LEUNG Che-cheung</u> asked how the Tuen Mun Western Bypass ("TMWB") would connect Yuen Long and the Chek Lap Kok International Airport on Lantau. Noting that the Administration would conduct a feasibility study for Route 11 linking up North Lantau and Yuen Long, he asked about the preliminary alignment of Route 11.

57. <u>CE/NWNT-HZMB</u> advised that under the current recommended alignment, TMWB would connect TM-CLKL in the south and Tsing Tin Road in the north. <u>USTH</u> supplemented that the broad alignments of Route 11 and TMWB were indicated in Annex 3 of the Administration's paper.

### V. Any other business

Proposed extension of period of work of the Subcommittee on Matters Relating to Railways

(LC Paper No. CB(4)1290/14-15	- Paper on proposed extension
	of period of work of the
	Subcommittee on Matters
	Relating to Railways)

58. <u>Members</u> endorsed the proposal of the Subcommittee on Matters Relating to Railways to extend the period of its work and continue to operate in the 2015-2016 session.

59. There being no other business, the meeting ended at 1:03 pm.

Council Business Division 4 Legislative Council Secretariat 18 November 2015