

**立法會**  
**Legislative Council**

LC Paper No. CB(4)1298/15-16  
(These minutes have been seen  
by the Administration)

Ref : CB4/PL/TP/1

**Panel on Transport**

**Minutes of meeting held on  
Friday, 15 January 2016, at 10:15 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 CHAN Kam-lam, SBS, JP  
Hon WONG Kwok-hing, BBS, MH  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon CHAN Hak-kan, JP  
Hon LEUNG Kwok-hung  
Hon Albert CHAN Wai-yip  
Hon Claudia MO  
Hon Frankie YICK Chi-ming, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon Gary FAN Kwok-wai  
Hon CHAN Han-pan, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Dr Hon KWOK Ka-ki  
Dr Hon Elizabeth QUAT, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Members absent** : Hon James TO Kun-sun  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon WONG Yuk-man  
Hon Charles Peter MOK, JP  
Hon POON Siu-ping, BBS, MH

**Public Officers attending** : **Agenda item III**

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

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

Miss Rachel KWAN  
Assistant Commissioner/Bus and Railway  
Transport Department

Miss Carol CHEUNG  
Principal Transport Officer/Bus and Railway 3  
Transport Department

**Agenda item IV**

Professor Anthony CHEUNG, GBS, JP  
Secretary for Transport and Housing

Mr Joseph LAI Yee-tak, JP  
Permanent Secretary for Transport and Housing  
(Transport)

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

Mr Andy CHAN, JP  
Deputy Secretary for Transport and Housing  
(Transport) 2

Ms Ivy LAW Chui-mei  
Deputy Secretary for Transport and Housing  
(Transport) 3

Mrs Ingrid YEUNG HO Poi-yan, JP  
Commissioner for Transport

Mr Peter LAU Ka-keung, JP  
Director of Highways

Mr CHAN Pai-ming, JP  
Principal Government Engineer/Railway Development  
Highways Department

**Clerk in attendance :** Ms Sophie LAU  
Chief Council Secretary (4)6

**Staff in attendance :** Ms Macy NG  
Senior Council Secretary (4)6

Ms Emily LIU  
Legislative Assistant (4)6

---

Action

- I. Information papers issued since the last meeting**  
(LC Paper No. CB(4)379/15-16(01) - Letter from Hon WONG  
and CB(4)488/15-16(01) Kwok-hing on issues  
relating to drivers running  
away after traffic accidents  
and the Administration's  
response

- LC Paper No. CB(4)388/15-16(01) - Administration's response to the letters from Hon TANG Ka-piu on the transport problems at Central and design and use of spiral roundabout
- LC Paper No. CB(4)414/15-16(01) - Administration's response to the letter from Hon CHAN Han-pan on the progress of providing hillside escalator links and elevator systems
- LC Paper No. CB(4)417/15-16(01) - Letter from Hon WONG Yuk-man on the review of Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities
- LC Paper Nos. CB(4)452/15-16(01) and (02) - Letters from Hon WONG Kwok-hing and Hon LEUNG Che-cheung on the fatal traffic accident on 18 December 2015 at the intersection of Kam Sheung Road and Tung Wui Road in Yuen Long and the design of the relevant intersection)

Members noted the above papers issued since the last meeting.

**II. Items for discussion at the next meeting on 26 February 2016**

- (LC Paper No. CB(4)457/15-16(01) - List of outstanding items for discussion

- LC Paper No. CB(4)457/15-16(02) - List of follow-up actions)

2. Members agreed to discuss the following items at the next regular meeting to be held on 26 February 2016 –

- (a) Upgrading of the Transport Information System;
- (b) Local public transport arrangements at the Hong Kong Boundary Crossing Facilities of Hong Kong-Zhuhai-Macao Bridge ("HZMB"); and
- (c) Progress update of the discussions with the governments of Guangdong Province and Macao on cross boundary transport arrangements for HZMB.

*(Post-meeting note: The meeting was subsequently rescheduled to 29 February 2016.)*

### **III. Franchise for the bus network of the Kowloon Motor Bus Co. (1933) Limited**

(LC Paper No. CB(4)457/15-16(03) - Administration's paper on new franchise for bus network of The Kowloon Motor Bus Company (1933) Limited

LC Paper No. CB(4)457/15-16(04) - Paper on the franchise for the bus network of the Kowloon Motor Bus Co. (1933) Limited prepared by the Legislative Council Secretariat (background brief)

LC Paper Nos. CB(4)347/15-16(01) and CB(4)457/15-16(05) - Letter from Hon Claudia MO requesting to hold a public hearing on the franchise for the bus network of the Kowloon Motor Bus Co. (1933) Limited and the Administration's response

LC Paper No. CB(4)457/15-16(06) - Submission from Clean Air Network)

3. At the invitation of the Chairman, Under Secretary for Transport and Housing ("USTH") briefed members on the Administration's plan to engage

The Kowloon Motor Bus Company (1933) Limited ("KMB") for discussion on the granting of a new 10-year franchise for its bus network upon expiry of the current one on 1 July 2017. Apart from canvassing members' views on the requirements of the new franchise, the Administration would also invite views from the public, the Traffic and Transport Committees of all District Councils, as well as the Transport Advisory Committee. After collating the views received, the Administration would update members on the progress of granting of a new franchise for the bus network of KMB in due course.

#### Enhancing the standard of bus service

4. Noting that the average daily patronage of KMB kept decreasing, Mr Tony TSE was concerned whether KMB would continue to strive for improvement in its service quality. Also, he suggested that the Administration and KMB should take into account other factors relating to the quality of bus services, such as cleanliness inside bus compartments and passenger facilities at bus stops.

5. In response, USTH said that KMB had all along been providing a proper and efficient bus service and was willing to continue to invest for further enhancement of the bus service. He added that in the wake of further development of their heavy rail network, the market share of franchised buses had dropped in the past decade and the operating environment of the franchised bus companies in the foreseeable future would continue to be rather difficult owing to, amongst other things, keen competition from other public transport modes. Against this backdrop, the Administration was conducting the Public Transport Strategy Study ("PTSS") to examine the overall strategic arrangements of the public transport system so as to enhance the complementarity of the various public transport services. Deputy Commissioner for Transport/Transport Services & Management ("DC/TS&M") of the Transport Department ("TD") supplemented that the Administration would continue to coordinate with other departments to facilitate KMB in enhancing its quality of service.

6. The Deputy Chairman enquired whether the Administration would comprehensively review the Public Bus Services Ordinance having regard to changes in the franchised bus landscape over the years. He observed that the penalty imposed on a franchised bus operator for substandard service performance in the past was not heavy. In reply, USTH advised that the existing statutory and administrative mechanism for monitoring franchised bus services had been effective, and the franchised bus operators had all along been willing to improve their service performance and operational efficiency. The Administration would nevertheless keep in view the situation. If there would

one day be a need to introduce any legislative amendments to the Public Bus Services Ordinance, the Legislative Council would be consulted accordingly.

*Improvement in lost trips*

7. Mr Christopher CHUNG enquired whether the Administration had adopted any benchmarks to assess the performance of KMB and considered that KMB should continue to enhance its service performance, such as improvement in respect of lost trips. Noting that the major reasons for lost trips included mechanical breakdown of vehicles and traffic congestion, Mr Jeffrey LAM asked whether the Administration would implement any improvement measures to alleviate the problem. He also enquired about the average lost trip rate of KMB. Dr Elizabeth QUAT said that the Democratic Alliance for the Betterment and Progress of Hong Kong had conducted surveys on the lost trip situation on the first school day in the past two years. Although the overall situation seemed to have improved in 2015, lost trip rates for certain routes remained serious. Mr WU Chi-wai considered that the Administration should request KMB to analyse the major reasons leading to lost trips in the new franchise.

8. In reply, USTH explained that one of the Administration's key considerations when deciding whether to engage an incumbent operator for discussion on a new franchise for its existing bus network was whether the operator was capable of providing a proper and efficient public bus service. The Administration had taken into account a host of indicators as set out in the paper in assessing KMB's service performance. As regards the problem of bus lost trips, he said that with the implementation of a series of improvement measures by the Administration and KMB, the average lost trip rate of KMB had been brought down to 2.8% in 2013 and 2.6% in 2014. In the first three quarters of 2015, KMB's average lost trip rate was at a low level of 1.4%, which was slightly better than the industry average of 1.5%. On the broader question of traffic congestion, USTH said that the Administration was following up on the recommendations set out in the Report on the Study of Road Traffic Congestion in Hong Kong by the Transport Advisory Committee which included, amongst others, the proposal to increase fixed penalty for congestion-related traffic offences and an Electronic Road Pricing Pilot Scheme in Central and its adjacent areas. These initiatives should also benefit road-based public transport services upon implementation.

Admin

9. As complaints against lost trips were still serious during rush hours in the morning and evening, Mr LEE Cheuk-yan was concerned whether an operator could make up any lost trips during peak hours by operating additional trips during non-peak hours, and requested the Administration to

provide detailed calculation of the average lost trip rate of bus service for peak and non-peak hours of a day. In view of the lost trip situation, he was concerned whether KMB had had sufficient capacity to operate all of its routes given the size of its bus network.

*(Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. CB(4)697/15-16(01) on 9 March 2016.)*

10. In response, USTH explained that the Administration would introduce measures to alleviate road traffic congestion. DC/TS&M supplemented that the lost trip rates were calculated for the morning peak period, evening peak period, inter-peak day period and after evening peak period. Any lost trips during a particular period could not be compensated by excess trips made in another period. The overall lost trip rate was the percentage of the aggregate negative difference between the number of trips actually operated and the number of scheduled trips in these four periods.

*Introduction of new routes and rationalization of bus routes*

11. Given the growing demand for transport services, in particular in remote districts, Mr CHAN Han-pan urged KMB to introduce more new routes and enhance frequency under the new franchise. Mr CHAN Kam-lam suggested that apart from encouraging KMB to improve its service, the Administration should also play a more facilitative role to complement bus operators' efforts, such as to assist them in identifying more suitable location for bus-bus interchange. He further suggested that the Administration should continue to rationalize bus routes so as to enhance network efficiency and ease traffic congestion. In response, USTH explained that the Administration, together with KMB, would press ahead with the rationalization to enhance bus service and network efficiency.

12. Having regard to the transport needs of the community, Dr KWOK Ka-ki suggested that the Administration should ensure that KMB would continue to operate those routes which were not profitable but socially desirable. In reply, USTH explained that some 60% of the routes operated by all bus operators were operating at a loss, meaning that bus operators had already been operating a handful of socially desirable routes irrespective of their profitability. The Administration would continue to work with KMB to rationalize bus services so as to enhance network efficiency.



*Provision of real-time bus service information to passengers*

13. To further enhance service performance, Mr Christopher CHUNG urged KMB to provide real-time bus service information to passengers. Dr Elizabeth QUAT also suggested that the Administration should require KMB's fleet to be equipped with the Global Positioning System to facilitate the provision of real-time arrival information through the company's website, smartphone application or information display panels.

14. USTH replied that KMB had started to provide passengers with real-time arrival information through its website and smartphone application. It had also installed display panels to provide such information at some bus stops and would continue to do so at other bus stops. Also, he said that the Administration would seek to include requirements, like requesting KMB to make use of information technology in providing passengers with service information, in the context of the new franchise. Further, as announced in the 2016 Policy Address, the Administration would subsidize franchised bus companies in expediting the installation of real-time arrival information display panels and seats at bus stops for the convenience of passengers.

15. Mr YIU Si-wing expressed concern that only 550 real-time arrival information display panels would be installed at the stops within the first phase of around three years. He therefore urged the Administration and KMB to expedite the installation progress. Noting that KMB would provide free Wi-Fi at major bus stops, bus termini and bus interchanges, Mr YIU enquired whether KMB would be requested to further enhance those facilities by providing free Wi-Fi at other bus stops or inside bus compartments under the new franchise.

16. In reply, USTH explained that in planning for installation of real-time arrival information display panels at covered bus stops, franchised bus companies would need to take into account the actual physical constraints of individual locations, such as whether there were any electrical installations at the bus stop. The Administration would invite KMB to consider Mr YIU's views and suggestions when discussing the new franchise. Deputy Secretary for Transport and Housing (Transport) 2 supplemented that franchised bus companies should be able to install real-time arrival information display panels at all covered bus stops with electrical installations with the subsidy to be provided by the Government on a matching basis. Besides, the Administration would study how to enhance franchised bus services under PTSS, and the proposal for provision of free Wi-Fi access to passengers would be looked into in that context.

### Fare concessions

17. The Chairman expressed concern over the fact that KMB would need to obtain the approval of the Commissioner for Transport before offering fare concessions. He noted that the MTR Corporation Limited ("MTRCL"), however, had full autonomy in the provision of fare concessions. He indicated that he would move a motion urging the Administration to review and relax the criteria for approving fare concessions provided by franchised bus companies so that franchised buses and railway could compete on equal footing.

18. Mr CHAN Han-pan considered that KMB should offer more fare concessions under the new franchise, such as introducing more bus-bus interchange schemes, monthly passes for frequent users and more sectional fares to benefit passengers. Dr Elizabeth QUAT opined that the Administration should coordinate the efforts of different public transport operators to provide inter-company fare concessions.

19. In response, USTH explained that the Administration had been encouraging franchised bus companies to introduce more fare concessions to passengers. Nevertheless, public transport services in Hong Kong were provided by private operators on commercial principles with basically no direct subsidy from the Government. The provision of fare concessions would be the operators' decision taking into account factors such as their operating conditions. DC/TS&M supplemented that TD had not received any applications from franchised bus companies for provision of monthly passes to passengers.

20. As regards the limitations of existing bus-bus interchange schemes and section fares, Mr WU Chi-wai suggested introducing a new fare structure under which a passenger would be charged based on the distance travelled in each trip, regardless of the bus routes selected. In reply, USTH said that the Administration would convey to KMB members' views in the discussion of new franchise.

Admin

21. Mr Albert CHAN requested the Administration to provide information on the annual amount of subsidy received by each franchised bus company from the Government under the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities since its launch in 2012.

*(Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. CB(4)697/15-16(01) on 9 March 2016.)*

### Financial performance

22. Mr WONG Kwok-hing expressed concern whether the Administration would specify in the new franchise the definition of fare revenue and non-fare box revenue; and whether the Administration would consider the above two kinds of revenue when assessing fare increase applications from franchised bus companies. Dr KWOK Ka-ki urged the Administration to review whether non-fare box revenue relating to the provision of franchised bus services, especially advertising income relating to RoadShow Holdings Limited, would be included in franchise accounts for fairness to passengers.

23. In response, USTH explained that both the law and the franchise had made clear that non-fare box revenue, including revenue from advertisements, of KMB would be considered as operating receipts for inclusion in the franchise accounts. And, the capital gain or losses derived or arising from or connected with disposal of sites acquired from private market by KMB were excluded from KMB's franchise account. Upon Mr WONG's request, the Administration would provide supplementary information.

Admin

*(Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. CB(4)697/15-16(01) on 9 March 2016.)*

24. The Deputy Chairman expressed concern that KMB might be tempted to cut costs by means of layoff of long-service staff including bus captains. The morale of KMB's staff would be adversely affected. In response, DC/TS&M explained that although the decision on manpower arrangements rested with the company, TD would closely monitor the service performance of KMB and take follow-up actions as necessary.

### Working and rest time arrangements for bus captains

25. Mr WONG Kwok-hing expressed that the Administration and KMB should implement appropriate measures, such as the rest time arrangement for bus captains, to ensure driving safety of franchised buses. He asked whether the Administration would require KMB under the new franchise to provide rest rooms and toilet facilities to bus captains at bus stops and bus termini. Further, he expressed concern about the proportion of KMB bus captains who needed to perform two separate duty shifts per day and those who needed to perform one duty shift per day; and the proportion of KMB bus captains who needed to perform night duty shift on one day and morning duty shift the next day. Noting that there were cases of bus captains required to work during rest time or before and after their scheduled duties, Mr LEE Cheuk-yan urged the

Administration to pay due regard to the situation and ensure KMB's compliance with the TD's relevant guidelines.

26. In response, DC/TS&M advised that nearly 90% of bus termini were provided with rest facilities whereas over 94% had toilets for bus captains or with access to toilets within a walking distance of three minutes. The Administration and KMB would continue to explore possible ways to overcome the physical constraints of the bus termini so as to provide such facilities as far as practicable. Further, she explained that KMB would arrange the duty schedules of bus captains in accordance with the Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks ("the Guidelines") promulgated by TD. TD would continue to monitor KMB's compliance with the Guidelines and maintain regular liaison with the representatives of bus captain unions. Upon Mr WONG's request, the Administration would provide detailed information on these issues.

Admin

*(Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. CB(4)697/15-16(01) on 9 March 2016.)*

#### Environmental improvement measures

27. Regarding the environmental improvement initiatives of KMB, Mr Jeffrey LAM enquired about the latest progress of replacing its fleet with the most environmentally-friendly buses. Besides, Mr WU Chi-wai expressed concern on the emission of KMB's fleet. He therefore suggested expediting the bus replacement programme to strive for further improvement to roadside air quality. Owing to some incidents involving electric buses, Mr Albert CHAN urged the Administration and KMB to attach greater importance to operational safety of electric buses.

28. In reply, DC/TS&M explained that with funding support from the Environmental Protection Department, KMB would progressively launch trials involving hybrid and electric buses. Separately, KMB had planned to acquire a total of 1 680 new buses, which would be of the most environmentally-friendly models that were technology proven and commercially available, to replace its old buses.

#### Other views

29. Assuming that public transport services should be a profitable business in a densely populated metropolitan city like Hong Kong, and the policy to use railway as the backbone of the public transport system, Mr LEUNG

Kwok-hung considered that the Government should buy back or acquire all public transport operations, including bus service, to ensure that cheap and efficient services could be provided to all citizens, especially the poor, with the most environmentally-friendly vehicles.

30. Mr WONG Kwok-hing considered that representatives from KMB should attend Panel meetings on issues relating to the new franchise in future so as to listen to members' views and concerns about the operator's service direct. USTH explained that the purpose of the panel meeting was to brief members on the Government's plan to engage the operator for discussion on the granting of a new franchise for the relevant bus network and to canvass members' views on the requirements of the new franchise. Representatives from the operator were not invited to attend according to past practice. This notwithstanding, USTH assured members that the Administration would relay views and concerns expressed at this meeting to KMB in the course of the discussion on the new franchise.

31. Besides, Mr Albert CHAN suggested holding a public hearing on the granting of a new franchise for bus network of KMB. He hoped that at such a meeting, representatives from KMB would be invited.

### Motion

32. The Chairman proposed to move the following motion which was tabled at the meeting:

"本人動議，鑑於專營巴士的票價優惠，例如月票、特惠站及回程優惠等，受到《公共巴士服務條例》第230章第13條和《公共巴士服務規例》第230A章第III部第4條和第5條規管，條文定明專營公司釐定票價優惠必須得到運輸署署長准許，而申請至批准需時極長；另一方面，港鐵享有提供票價優惠的絕對自主權；因此，本人促請政府盡快檢討和放寬對專營巴士票價優惠的審批準則，讓專營巴士在「一鐵獨大」的環境下，有公平的競爭空間繼續服務市民，讓大眾受惠。"

(Translation)

"I move that given that fare concessions offered by franchised buses such as monthly passes, fare savers and return-trip discounts, etc., are subject to regulation under section 13 of the Public Bus Services Ordinance (Cap. 230) and regulations 4 and 5 of Part III of the Public Bus Services Regulations (Cap. 230A), and that while the relevant provisions stipulate

that a grantee shall get the approval of the Commissioner for Transport in determining fare concessions, it takes exceedingly long time for such submitted application to be approved; yet quite the contrary, the MTR Corporation Limited has full autonomy in the provision of fare concessions; I therefore urge the Government to expeditiously review and relax the criteria for vetting and approving fare concessions in respect of franchised buses to ensure a fair competitive environment for franchised buses to continue to serve the public for the benefit of the community under the 'hegemony of the railway'."

33. Mr WONG Kwok-hing proposed an amendment to the above motion by adding "並促請把巴士票價優惠納入九龍巴士的十年專營權。" after "讓大眾受惠。".

34. Mr Tony TSE enquired how long the Administration would take to approve the applications for fare concessions submitted by franchised bus companies. USTH advised members that such applications would be processed in a timely manner once received.

35. After discussion, the Chairman said that he would first deal with the amendment proposed by Mr WONG Kwok-hing.

36. The Chairman put to vote the amended motion proposed by Mr WONG Kwok-hing as follows:

"本人動議，鑑於專營巴士的票價優惠，例如月票、特惠站及回程優惠等，受到《公共巴士服務條例》第230章第13條和《公共巴士服務規例》第230A章第III部第4條和第5條規管，條文定明專營公司釐定票價優惠必須得到運輸署署長准許，而申請至批准需時極長；另一方面，港鐵享有提供票價優惠的絕對自主權；因此，本人促請政府盡快檢討和放寬對專營巴士票價優惠的審批準則，讓專營巴士在「一鐵獨大」的環境下，有公平的競爭空間繼續服務市民，讓大眾受惠。並促請把巴士票價優惠納入九龍巴士的十年專營權。"

(Translation)

"I move that given that fare concessions offered by franchised buses such as monthly passes, fare savers and return-trip discounts, etc., are subject to regulation under section 13 of the Public Bus Services Ordinance (Cap. 230) and regulations 4 and 5 of Part III of the Public Bus Services

Regulations (Cap. 230A), and that while the relevant provisions stipulate that a grantee shall get the approval of the Commissioner for Transport in determining fare concessions, it takes exceedingly long time for such submitted application to be approved; yet quite the contrary, the MTR Corporation Limited has full autonomy in the provision of fare concessions; I therefore urge the Government to expeditiously review and relax the criteria for vetting and approving fare concessions in respect of franchised buses to ensure a fair competitive environment for franchised buses to continue to serve the public for the benefit of the community under the 'hegemony of the railway'; and urge that bus fare concessions be included in the 10-year franchise of the Kowloon Motor Bus Co. (1933) Limited."

37. As requested by Mr Albert CHAN, the Chairman ordered a division and the division bell was rung for five minutes. Nine members voted for and two members voted against it. The voting results were as follows:

*For*

Mr TANG Ka-piu

Mr CHAN Kam-lam

Mr WONG Kwok-hing

Mr YIU Si-wing

Mr CHAN Han-pan

Dr Elizabeth QUAT

Ir Dr LO Wai-kwok

Mr Christopher CHUNG

Mr Tony TSE

(9 members)

*Against*

Mr Albert CHAN

Ms Claudia MO

(2 members)

38. The Chairman declared that the amendment motion was carried.

**IV. Briefing by the Secretary for Transport and Housing on the Chief Executive's 2016 Policy Address**

(LC Paper No. CB(4)457/15-16(07) - Administration's paper on transport-related policy initiatives of the Transport and Housing Bureau under the 2016 Policy Agenda)

39. Upon invitation, Secretary for Transport and Housing ("STH") briefed members on the transport-related policy initiatives of the Transport and Housing Bureau ("THB") featured in the 2016 Policy Address, details of which were set out in the Administration's paper (LC Paper No. CB(4)457/15-16(07)). In brief, STH said that the Government would continue to plan strategic highways and related roads, review public transport services and provide franchised bus companies with a subsidy to help expedite the installation of seats and real-time bus arrival information display panels at bus stops.

*(Post-meeting note: The speaking note of STH was issued to members vide LC Paper No. CB(4)500/15-16(02) on 18 January 2016.)*

### Transport studies and planning

40. Ir Dr LO Wai-kwok said that the engineering trade supported the Administration's initiative to carry out the study namely "Hong Kong 2030+: Towards A Planning Vision and Strategy Transcending 2030" to plan for Hong Kong in the longer term. He agreed that early planning of major transport infrastructure was required to cope with the needs arising from the long-term land development in Hong Kong.

41. The Deputy Chairman urged the Administration to review whether the recommendations under the third comprehensive transport study ("CTS") had all been implemented and their effectiveness. Mr Gary FAN expressed disappointment that the Administration did not plan to carry out the fourth CTS.

42. STH explained that the third CTS completed in 1999 had mapped out some broad directions with respect to the overall arrangement for the transport system. The Government was of the view that those broad directions, including using railways as the backbone of the passenger transport system, remained valid from the policy perspective. The Government also noted that the public was supportive to railway development when it announced the Railway Development Strategy 2014 ("RDS-2014").

43. Mr Frankie YICK urged the Administration to plan well the transport infrastructure connecting Tseung Kwan O as he anticipated that the planned construction of the East Kowloon Line, which was a new line running in the northern East Kowloon area connecting the Diamond Hill Station of the Kwun Tong Line (and the future Shatin to Central Link) and the Po Lam Station of the Tseung Kwan O Line, still could not meet the transport demand generated from the rapid population growth in Tseung Kwan O.



## Measures to alleviate traffic congestion

### *Electronic Road Pricing ("ERP") and parking spaces*

44. Mr Frankie YICK hoped that, before considering whether ERP should be implemented or not, the Administration would first assess the traffic situation after the commissioning of the Central—Wan Chai Bypass ("CWB"), the result of strengthening the law enforcement against congestion-related traffic offences; and effect of the implementation of toll adjustment schemes to rationalize the traffic distribution among the three road harbour crossings ("RHCs"). Mr YICK also asked whether the Administration would consider completing the parking policy review prior to increasing the fixed penalty for illegal parking as some commercial vehicles were forced to be parked illegally due to insufficient loading/parking spaces.

45. STH said that the Government was conducting a three-month consultation on the ERP pilot scheme in Central and its adjacent areas ("ERP Pilot Scheme"). After collecting the views through the public engagement exercise, the Government would engage a consultant to conduct an in-depth feasibility study to develop detailed options for the ERP Pilot Scheme for further discussion by the public. He pointed out that the availability of a free-of-charge alternative route was a prerequisite for the implementation of the ERP Pilot Scheme. CWB, which was to be commissioned, would provide an alternative route to motorists whose destinations were not in Central. Its commissioning would also provide a basis for the Government to consider the overall toll adjustment scheme to rationalize the traffic distribution among the three RHCs.

46. STH added that the Police would definitely take law enforcement actions when there were vehicles committing congestion-related traffic offences. He said that the parking policy review to be conducted by TD would accord priority to meeting the parking needs of commercial vehicles.

47. Mr CHAN Kam-lam expressed concern over the serious lack of parking spaces for private cars in Hong Kong. He pointed out that as a result of the same provision standard of parking spaces at public-funded and private housing estates, there was a surplus of parking spaces in some public-funded housing estates whereas shortage of parking spaces in some private housing estates. As such, he urged the Administration to review the provision standard of parking spaces in Hong Kong. He also noted that there were insufficient public parking spaces in urban areas, leading to serious illegal parking problem. The Administration noted Mr CHAN's views.

*Development of transport infrastructure*

48. Dr Elizabeth QUAT expressed disappointment that no measures had been proposed in the Policy Address to relieve the traffic congestion problem in the New Territories East ("NTE") due to growth in population and traffic demand. She requested the Administration to work out measures to address the problem, including exploring the feasibility of constructing a new tunnel connecting Shatin, Wong Tai Sin and the planned Central Kowloon Route.

49. STH said that the Government attached great importance to provision of adequate transport infrastructural facilities to meet the increased traffic demand arisen from growth in population. In this regard, environmental and traffic assessments must be carried out in tandem with any new housing developments. He added that apart from taking forward the new railway lines as recommended under RDS-2014, the Government planned to seek funding approval in the current legislative session to commence the construction of the Tseung Kwan O—Lam Tin Tunnel, which would connect Tseung Kwan O and East Kowloon. The commissioning of Shatin to Central Link would also relieve the traffic congestion problem in NTE. Meanwhile, the Government would continue to carry out road widening works to enhance road capacity.

Bus services

50. The Deputy Chairman expressed support for the Administration's initiative to provide franchised bus companies with a subsidy to help expedite the installation of seats and real-time bus arrival information display panels for the convenience of waiting passengers. He hoped that the Administration, when seeking funding approval from the Legislative Council, would provide details on whether there would be restrictions on display of advertisements on the display panels funded by the Government.

51. Mr WONG Kwok-hing also welcomed the Government's plan to subsidize franchised bus companies to help expedite the installation of seats at bus stops and hoped that priority would be given to bus stops located in public housing estates. He asked about the timetable of the relevant installation works.

52. Commissioner for Transport advised that the Government's target was to subsidize the installation of seats at 3 000 bus stops in total in five years. Seats would be installed at around 1 500 bus stops in the first phase of around three years and at the remaining bus stops thereafter. The concrete timetable would be subject to the installation progress having considered the actual circumstances at each bus stop.

53. Mr LEUNG Che-cheung asked whether the Administration would consider gradually replacing the current buses running short-haul routes with electric buses to reduce roadside emission. STH advised that THB had been liaising closely with the Environment Bureau to promote green transport to reduce roadside emission. While it was the Government's target to encourage the use of electric vehicles in public transport such as franchised bus service, the implementation was subject to the availability of models suitable for Hong Kong's operational characteristics and service requirements.

#### Railway development

54. The Deputy Chairman and Ir Dr LO Wai-kwok were concerned over the implementation progress of railway projects recommended under RDS-2014, which provided a framework for planning the expansion of Hong Kong's railway network up to 2031. Ir Dr LO urged that the relevant planning work should be commenced as soon as possible.

55. STH advised that the Government was taking forward the detailed planning work for the first batch of railway projects, i.e. the Northern Link (and Kwu Tung Station), Tuen Mun South Extension and East Kowloon Line as recommended under RDS-2014. He added that in the past year, the Government in particular Highways Department ("HyD") was busy dealing with issues relating to the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project ("the XRL project"), which had affected the progress of taking forward the new railway projects to a certain extent. STH said that when RDS-2014 was announced, the Government had proposed the indicative implementation programme for individual railway projects. Nevertheless, the taking forward of individual projects would be subject to the outcome of detailed engineering, environmental and financial studies, as well as updated assessment of passenger transport demand and availability of resources at the time.

56. Director of Highways ("DHy") supplemented that HyD was updating the planning parameters for the abovesaid railway projects in response to the planning changes in adjacent areas and would continue to welcome public views on the implementation of the projects.

57. The Chairman noted that the Administration would examine the possibility of further developing the East Lantau Metropolis by constructing an artificial island near Kau Yi Chau. In the long run, the Metropolis would become the third core business district and a community with a population of 400 000 to 700 000. It would link up Hong Kong Island, Lantau and the New Territories West. He also noted that one of the recommendations made in the

report of the Lantau Development Advisory Committee in January 2016 was similar to the proposal previously suggested by him, i.e. construction of the fifth cross harbour railway connecting Tuen Mun, the Lantau Island and Hong Kong West. The Chairman asked whether the Administration would consider constructing the fifth cross harbour railway.

58. STH assured members that the Government would provide necessary transport facilities to meet the transport demand arising from the district development and would accord priority to building transport infrastructure. In this regard, THB would consider the need of constructing large transport infrastructure in view of the development in the northwest of the New Territories. STH added that the development of Lantau Island was under the purview of the Development Bureau. He said that the Lantau Development Advisory Committee was still collecting public views on its recommendations, and the Government would not rule out the possibility of constructing a new railway connecting Tuen Mun, the Lantau Island and Hong Kong West.

#### Corporate governance of MTRCL, MTR fares and services

##### *MTRCL's corporate governance and Fare Adjustment Mechanism ("FAM")*

59. The Deputy Chairman, Mr WONG Kwok-hing, Mr Gary FAN and Mr LEE Cheuk-yan expressed concern over whether the Government and MTRCL would advance the next review of MTRCL's FAM. Mr LEE Cheuk-yan added that under the "Profit Sharing Mechanism" of the current FAM, the amount of fare concessions to be provided by MTRCL would be reduced as a result of the provision of special dividend by MTRCL to shareholders (including the Government as the majority shareholder) due to the cost overrun of the XRL project. He attributed the cost overrun of the XRL project to the failure of the Administration to monitor effectively MTRCL and the management fault of MTRCL.

60. In reply, STH said that according to the Operating Agreement signed between the Government and MTRCL in 2007, FAM would be reviewed every five years. He advised that subject to mutual agreement of the Government and MTRCL, the next FAM review could be advanced. He further advised that MTRCL had publicly announced that it would study the feasibility of advancing the next FAM review and that while the Government was the majority shareholder of MTRCL, the Government could not mandate the advancement of the FAM review according to the said Operating Agreement.

61. Regarding the corporate governance of MTRCL, STH said that the Government had proactively carried out its duty as MTRCL's majority

shareholder by enhancing the corporate governance of MTRCL. He said that MTRCL had set up specific committees to identify early the risks faced by the Corporation in railway works projects. He further said that the Government did not participate in the discussion of providing special dividend by MTRCL at the MTR Board meetings.

### *MTR Services*

62. Mr WONG Kwok-hing indicated that the railway unions under The Hong Kong Federation of Trade Unions fully supported MTRCL to set up an academy to train up personnel in rail management and operation. He was concerned over whether the academy would be run solely by MTRCL or jointly by MTRCL and other educational institutions. STH said that the Government also supported MTRCL's plan to set up the academy to facilitate the further development of the railway-related professional services.

63. Noting that the Administration aimed to develop Hong Kong into a smart city, Mr YIU Si-wing asked whether the Administration would encourage MTRCL to provide free Wi-Fi services at MTR train compartments and train stations. STH took note of Mr YIU's views and said that the Government could reflect his views to MTRCL.

64. Mr LEUNG Che-cheung expressed concern that while the Government adopted the policy of using railways as the backbone of the passenger transport system, the capacity of MTR trains could not meet the transport demand of passengers. He asked whether the Administration would strengthen the service of other public transport modes to solve the problem.

65. STH explained that although the Government adopted the policy of using railways as the backbone of the public transport system, railway was not the only public transport mode. The Government had been reviewing the roles and positioning of public transport services other than heavy rail under PTSS. PTSS aimed to enhance the existing strategic arrangements of the public transport services in tandem with the further development of the heavy rail network.

### Provision of escalator link/elevator system

66. Mr CHAN Han-pan expressed concern over the implementation progress of hillside escalator links and elevator systems ("hillside escalator links") of which the construction had yet been commenced. He suggested the Administration to consider contracting out the relevant works under design and build contracts to speed up the progress. Given the lengthy time which might

be required to seek funding from the Legislative Council to take forward the projects, he suggested the Administration to set up a fund of \$5 billion in this respect to fund the projects.

67. In reply, STH said that hillside escalator links were complex systems with the lowest cost of about \$100-\$200 million for a project. As they were public works projects, the Government had to follow the established practice to implement them.

68. DHy supplemented that at present, the majority of the hillside escalator links projects were contracted out to consultants to speed up the implementation process. He advised that of the three hillside escalator links projects which were at a relatively advanced planning stage, the Lift and Pedestrian Walkway System in Waterloo Hill was being implemented by HyD using internal resources. He said that the Government was also pressing ahead the remaining projects but some projects required more time to obtain consensus at the district level.

69. Pointing out that there were some old private estates which were not barrier-free, Mr WU Chi-wai asked whether the Administration would provide assistance to install barrier-free access ("BFA") facilities at those estates and take up the subsequent maintenance of the installations.

70. STH said that the Government had been installing BFA at public walkways. Starting from the fourth quarter of 2016, the Government planned to invite the 18 District Councils to each select not more than three existing walkways for installation of BFA facilities. The walkways available for District Councils' consideration would no longer be limited to those maintained by HyD, subject to fulfilling certain criteria.

*(At 12:31 pm, the Chairman extended the meeting for 15 minutes.)*

#### Others

71. Ms Claudia MO considered that the policy initiatives stipulated in the 2016 Policy Address only reported regular initiatives of THB without any new initiatives to enhance and facilitate new transport service for the public. She expressed dissatisfaction with the Administration's policy which was not conducive to new market entrants to provide Internet hire car service. She was also concerned over the co-location arrangement at the West Kowloon Terminus of the XRL project.

72. Mr WU Chi-wai enquired whether the Administration would consider bicycle as a mode of transport in planning the road infrastructure as the Administration was promoting low-carbon living in the community. Noting that the Administration targeted to provide the elderly with safe and easy access in the Policy Address, he suggested the Administration to consider allowing aged persons using electric carrier on pavements with regulated speed to facilitate their traveling. STH noted the views of Mr WU and said that it was the policy of the Government to regard bicycle as a mode for commuting for short journeys in new towns and new development areas.

73. Mr YIU Si-wing noted that a few new road cross-boundary transport infrastructures, including HZMB, would be commissioned in the next few years. He asked whether the Administration would consider rationalizing the distribution of cross-boundary traffic among different cross-boundary control points.

74. STH said that the commissioning of new road cross-boundary transport infrastructures would have an impact on the distribution of cross-boundary traffic at different cross-boundary control points. The Government would discuss with the Panel on the local and cross-boundary traffic arrangements of HZMB in February 2016.

**V. Any other business**

75. There being no other business, the meeting ended at 1:10 pm.