

立法會 *Legislative Council*

LC Paper No. CB(4)40/19-20
*(These minutes have been seen
by the Administration)*

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Panel on Transport

**Minutes of meeting held on
Friday, 15 February 2019, at 10:45 am
in Conference Room 1 of the Legislative Council Complex**

Members present : Hon CHAN Han-pan, BBS, JP (Chairman)
Hon Jeremy TAM Man-ho (Deputy Chairman)
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon KWOK Ka-ki
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH

Hon Tanya CHAN
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Tony TSE Wai-chuen, BBS

Members attending : Hon WU Chi-wai, MH
Hon KWOK Wai-keung

Members absent : Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHUNG Kwok-pan

Public officers attending : **Agenda item III**

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

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

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

Mr Patrick WONG
Assistant Commissioner / Bus and Railway
Transport Department

Miss Amy TSE
Principal Transport Officer / Bus and Railway 1
Transport Department

Agenda IV

Mr Frank CHAN Fan , JP
Secretary for Transport and Housing

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

Ms Jessica LEE Wing-tung
Principal Assistant Secretary for Transport and
Housing(Transport)5 (Acting)

Mr Jimmy CHAN Pai-ming, JP
Director of Highways

Mr Raymond KONG Tai-wing
Project Manager/MW(Special Duties)
Highways Department

Mr Chris WONG Kin-por
Deputy Project Manager/Major Works (2)
Highways Department

Agenda V

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

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

Mr Reginald CHAN
Assistant Commissioner for Transport /
Administration and Licensing

Mr Haiko YU
Chief Transport Officer for Transport / Public Vehicles
and Prosecution

Mr Patrick NG
Chief Transport Officer for Transport / Planning/Taxi 1

Attendance by invitation : **Agenda item III**

Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited

Mr Roger LEE
Managing Director

Mr William HO
Finance Director

Mr Godwin SO
General Manager, Corporate Planning and Business Development

Clerk in attendance: Ms Sophie LAU
Chief Council Secretary (4)2

Staff in attendance : Ms Angela CHU
Senior Council Secretary (4)2

Ms Jacqueline LAW
Council Secretary (4)2

Miss Mandy LAM
Legislative Assistant (4)2

Action

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

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| LC Paper No. CB(4)440/18-19(01) (<i>Chinese version only</i>) | - Letter from Hon Tony TSE Wai-chuen requesting to discuss the launching of the Fourth Comprehensive Transport Study |
| LC Paper No. CB(4)215/18-19(01) | - Administration's response to two motions passed under the agenda item on "Fare increase applications by Citybus |

Limited (franchise for the Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited" and one motion passed under the agenda item on "Enhancing taxi service quality"

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| LC Paper No. CB(4)529/18-19(01) <i>(Chinese version only)</i> | - Letter from Hon Jeremy TAM Man-ho requesting to improve the working hours of bus drivers |
| LC Paper No. CB(4)529/18-19(02) <i>(Chinese version only)</i> | - Letter from Hon Tanya CHAN requesting to discuss the construction quality of and other related issues on Central – Wanchai Bypass |
| LC Paper No. CB(4)529/18-19(03) <i>(Chinese version only)</i> | - Submission from a Kwai Tsing District Council member on the proposal of installing an escalator system from Lai Kong Street to Lai Chi Ling Road |

Members noted the above papers issued since the last meeting.

II. Items for discussion at the next meeting

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| LC Paper No. CB(4)519/18-19(01) | - List of outstanding items for discussion |
| LC Paper No. CB(4)519/18-19(02) | - List of follow-up actions |

2. Members agreed to discuss the following items at the next regular meeting to be held on 15 March 2019:

- (a) Fare increase application for taxi
- (b) Fare increase application by New Lantao Bus Co. (1973) Limited; and
- (c) Replacement of traffic control and surveillance systems and other systems in government tunnels

(Post-meeting note: Due to insufficient time, discussion on item V "Review of penalty level for illegal carriage of passengers for hire or reward" of the present meeting was deferred to the next regular meeting scheduled for 15 March 2019)

3. Mr Tony TSE said that he had written to the Chairman suggesting the Panel to discuss matters relating to the commissioning of the 4th Comprehensive Transport Studies. The Chairman took note of Mr TSE's suggestion and agreed to discuss with the Administration this issue, and directed that the item be put on the Panel's list of outstanding items for discussion.

III. Fare increase applications by Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited

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| LC Paper No. CB(4)519/18-19(04) | - Administration's paper on Fare Increase Applications by Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited |
| LC Paper No. CB(4)519/18-19(05) | - Paper on Fare Increase Applications by Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited prepared by the Legislative Council Secretariat (Background brief) |
| LC Paper No. CB(4)522/18-19(01) <i>(Chinese version only)</i> | - Submission from Kowloon Motor Bus Company (1933) Limited and Long Win Bus |

Company Limited on Fare
Increase Applications

Briefing by the Administration

4. At the invitation of the Chairman, Deputy Secretary for Transport and Housing (Transport) 2 ("DSTH(T)2") briefed members on fare increase applications by the Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("LWB"), details of which were set out in the Administration's paper. DSTH(T)2 said that the Administration would follow the established Fare Adjustment Arrangement for Franchised Buses ("FAA") in assessing fare increase applications made by KMB and LWB, and would take into account views of the Panel and the Transport Advisory Committee before submitting its recommendations to the Executive Council for decision.

5. Managing Director of KMB ("MD/KMB") added that in response to the recommendations made by the Independent Review Committee on Hong Kong's Franchised Bus Service ("IRC"), KMB and LW would allocate resources to recruit more bus captains and improve their remuneration packages, procure new buses and upgrade existing fleet, and add safety features on in-service and new buses to ensure operational safety of franchised bus services. It was thus necessary for the company to increase bus fare to meet the increasing operating costs for better service delivery.

Discussion

Fare increase applications of KMB and LWB

6. Members had diverse views on the fare increase applications of KMB and LWB. Some members, including Mr Frankie YICK and Mr Tony TSE, opined that the proposed average fare increase of 8.5% was acceptable in comparison with the change in Median Monthly Household Income ("MMHI") and Composite Consumer Price Index ("CCPI") since the companies' last fare increase. They supported the fare increase on the ground that both operators had not increased their fares for a long period of time. They also pointed out that at the same time, up to the third quarter of 2018, percentage increase in the MMHI since the last fare increase of LWB in May 2011 was 47.45% and that since the last fare increase of KMB in July 2014 was 22.98%. Now that LWB and KMB sought to increase the fare by an average rate of 8.5% only. Furthermore, up to December 2018, percentage increase in CCPI was about 25.49% for LWB and 10.62% for KMB respectively since their last fare increase.

7. Other members, including the Chairman, Mr LAU Kwok-fan, Mr Kenneth LAU and Mr Charles Peter MOK opined that the proposed increase rate of 8.5% too high, given that the last fare increase of KMB and LWB was only at an average rate of 3.9% and 3.2% respectively. Mr MOK also worried that the high rate of fare increase, if so approved, would trigger a wave of fare increase applications by other transport modes. The members called on the Administration to duly consider public acceptability and affordability when considering the fare increase applications.

8. DSTH(T)2 explained that "public acceptability and affordability" was one of the factors to consider in the assessment under the FAA. In addition, the Administration would make reference to the changes in MMHI and CCPI, among others, when examining the applications. DSTH(T)2 added that when assessing the financial performance of bus operators, the Administration would ensure that the operators were financially capable in maintaining efficient and safe public bus service.

9. Mr Gary FAN noted that the fare revenue for KMB and LWB for the first half of 2018 had dropped significantly when compared to the level in 2017. He enquired about the reasons for the drop in fare revenue, and how the company would use the fare revenue arising from fare increase.

10. Finance Director, KMB ("FD/KMB") explained that due to manpower shortage and difficulty in recruiting bus captains, the company had spent more on staff costs to improve the remuneration package of bus captains last year in order to attract and retain staff. In addition, following the promulgation of the latest update on the "Guidelines on Bus Captains Working Hours, Rest Times and Meal Breaks" ("the Guidelines") in February 2018 by the Transport Department ("TD"), the company had to recruit additional bus captains in order to comply with the requirements of the Guidelines. Furthermore, the increase in fuel costs also led to the rise of operating costs of the company. MD/KMB added that staff costs accounted for more than 60% of the company's total operating cost. Looking ahead, the company would expedite recruitment of bus captains and enhance their remunerations, procure new buses and install safety devices on buses to ensure bus safety.

11. In reply to Mr LAU Kwok-fan's enquiry on the effect of exempting toll for franchised bus using government tunnels in alleviating the level of bus fare increase, DSTH(T)2 replied that the proposed fare increase rate of 8.5% made by KMB and LWB had not taken into account the mitigating effect of the toll exemption initiative. Taking the example of KMB, toll payment for government tunnels represented about 2% of the company's total operating cost.

The level of fare increase to be approved by the Chief Executive-in-Council would take into account the mitigating effect of the toll exemption initiative, so that the magnitude of the fare increase would be lowered.

12. Mr HO Kai-ming said that the parent company of KMB and LWB owned a number of pieces of land and earned huge profits from other profit-making items and property projects. He enquired whether earnings from the parent company could be used for subsidizing the operations of KMB and LWB so as to relieve bus fare increase pressure. In reply, FD/KMB said that the franchises of KMB and LWB stipulated clearly that earnings and expenditures of the two franchised bus operators were independent and separate from that of their parent company.

Service performance of KWB and LWB

13. Mr LAU Kwok-fan expressed concern about KMB's lost trip rate of 3.3% in 2018, which was higher than the industry average rate of 2.9%. He enquired about the reasons for the high lost trip rate and improvement measures taken in this regard. Mr Charles Peter MOK asked whether KMB could publish periodic information on lost trip rates by districts and routes for the public to monitor the service performance of KMB.

14. MD/KMB responded that the higher lost trip rate was attributable to insufficient bus captains and the company was working hard in the recruitment of bus captains, and would provide more training to enhance driving skills and attitude of existing bus captains. In addition, traffic congestion at busy road junctures might have also affected the scheduled journey time. As regards the suggestion on publishing more information on lost trip rate, MD/KMB said that the company would study the feasibility of the suggestion and consider means to enhance transparency of transport information so as to allow the public to monitor the service delivered by KMB and LWB.

15. Mr Tony TSE and Mr Charles Peter MOK opined that to tie-in with the Administration's "Smart Mobility" initiative, the Administration should expedite the opening up of public transport data so as to allow passengers to receive timely information on public transport services for them to make informed choices of different modes of transport. DSTH(T)2 replied that the Administration had been discussing with operators of public transport services on the release of transport data, and had made good progress in this regard. The Administration would continue its efforts in applying innovation and technology on traffic management with the aim of developing an intelligent transport system.

16. In view of the rapid population growth in the New Territories, Mr Kenneth LAU asked if KMB and LWB would increase the number of routes serving new development areas in the New Territories and offer more bus-bus interchange concessions for these routes. MD/KMB replied that KMB and LWB had increased the number of routes serving new development areas in the New Territories in the past few years, and would continue to do so in future. In addition, KMB and LWB had offered fare concessions to passengers, such as monthly concessionary tickets and student tickets.

17. The Deputy Chairman said that the current arrangement for passengers to pay section fare on a bus was inconvenient in that passengers would need to pay full fare using their Octopus card when boarding a bus, but had to tap their Octopus card again before alighting the bus to collect refund of the short-haul concessionary section fare. As the bus was normally crowded, it would cause confusion if passengers boarding and alighting from a bus used the same Octopus processor to pay the fare and to collect the refund. The Deputy Chairman suggested KMB and LWB to study the feasibility of installing Octopus processors for the refund of short-haul concessionary section fares at suitable bus stops to facilitate passengers to collect the refund. In reply, MD/KMB said that the company would study whether it was technically feasible to install such processors at suitable bus stops, subject to the actual physical location of individual bus stops.

Working hours of bus captains

18. Mr LAM Cheuk-ting and Dr KWOK Ka-ki expressed their concern over the long working hours of bus captains, which in their views, would lead to fatigue driving and pose a threat to bus safety. Mr LAM urged for the early cancellation of the special shift arrangement which allowed duty hours of not exceeding 14 hours in a shift, and suggested the Administration to use the dividends received from MTR Corporation Limited each year to recruit more bus captains. Dr KWOK also called on the Administration to expeditiously shorten the driving hours of bus captains in Hong Kong.

19. MD/KMB replied that the company had been implementing the Guidelines promulgated by TD and had further reduced the duty hours of the special shift from 14 hours to 13 hours, with a rest break of not less than three consecutive hours being provided in a special shift. In addition, the company had endeavored to recruit part-time bus captains with a view to further shortening the duty hours of bus captains. As regards the suggestion of reducing the driving hours of bus captains to be on par with that of other places such as the European Union, DSTH(T)2 said that the Administration had made reference to overseas practice when formulating the Guidelines of working hours

of bus captains. TD had also been discussing with franchised bus operators on ways to expedite the recruitment of bus captains, such as improving their remuneration package, so that there could be room for further shortening the duty hours of bus captains.

20. The Chairman expressed concern about the progress on the provision of resting facilities at bus termini for bus captains, and enquired about the measures taken by the Administration to improve the working environment at bus termini and interchange. DSTH(T)2 replied that TD had been working with other government departments and franchised bus operators for the provision of resting facilities at newly built bus termini, and would study the feasibility of providing such facilities at existing ones.

Bus safety

21. Mr Frankie YICK and Mr Tony TSE enquired about improvement measures to enhance bus safety. Mr TSE suggested displaying speed alerts on buses so that passengers could monitor the driving speed.. Mr YICK asked about the feasibility of using technology to spot any traffic abnormalities and alert bus captains to take caution.

22. MD/KMB replied that KMB and LWB had completed upgrading the blackbox systems of their bus fleets, and that they had real time alerts through the blackbox on speeding, excessive deceleration and acceleration. MD/KMB took note of members' suggestions and would actively consider the possibility of displaying speed alerts on buses, and also to explore the use of technology to ensure safe driving.

23. Mr Chairman enquired about the progress of appointing a Safety Director and setting up of a safety team as recommended by IRC to promote and monitor bus safety. MD/KMB replied that the company had started the recruitment of the Safety Director and would gradually increase manpower of the safety team so as to provide full support in ensuring bus safety.

Motion

24. The Chairman said that there were two motions raised by members in relation to the agenda item under discussion. The Chairman decided that the two motions were directly related to the agenda item, and members agreed to deal with them at the meeting.

25. The Chairman referred members to the following motion moved by Mr Jeremy TAM Man-ho-

現時九龍巴士（一九三三）有限公司（九巴）及龍運巴士有限公司（龍運）的巴士路線大部分只設有單向分段收費，安排令到在路線中在較前車站上車的乘客，即使前往短途目的地，亦須繳付全程車費。因此，本會促請政府在審批九巴及龍運的加價申請時，要求兩家專營巴士公司在更多路線增設短途分段收費，讓前往短途目的地的乘客，可以用更優惠價格乘搭巴士。同時，由於在繁忙時間巴士下層會相當擠迫，乘客難以在下車時到巴士前門的八達通處理器「再次拍卡」，上車及落車的人流使用同一八達通處理器亦會產生混亂。因此，本會同時促請兩間巴士公司儘快研究於合適的巴士站中增設分段收費專用的八達通處理器，以方便乘客享用短途分段收費優惠。

(Translation)

Currently, the Kowloon Motor Bus Company (1933) Limited ("KMB") and the Long Win Bus Company Limited ("LW") primarily offer uni-direction section fares for their bus routes and as a result of such arrangement, passengers boarding the buses running on such routes at earlier bus stops have to pay full fares even though they travel to short-haul destinations. Therefore, this Panel urges that the Government, while assessing and approving the fare increase applications of KMB and LW, should request the two franchised bus companies to offer short-haul section fares for more bus routes so that passengers travelling to short-haul destinations can enjoy concessionary fares. At the same time, as the lower deck of the bus is normally crowded during peak hours, passengers will find it difficult to go to the front door of the bus to tap their Octopus cards again before alighting from the bus. Besides, confusion will arise if passengers boarding and alighting from a bus use the same Octopus processor. Therefore, this Panel also urges the two bus companies to expeditiously study the provision of dedicated Octopus processors for the refund of short-haul concessionary section fares at suitable bus stops to facilitate the passengers to collect the refund.

26. The Chairman put to vote the motion and ordered a division. Seventeen members voted in favour of the motion, no member voted against the motion, and no member abstained from voting. The Chairman declared that the motion was carried.

27. Members who voted in favour of the motion were as follows:

Mr Tommy CHEUNG
Mrs Regina IP
Mr Frankie YICK
Mr Charles Peter MOK
Mr LEUNG Chi-cheung
Dr Helena WONG
Ir Dr LO Wai-kwok
Mr Andrew WAN
Dr Junius HO

Mr HO Kai-ming
Mr LAM Cheuk-ting
Ms Tanya CHAN
Mr LUK Chung-hung
Mr LAU Kwok-fan
Mr Kenneth LAU
Dr CHENG Chung-tai
Mr Jeremy TAM

(17 members)

28. As Dr KWOK Ka-ki was not present to move his motion, the Chairman directed that his motion would not be dealt with.

(Post-meeting note: The wording of the motion passed was issued to members vide LC Paper Nos. CB(4)555/18-19(01) on 20 February 2019)

IV. Delayed submission of the Request for Inspection and Survey Checking Forms by the contractor of the Hong Kong Link Road of the Hong Kong-Zhuhai-Macao Bridge

LC Paper No. CB(4)529/18-19(05) - Administration's paper on Delayed submission of the Request for Inspection and Survey Checking Forms by the contractor of the Hong Kong Link Road of the Hong Kong-Zhuhai-Macao Bridge

LC Paper No. CB(4)529/18-19(06) - Information note on Delayed submission of the Request for Inspection and Survey Checking Forms by the contractor of the Hong Kong Link Road of the Hong Kong-Zhuhai-Macao Bridge prepared by the Legislative Council Secretariat

Briefing by the Administration

29. At the invitation of the Chairman, Secretary for Transport and Housing ("STH") briefed members on the delayed submission of the Request for Inspection and Survey Checking Forms ("RISCFs") by the Contractor of the Hong Kong Link Road ("HKLR") of the Hong Kong-Zhuhai-Macao Bridge ("HZMB") as set out in the Administration's paper. STH said that a Project Consultant was employed to supervise the Contractor of HKLR to ensure the works progress, quality, safety, environmental issues, etc. After knowing the delayed submission of RISCFs by the Contractor, the Highways Department ("HyD") had separately employed an independent audit consultant to ascertain whether the Resident Site Staff ("RSS") of the Project Consultant had carried out supervisory duties over the Contractor, and the result of the audit confirmed in the affirmative. STH said that the delayed submission of RISCFs by the Contractor was unsatisfactory and HyD would step up measures to strengthen the monitoring of project consultants.

Discussion

Delayed submission of RISCFs by the Contractor

30. The Deputy Chairman, Dr Helena WONG, Mr Andrew WAN, Mr Gary FAN, Mr AU Nok-hin, Mr LAM Cheuk-ting, Ms Tanya CHAN and Dr KWOK Ka-ki expressed serious dismay and found it unacceptable that the Contractor had failed to submit about 10 000 RISCFs on time, which accounted for about 28% of all RISCFs of the project. Given the importance of RISCFs in ensuring that proper site inspection and survey checks were conducted, Mr Andrew WAN questioned whether HyD had fulfilled its monitoring duty in respect of this important procedure. The Deputy Chairman and Mr AU Nok-hin queried HyD for having approved the Contractor to proceed to the next construction stage without submitting the required RISCFs, and asked about the rank and post of the staff of HyD who gave the permission. Mr Gary FAN suspected that the incident might have involved the forgery of documents with an attempt to evading the required inspection procedures, and enquired about the remedies taken in view of the missing RISCFs.

31. STH said that quality and safety of public works projects were of primary concern. He explained that for major infrastructure projects, HyD would engage professional consultants to assist in supervising the contractors and monitoring the works in the construction process. To this end, HyD had employed an independent audit consultant to confirm that the RSS of the Project Consultant had carried out their duties in supervising the Contractor's works.

Director of Highways ("D of Hy") supplemented that upon the completion of certain works items, the Contractor was required to submit RISCFS to RSS requesting for inspection of the works. HyD staff was not involved in the process but would closely monitor the works of the RSS. Also, after detailed investigation and review of comprehensive site records, the independent audit consultant confirmed that the RSS had discharged their supervisory duties in the works notwithstanding the delayed submission of RISCFS. Nevertheless, HyD considered that delayed submission of the RISCFS was unsatisfactory.

32. Dr Helena WONG argued that it was futile to request the Contractor to submit RISCFS subsequently as there would be no documentation to ascertain that proper inspection had been conducted by RSS after each works procedure. Quoting from the report submitted by the independent audit consultant that the audit review did not cover the assessment of the supervision by RSS nor whether the works were inspected in compliance with contract requirements, Ms Tanya CHAN expressed concern that the audit did not provide any guarantee on the safety and quality of the HKLR project.

33. STH replied that the matter under discussion was about delayed submission of RISCFS by the Contractor and it did not involve quality issues. In addition, the independent audit had been completed to ensure the RSS of Project Consultant had carried out supervisory duties over the Contractor before its commissioning in October 2018. Project Manager/Major Works (Special Duties) of HyD ("PM/HyD") added that the RSS was able to submit a vast number of site records and supporting materials to demonstrate that due inspection and survey checks had been conducted for the works items. In addition, the consultant had also made reference of other signed records such as site diaries and testing records during the audit.

34. The Chairman enquired about what information would be requested in the RISCFS, who should fill the forms and whether the personnel responsible to fill in the forms should possess certain professional qualifications. D for Hy replied that the purpose of RISCFS was for recording the information between the Contractor and RSS with respect to inspection or survey checks, such as date and time of the inspection or checking, sequence of works procedures, responsible personnel, etc. It was to be submitted by the Contractor to the RSS requesting the latter to inspect and survey the works concerned with a view to proceeding to the subsequent works procedure. As regards whether the RSS was required to possess professional qualifications in filling RISCFS, PM/HyD supplemented that such would depend on the type of works covered by the particular RISCFS. If the works involved were structural and technical in nature, the RSS of suitable rank and discipline would be required to process the forms.

35. Mr LUK Chung-hung enquired about the reasons for the delayed submission of RISCFS by the Contractor. In reply, D of Hy said that according to the information given by RSS, the Contractor was working under a tight deadline and therefore requested RSS to conduct inspection and survey checks on the works items completed first and would submit RISCFS afterward. D of Hy added that in view of the incident, HyD would enhance the monitoring system on the submission of RISCFS.

36. Mr LUK recommended HyD making use of information technology to facilitate the submission of RISCFS. Instead of maintaining paper records, HyD could consider using electronic forms to allow real-time submission of information by the contractors. Information submitted could also be easily retrieved for checking in the future. STH and D of Hy took note of Mr LUK's suggestion.

The role of HyD in implementing works projects

37. Ir Dr LO Wai-kwok opined that from risk management perspective, RISCFS was an important documentation in site management. He requested the Administration to provide written information on the site management practice and how HyD could assume its supervisory role without RISCFS in the present case. Mr Tony TSE and Mr YIU Si-wing were of the view that HyD should act as the gatekeeper in monitoring the implementation of the works project. Given the repeated occurrence of missing RISCFS in public works projects recently, both members urged the Administration to review and enhance the existing monitoring system, and whether sufficient qualified staff were deployed to undertake site supervision duties.

(Post-meeting note: The Administration's response on the above matters was issued to members vide LC Paper No. CB(4)1122/18-19(01) on 18 July 2019.)

38. Mrs Regina IP opined that instead of relying on the Project Consultant to assist in project supervision, HyD should have undertaken a more proactive role in monitoring project implementation and supervising the performance of contractors. She asked whether HyD staff would carry out site inspection duties.

39. D of Hy replied that albeit the delayed submission of RISCFS by the Contractor, HyD could ascertain the quality and progress of works through the records of site inspections and other testing and acceptance inspections conducted by RSS. HyD would also closely monitor the works of the Project

Consultant and conduct site visits, including surprise site visits, to inspect the works progress and site conditions. As regards details on site management practice and the number of staff deployed to supervise site works and their qualifications, D for Hy undertook to provide the information after the meeting.

(Post-meeting note: The Administration's response on the above matters was issued to members vide LC Paper No. CB(4)1122/18-19(01) on 18 July 2019.)

Follow-up actions taken by HyD

40. Noting that the incident had been made known to HyD as early as July 2016 but HyD only reported it to the public in February 2019 after wide media coverage, Mr LAM Cheuk-ting asked why it took so long for HyD to publicize the incident and questioned whether HyD had the intent to cover up the matter. The Deputy Chairman and Dr Helena WONG also expressed concern that no timely actions had been taken by HyD to address the problem in 2016.

41. D of Hy replied that HyD had been informed by RSS in July 2016 that the Contractor had not submitted RISCFS on time according to contract requirements, and at that time noted that RSS was following up the matter with the Contractor. However, it was by July 2018 that HyD first came to know about the delayed submission of about 10 000 RISCFS. After discussion with the Transport and Housing Bureau, HyD employed an independent audit consultant to look into the matter. D of Hy reiterated that the situation was unsatisfactory and HyD would step up measures to strengthen the monitoring system.

42. Mr LAU Kwok-fan expressed concern that the delayed submission of RISCFS by the Contractor for nearly two years with no follow-up actions taken by HyD in the interval might have set a bad precedent for other contractors that the Administration had not stringently followed laid down rules and procedures. In reply, STH said that the Project Consultant was required to strictly follow the Government's project administration procedures and relevant guidelines to supervise the Contractor to make sure that they had complied with the contract specifications and relevant regulations in the construction process. D of Hy added that albeit the delayed submission of RISCFS, which was undesirable, the independent audit consultant confirmed that the Project Consultant had provided adequate and reliable substantiations to demonstrate that RSS had discharged their supervisory duties in accordance with the necessary requirements.

43. Mr Frankie YICK enquired about the follow-up actions taken against the Contractor, and whether HyD would seek compensation from the Contractor for engaging the independent audit consultant. Mr YIU Si-wing suggested the Administration examining other public works projects proactively to see if similar problem existed in other projects. STH replied that HyD had reflected the unsatisfactory performance of the Project Consultant and the Contractor in their quarterly performance reports. HyD had also requested the Contractor for compensating the cost for engaging the independent audit consultant and the Contractor had agreed. In view of the incident, HyD would step up measures in the monitoring of works projects and the checking of timely submission of RISCFS.

44. Mr Charles Peter MOK and Dr KWOK Ka-ki found it unacceptable for the prolonged delay in the submission of RISCFS and the non-compliance of established practice and procedure by the Contractor. Both members shared the view that HyD should be held accountable for the incident and that heavier penalty should be imposed on the Contractor so as to reflect the seriousness of the malpractice. STH emphasized that it was the obligation of the Contractor to timely submit RISCFS in accordance with the contract requirements. HyD had reflected the matter in the performance reports of both the Contractor and the Consultant and this would affect their chance of winning the tender of public works contracts.

Review conducted by independent audit consultant

45. Mr LAM Cheuk-ting cast doubt on the trustworthiness of the independent audit review conducted by the consultant who was also involved in supervising the construction of the Shatin to Central Link ("SCL") project which had a lot of construction quality problems. Mr AU Nok-hin enquired whether the Administration was more lenient in the handling of the missing RISCFS for HZMB as compared to SCL as the HyD was involved in the monitoring of works.

46. STH replied that the two incidents were different. The Government could not ascertain from the Contractors or the MTR Corporation Limited on the reasons for the missing RISCFS for the SCL project and there was no other record to substantiate the works that had been completed. As for the present case, the Contractor was able to submit all delayed RISCFS during July to September 2018 and there were extensive site records to demonstrate that the RSS had duly exercised its supervisory role.

47. Noting that the independent audit consultant had to vet all 14 000 resubmitted RISCFS from mid-August to end September 2018, the Deputy

Chairman sought information on the size of the audit team and how HyD could ascertain the reliability of the audit given that the review was completed in such short period of time.

48. PM/HyD replied that the audit consultant had set up various teams to evaluate different aspects of RISCs and related records. The Project Consultant and the Contractor had also deployed necessary manpower to offer assistance so that the required site records and information could be retrieved and provided readily to the audit team.

49. In reply to Dr CHENG Chung-tai's enquiry on whether the independent audit consultant had conducted site inspections apart from reviewing the photo records provided by the Contractors, PM/HyD replied that apart from the photo records, the consultant had also reviewed other site records such as site diaries, inspection and test results of works items and other relevant information. The audit team had also conducted meetings and interviews with RSS.

Procedural matters

50. At 12:45 pm, the Chairman decided to extend 15 minutes to allow more time for discussion of the agenda item. He also directed that the agenda item "Review of penalty level for illegal carriage of passengers for hire or reward" originally scheduled for discussion at the present meeting be postponed to the next meeting due to insufficient time.

51. Dr Helena WONG, Ms Tanya CHAN and Mr LAM Cheuk-ting requested to arrange an additional meeting to continue the discussion on the present agenda item. The Chairman said that he would relay members' suggestion to the Administration.

V. Any other business

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