

立法會
Legislative Council

LC Paper No. CB(4)460/19-20
(These minutes have been seen
by the Administration)

Ref : CB4/PL/TP

Panel on Transport

Minutes of meeting
held on Friday, 20 December 2019, at 10:45 am
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Frankie YICK Chi-ming, SBS, JP (Chairman)
Hon CHAN Han-pan, BBS, JP (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
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, JP
Hon Wilson OR Chong-shing, MH

Hon Tanya CHAN
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho
Hon Tony TSE Wai-chuen, BBS

Members attending : Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon Holden CHOW Ho-ding
Hon KWONG Chun-yu

Members absent : Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LAU Ip-keung, BBS, MH, JP

Public officers attending : **Agenda item III**

Mr Raymond SY Kim Cheung
Deputy Secretary for Transport and Housing
(Transport)1 (Acting)
Transport and Housing Bureau

Mr NG Wai Keung
Deputy Director of Highways
Highways Department

Mr Richard NG Chin Hung
Assistant Director/ Development
Highways Department

Mr Stephen LEE Hoo Tin
Senior Engineer/ Pedestrian Hillside Links(1)
Highways Department

Mr CHOW Bing Kay
Chief Traffic Engineer / New Territories West
Transport Department

Mr LEE Chi Shing
Chief Engineer/ Traffic Survey & Support
Transport Department

Agenda item IV

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

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

Mr Patrick WONG
Assistant Commissioner / Bus & Railway,
Transport Department

Miss Amy TSE
Principal Transport Officer / Bus & Railway 1,
Transport Department

Agenda item V

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

Mr Philip HAR
Principal Assistant Secretary for Transport and
Housing (Transport)4

Ms Candy KWOK
Assistant Commissioner/Management and
Paratransit
Transport Department

Ms Anna YEUNG
Chief Transport Officer/Ferry Planning
Transport Department

**Attendance by
invitation : Agenda item IV**

Citybus Limited and New World First Bus Services
Limited

Mr William CHUNG
Managing Director

Mr Vincent FUNG
Head of Operations

Mr George HO
Financial Controller

Mr Newton NG
Head of 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

**Stand in silence for the victims of the tragic franchised bus accident
happened at Fanling Highway on 18 December 2019**

2. At the beginning of the meeting, the Chairman invited members and staff of the Legislative Council Secretariat to stand in silence for one minute in the memory of the victims of the tragic franchised bus accident happened at Fanling Highway on 18 December 2019. Members and staff stood in silence for one minute.

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

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| LC Paper No. CB(4)107/19-20(01) | - Administration's response to item 1 of the Panel's list of follow-up actions regarding "MTR fare adjustment for 2019" raised at the meeting on 26 April 2019 |
| LC Paper No. CB(4)125/19-20(01) | - Administration's response to the joint letter from Hon Jeremy TAM Man-ho and Hon Charles Peter MOK requesting to discuss smart mobility initiatives relating to road transport |
| LC Paper No. CB(4)136/19-20(01) | - Administration's response to issues relating to the utilization of the Hong Kong-Zhuhai Macao Bridge raised by Hon LAM Cheuk-ting |
| LC Paper No. CB(4)156/19-20(01)
(Chinese version only) | - Letter from Hon Paul TSE Wai-chun proposing to discuss the congestion problem in Happy Valley and Causeway Bay |
| LC Paper No. CB(4)156/19-20(02) | - Press release on the question raised by Hon Paul TSE in the Legislative Council on 20 November 2019 relating to traffic conditions in Causeway Bay and Happy Valley and the Secretary for Transport and Housing's written response |

Members noted the above papers issued since the last meeting.

II. Items for discussion at the next meeting

LC Paper No. CB(4)184/19-20(01) - List of outstanding items for discussion

LC Paper No. CB(4)184/19-20(02) - List of follow-up actions

3. Members agreed to discuss the following items at the next regular meeting to be held on 17 January 2020:

- (a) 6875TH - Noise enclosures at Gascoigne Road Flyover;
- (b) Fuel subsidy and one-off subsidy to transport and logistics trades; and
- (c) Progress of implementation of the Public Transport Fare Subsidy Scheme.

4. Ms Tanya CHAN suggested discussing the clearance procedures for Hong Kong, Zhuhai and Macao when passengers travelling through the three places using the Hong Kong-Zhuhai-Macao Bridge. The Chairman directed the Secretariat to seek the Administration's views on whether the item should more appropriately be followed up by the Panel on Transport or the Panel on Security, or that a joint panel meeting should be convened to discuss the matter.

5. Referring to the tragic franchised bus accident happened on 18 December 2019, Mr KWONG Chung-yu suggested discussing safety issues of franchised bus as early as practicable. The Chairman said that the matter had been scheduled for discussion by the Panel in February 2020, but would seek to advance the discussion at an earlier meeting if possible.

6. Mr Paul TSE referred to his letter addressing to the Panel relating to the congestion problems in Happy Valley and Causeway Bay (LC Paper No. CB(4)/156/19-20(01)) and proposed to put the item under the Panel's "List of outstanding items for discussion" ("the List") for follow up at future meetings. The Panel agreed that the item be put under the List.

III. 850TH - New Wang Tong River Bridge

190TB - Retrofitting of escalators for footbridge across Castle Peak Road - Kwai Chung near MTR Tai Wo Hau Station Exit B

LC Paper No. CB(4)184/19-20(03) - Administration's paper on 850TH – New Wang Tong River Bridge and 190TB – Retrofitting of escalators for footbridge across Castle Peak Road – Kwai Chung near MTR Tai Wo Hau Station Exit B

Briefing by the Administration

7. At the invitation of the Chairman, Deputy Secretary for Transport and Housing (Transport)1 (Acting) (“DSTH(T)1 (Atg)”) briefed members on the Administration’s funding application for upgrading two projects to Category A, i.e. 850TH - New Wang Tong River Bridge and 190TB - Retrofitting of escalators for footbridge across Castle Peak Road - Kwai Chung near MTR Tai Wo Hau Station Exit B, details of which were set out in the Administration's paper [LC Paper No. CB(4)184/19-20(03)]. With the aid of a powerpoint presentation, Assistant Director/Development of Highways Department (“AD/D of HyD”) briefed members on the proposed scope of the projects.

(Post-meeting note: the powerpoint presentation material was issued to members vide LC Paper No. CB(4)220/19-20(01) on 24 December 2019.)

Discussion

850TH - New Wang Tong River Bridge

8. Mr Tony TSE expressed deep concern on the high estimated capital cost (i.e. \$99.7 million in money-of-the-day prices) of the proposed 35 metre-long twin-bridge, costing more than \$2 million per metre. He noted that the estimated capital cost per metre of the project was comparable to that of the proposed elevated pedestrian corridor in Yuen Long Town connecting with Long Ping Station of the West Rail Line. Mr TSE opined that the justifications provided by the Administration in this regard were not sufficient. Dr CHENG Chung-tai shared similar views. Mr TSE requested the

Administration to provide written information on the detailed cost breakdown of the project and justifications for the project's high cost.

(*Post-meeting note*: The Administration's supplementary information was issued to members vide LC Paper No. CB(4)278/19-20(01) on 21 January 2020.)

9. Ms Claudia MO said that she had no objection to the project. However, she was concerned whether the project cost of the two projects would overrun. Mr POON Siu-ping was also concerned about the high estimated capital cost of the New Wang Tong River Bridge project and enquired if the Administration would provide information relating to the capital cost of similar footbridges constructed by the government in recent years for members' reference.

10. DSTH(T)1 (Atg) replied that the capital cost of the two projects was estimated by a team of professional quantity surveyors and engineers with reference to the tenders received under the parallel tendering exercise for the works contracts of the projects. Therefore, the estimated capital cost had adequately reflected the prevailing market prices of the construction industry. Deputy Director of Highways of Highways Department ("DDHy") said that most of the recent government footbridge projects were carried out in urban areas, whereas the site location of the New Wang Tong River project was remote. He added that the proposed twin-bridge was relatively short and therefore it might not be appropriate to compare its capital cost with other works of similar nature by length. He further pointed out that the capital cost per square metre of the plan area of the proposed twin-bridge was in line with similar government projects.

11. Mr POON Siu-ping enquired about the location where the seven new trees would be planted for replacement purpose. AD/D of HyD said that the seven trees to be removed to make way for the proposed facilities were not important trees. The replacement trees would be planted in Mui Wo Town Centre and the species to be grown would be *Bauhinia variegata*.

12. Dr CHENG Chung-tai asked the Administration to clarify whether the existing Wang Tong River Bridge would be demolished, which in his view might have an impact on the capital cost of the project. Ir Dr LO Wai-kwok enquired if the Administration had explored the feasibility of accommodating the footpath and the cycle track on the same bridge.

13. AD/D of HyD responded that the existing New Wang Tong River Bridge would be demolished under the project. He explained that the

existing New Wang Tong River Bridge served as an essential public access between Wang Tong and Silver Mine Bay Beach in Mui Wo and the area to the south of Wang Tong River. To maintain the traffic flow and the pedestrian link across Wang Tong River during the construction period, the contractor would need to construct the new cycle bridge first, then subsequently demolish the existing Wang Tong River Bridge and reconstruct the footbridge.

14. AD/D of HyD explained that there was an increase in the estimated cost as there would be extra cost involved in delivering the building materials and machines to the site, i.e. a beach, due to the absence of main road for transportation and vessels might need to be used for this purpose. As regards the suggestion of constructing a new bridge with a larger plan area to accommodate both footpath and cycle track, AD/D of HyD said that it would be difficult to maintain the traffic flow and pedestrian link across the Wang Tong River during the construction period, and the boundary of the site would need to be further extended to Silver Mine Bay Beach, which may entail land resumption and relocation of power supply facilities. The capital cost incurred would also be similar to that of the current proposal of constructing a new twin-bridge. Moreover, the existing Wang Tong River Bridge, which was built in 1970s, was constructed at a level of about +4.0 metre above Principal Datum (“mPD”). The footbridge was thus easily flooded during adverse weather, posing safety risks to local residents. In view of the above, the Administration considered it necessary to construct a new twin-bridge with a higher mPD level to enhance road safety and meet the needs of local residents and tourists.

15. Noting that the proposed New Wang Tong River Bridge would be a twin-bridge comprising a footbridge and a cycle bridge for separating pedestrians from cyclists, Ir Dr LO Wai-kwok enquired whether the same design would be adopted in other government projects. Chief Engineer/Traffic Survey & Support of Transport Department responded that the construction of the proposed twin-bridge was entailed by the need to overcome site constraints encountered. The design of footbridge in government projects would be subject to the actual circumstances of individual sites.

16. In reply to Ms Alice MAK’s enquiry, DSTH(T)1 (Atg) advised that a total of 24 cycle parking spaces would be constructed at the northern end of the proposed twin-bridge.

17. The Chairman requested the Administration to provide further information as per members' requests before the item was to be discussed by the PWSC.

190TB - Retrofitting of escalators for footbridge across Castle Peak Road - Kwai Chung near MTR Tai Wo Hau Station Exit B

18. Ms Alice MAK enquired whether the project could be expedited. The Deputy Chairman considered the progress slow and urged for early completion of the project in order to address local community's demand. AD/D of HyD advised that the Administration would strive to shorten the construction time and it was expected that the project would take about two years to complete. In particular, prefabricated components would be used with a view to speeding up the works progress.

19. Noting that the existing covered staircase linking the northern side of the footbridge No. NF77 across Castle Peak Road – Kwai Chung and the footpath at ground level (near MTR Tai Wo Hau Station Exit B) would be demolished during construction, Ms Alice MAK enquired about measures to be implemented to facilitate the pedestrian flow during the period.

20. AD/D of HyD advised that a temporary detouring arrangement would be implemented during the construction period. Before demolishing the existing covered staircase, a new covered staircase would be constructed at the northern side of the footbridge. A temporary walkway cover in Kwok Shui Road Park connecting the new covered staircase and the footpath leading to the MTR Tai Wo Hau Station would also be constructed, so that pedestrians could take the new covered staircase for accessing the MTR station and the major bus stop nearby.

Summing up

21. The Chairman concluded that members raised no objection to the Administration's submission of the funding proposal of 850TH and 190TB to PWSC for consideration.

IV. Fare Increase Applications from Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited

LC Paper No. CB(4)184/19-20(04) - Administration's paper on fare increase applications

from Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited

- LC Paper No. CB(4)184/19-20(05) - Paper on fare increase applications from Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited prepared by the Legislative Council Secretariat (Updated background brief)

Briefing by the Administration

22. At the invitation of the Chairman, Deputy Secretary for Transport and Housing (Transport)² (“DS/TH2”) briefed members on the fare increase applications submitted by Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) (“Citybus(Franchise1)”) and New World First Bus Services Limited (“NWFB”) and their operations as set out in the Administration’s paper. DS/TH2 added that in respect of franchised bus safety, the Administration had been actively following up the recommendations put forth in the report published by the Independent Review Committee on Hong Kong’s Franchised Bus Service (“IRC”). The Administration would brief the Panel on the progress of the follow-up actions in early 2020.

23. Managing Director of Citybus and New World First Bus (“MD/Citybus and NWFB”) also briefed members on the financial situation and operation details of the two bus companies and bus safety measures with the aid of a powerpoint presentation. (LC Paper No. CB(4)220/19-20(02)).

(At 11:48 am, the Chairman directed that the meeting be extended for 15 minutes to end at 1:00 pm to allow sufficient time for discussion.)

Fare increase applications submitted by Citybus (Franchise 1) and NWFB

24. Mr LAM Cheuk-ting, Dr CHENG Chung-tai, Mr CHU Hoi-dick, Mr KWONG Chun-yu, Mr LUK Chung-hung and Mr Michael TIEN expressed deep concern about the high rate of fare increase sought by the two bus companies. In view of the gloomy economic outlook of Hong Kong, these members considered that the average fare increase rate of 12% was unacceptable. In addition, Citybus (Franchise 1) and NWFB had just increased their fares by a weighted average rate of 7% and 5.6% respectively not too long ago in early 2019. Mr KWONG Chun-yu also expressed worries about the triggering effect of the fare increase on other public transport operators.

25. DS/TH2 replied that under the current Fare Adjustment Arrangement for franchised buses, the Administration would take into account a host of factors when considering fare increase applications submitted by bus companies. Although the financial positions of Citybus (Franchise 1) and NWFB should have improved following their last fare increase in early 2019, financial forecasts of the two companies indicated that they would still incur losses and their financial positions remained unsatisfactory after the fare increase. In fact, Citybus (Franchise 1) and NWFB recorded an after-tax loss of \$88.8 million and \$71.2 million respectively in 2018-2019. In light of the above, both bus companies submitted applications for further fare increase so as to maintain their financial sustainability.

26. Mr Michael TIEN found it not justified enough for Citybus (Franchise 1) and NWFB to increase their fares so frequently without having regard to public acceptability and affordability. He called on the bus companies to withhold the fare increase until the economic situation of Hong Kong showed improvement, and sought figures on the projected loss if fare increases were to be delayed. Mr CHAN Chi-chuen also asked the two bus companies to fully disclose their financial information for enhancing transparency and public monitoring.

27. MD/Citybus and NWFB replied that the last application for fare increase had been submitted to the Administration for consideration in August 2017. It was until January 2019 that the Chief Executive-in-Council (“CE-in-Council”) approved the fare increase. He added that audited financial reports of Citybus (Franchise 1) and NWFB were published online for public’s reading and monitoring, but financial forecasts of the bus companies were sensitive information not subject to disclosure.

28. In reply to Dr KWOK Ka-ki’s enquiry on whether the loss incurred

by the bus companies in 2018-2019 was attributable to the procurement of new buses, MD/Citybus and NWFB replied that the loss incurred were operating loss.

29. Mr CHU Hoi-dick asked about measures to increase the fare-box revenue of the two bus companies, such as the introduction of monthly tickets for long-haul routes. Mr Holden CHOW raised a similar question of introducing monthly tickets for Tung Chung residents and offering interchange concessions to passengers. MD/Citybus and NWFB said that the suggestion of introducing monthly ticket was not pursued because the projected increase in patronage and revenue brought about by the monthly tickets could not offset the drop in farebox revenue brought about by the monthly ticket concessions. In addition, as interchange concessions involved other transport operators, the bus companies would need to discuss the matter with the Transport Department (“TD”). Nevertheless, the bus companies would endeavor to improve its financial performance. Both Mr CHU and Mr CHOW continued to call on the bus companies to introduce monthly tickets and other concessions to benefit more passengers.

30. Mr YIU Si-wing asked whether Citybus (Franchise 1) and NWFB could further streamline its operations to further reduce cost and improve its financial performance. MD/Citybus and NWFB said that the bus companies had been discussing with TD on bus routes rationalization for better resources utilization, and would continue to employ technology to streamline operations.

31. Dr KWOK Ka-ki and Dr CHENG Chung-tai quoted a recent speculation in the market that NWS Holdings Limited had plans to divest its franchised bus operations to a potential buyer. Both members suspected that the bus companies had tried to improve its financial performance by raising bus fare such that the business could be divested at a good price. MD/Citybus and NWFB replied that NWS Holdings Limited had already released a press release to clarify the matter and that he had nothing further to add.

Impact of recent public order events on the operations of franchised buses

32. Mr CHAN Chi-chuen asked whether Citybus (Franchise 1) and NWFB had assessed the impact of recent public order events on the patronage of franchised buses and if they had compared the patronage figures in May-August vis-à-vis September-December 2019. Mr YIU Si-wing also asked a similar question. MD/Citybus and NWFB said that the patronage for routes plying between tourist spots might experience a bigger drop. In addition, blockage to major roads and trucks such as the Tolo Highway and Cross-

Harbour Tunnel by radical protestors also affected the operations of related bus routes. As regards the patronage level, changes in the figures for May-August vis-à-vis September-December 2019 would not have much implications as there would be seasonal factors affecting the patronage as well.

33. The Chairman commented that the patronage of franchised buses would experience apparent drop during the staging of public order events in the past few months as people would prefer to stay at home due to safety reasons.

Franchised Bus Toll Exemption Fund (“the Fund”)

34. Noting from the Administration’s paper that most part of the Fund had been used up by Citybus (Franchise 1) and NWFB during the last fare increase and that the balance of the Fund would not be sufficient for lowering the rate of fare increase if approved this time, Mr KWONG Chun-yu expressed deep concern over the depletion of the Fund. DS/TH2 explained that each franchised bus operator would set up its own dedicated fund account for keeping the toll saved from using government tolled tunnels and roads with effect from 17 February 2019. The Fund would be used to mitigate the effect of fare increase approved by CE-in-Council so that the rate of fare increase that needed to be shouldered by passengers would be lowered. In fact, Citybus (Franchise 1) and NWFB had drawn their respective Funds since the last fare increase in early 2019 such that the actual weighted average fare increases shouldered by passengers of the two bus companies were lowered from 9.9% to 7.0% for Citybus (Franchise 1) and to 5.6% for NWFB respectively. Since most part of their respective Funds had been used for lowering the rate of last fare increase, the balance of the Funds would be insufficient to lower the fare increase this time should the current fare increase applications be approved.

35. Mr LUK Chung-hung opined that the Administration should subsidize the operations of franchised bus to maintain their financial viability and thereby minimize the need of periodic hefty fare increases. He criticized that the Administration allowed the “railway plus property” development model for MTR Corporation Limited such that proceeds from property development would be used to subsidize its railway operations and this in fact had been creating unfair competition to other public transport trades. In reply, DS/TH2 said that it was the Administration’s policy that public transport services should be run by the private sector in accordance with commercial principles to enhance efficiency and cost-effectiveness. The Administration would consider providing appropriate helping measures to public transport services providers as when necessary, such as offering the fuel subsidy and

other one-off subsidy to the transport and logistics trades in view of the difficult operating environment.

Safety of franchised buses

36. Mr LAM Cheuk-ting quoted from recent media reports that franchised bus companies requested full subsidy from the Administration for retrofitting seat belts on existing franchised buses, and expressed concern about the implementation progress by bus operators in this regard. He also called on the bus companies to use collision-resistant material on bus body to reduce the impact of collision to passengers during accidents. DS/TH2 said that the Administration had been discussing closely with franchised bus operators on the seat belts matter, and the bus companies had committed to retrofit seat belts for suitable in-service buses within three years. MD/Citybus and NWFB added that they would actively follow up the safety measures recommended in the IRC report, and would take forward progressively the retrofitting of seat belts for franchised buses procured after 2016.

37. Dr KWOK Ka-ki raised serious concern on the Citybus (Franchise 1)'s high accident rates of 4.90, 4.49 and 4.38 accidents per million vehicle-km in 2017, 2018 and 2019 respectively vis-à-vis the industry average rate of 4.22, 4.39 and 4.01 respectively during the same period. He sought reasons for the high rates. Mr POON Siu-ping and Mr YIU Si-wing also enquired about measures implemented by Citybus (Franchise 1) and NWFB to enhance bus safety, and their impact on the operating cost of two bus companies.

38. MD/Citybus and NWFB replied that as most of the Citybus (Franchise 1) routes were operating in the northern part of Hong Kong Island which was densely populated with high traffic flow, there would be higher accident rates as these routes ran through busy roads. Nevertheless, both bus companies had implemented various measures to enhance bus safety, and raising bus fare would provide sufficient resources to the franchised bus companies to continue to do so. DS/TH2 supplemented that TD had set up a working group comprising various stakeholders including franchised bus operators, manufacturers and experts to consider and study measures to further enhance bus safety. In addition, the Administration had set aside \$500 million to subsidize franchised bus operators in retrofitting safety devices and seat belts on existing buses, and would keep an open mind in providing more resources if considered necessary.

39. Mr Alvin YEUNG and Mr Jeremy TAM enquired about the material composition of a franchised bus body, and whether the franchised buses had

undergone anti-collision test before they could be used on roads, taking into account the specific characteristics of Hong Kong's roads and highways. MD/Citybus and NWFB replied that the bus body was made up of aluminum and fibre materials. DS/TH2 added that a franchised bus needed to meet specific technical requirements as stipulated in relevant legislations, and the buses being used on roads in Hong Kong were in compliance with European Union ("EU") standards in respect of bus safety. As mentioned earlier, the working group formed under TD would continue to map out suitable measures to further enhance bus safety.

40. Mr YEUNG and Mr TAM opined that compliance with EU Standards might be insufficient to ensure bus safety and that TD should take proactive measures to press upon bus manufacturers to produce bus models that were suitable for use in Hong Kong. Both members requested the Administration providing a written response to their enquiry.

41. In reply to Mr LUK Chung-hung's enquiry on the installation of electronic stability control devices, MD/Citybus and NWFB said that around 900 franchised buses would be equipped with the device shortly.

Trial use of battery-electric buses

42. Mr POON Siu-ping and Mr CHU Hoi-dick enquired about the trial result of using battery-electric buses and whether such buses could be deployed on hilly roads. Mr LUK Chung-hung also asked if the fuel cost of battery-electric buses was lower, whether its wider application could alleviate the pressure for fare increase. MD/Citybus and NWFB replied that the trial of battery-electric buses is still ongoing. However, for wider application of battery-electric bus, it was necessary to install more charging facilities and to further improve battery durability. Also, whether deploying more battery-electric buses could save operating cost had yet to be ascertained because these buses were usually more expensive in maintenance, and the durability and depreciation of battery would also directly affect the operating cost.

Salary increase of franchised bus captains

43. Mr POON Siu-ping and Mr LUK Chung-hung enquired about the percentage of salary increase for franchised bus captains if the proposed fare increase application was approved, and when the bus companies would meet with the trade unions to discuss the matter. MD/Citybus and NWFB said that due to manpower shortage problem, it was anticipated that the bus companies would offer reasonable salary increase to attract and retain staff. The bus companies would discuss with relevant trade unions in April 2020. In reply

to Mr POON's further enquiry on manpower shortage problem, MD/Citybus and NWFB said that from January to September 2019, Citybus (Franchise 1) and NWFB had respectively recruited 160 and 150 full-time bus captains, and there was still a shortfall of around 200 bus captains to reach full establishment. The Chairman urged the Administration to seriously look into the problem of shortage of professional drivers as this was an industry-wide issue affecting the operation of the whole public transport sector. DS/TH2 took note of the suggestion and said that the Administration would continue to work with the transport trades on possible solutions to the problem.

Motions

44. The Chairman said that there were three motions put forth by members. He decided that they were all related to the item under discussion. Members agreed to deal with the motions at the meeting. The Chairman ordered a division and directed that the voting bell be rung for five minutes.

45. The Chairman referred to the following motion moved by Mr CHU Hoi-dick:

本委員會要求城巴及新巴有限公司增設月票優惠，以吸引乘客選搭，改善營運狀況。

(Translation)

This Panel calls on the Citybus Limited and New World First Bus Services Limited to introduce monthly pass concessions to attract patronage and improve their operating conditions.

46. The Chairman put the motion to vote. Seventeen members voted for the motion, no member voted against the motion and no member abstained from voting. The Chairman declared that the motion was carried.

47. The Chairman referred to the following motion moved by Mr LAM Cheuk-ting:

就城巴有限公司及新世界第一巴士服務有限公司加價申請，本會要求巴士公司調撥資源，加強巴士安全，盡快加裝安全帶等安全措施，並研究採用更具防撞功能的物料作巴士車架，以保障乘客、車長及其他道路駕駛者安全。

(Translation)

Regarding the fare increase applications from Citybus Limited and

New World First Bus Services Limited, this Panel calls on the bus companies to allocate resources to strengthen bus safety by implementing safety measures such as retrofitting seat belts as soon as possible, and to study the use of materials with higher impact resistance for constructing the body frame of buses with a view to protecting the safety of passengers, bus captains and other motorists.

48. The Chairman put the motion to vote. Seventeen members voted for the motion, no member voted against the motion and no member abstained from voting. The Chairman declared that the motion was carried.

49. The Chairman then referred to the following motion moved by Mr LUK Chung-hung:

現時香港面對經濟下行，但城巴及新巴仍申請加價平均為 12%，令市民交通費負擔加重。就此，本會促請政府在審批有關加價申請時，須特別考慮未來經濟環境狀況及市民負擔能力，並積極考慮暫緩批准加價，並改以其他方式補助巴士公司的營運及為乘客提供優惠措施；同時，政府亦須成立"票價穩定基金"，以緩和公共交通營辦商申請加價時的壓力。

(Translation)

Despite the current economic downturn in Hong Kong, Citybus Limited and New World First Bus Services Limited have still applied for fare increases at an average rate of 12%, posing a heavier transport fare burden on commuters. In this connection, this Panel urges the Government to give special consideration to the future economic environment and conditions as well as public affordability in vetting and approving the fare increase applications, and actively consider suspending the approval of the fare increases, subsidizing the operation of the bus companies by other means and providing concession initiatives for passengers. Meanwhile, the Government should also set up a "fare stabilization fund" to alleviate the pressure arising from fare increase applications from public transport operators.

50. The Chairman put the motion to vote. Thirteen members voted for the motion, one member voted against the motion and one member abstained from voting. The Chairman declared that the motion was carried.

51. Details of the division of the voting results were in **Appendices I to III**.

(Post-meeting note: The wordings of the motions passed were issued to members vide LC Paper No.CB4(4)219/19-20(01)-(03) on 24 December 2019.)

V. Star Ferry's application for fare increases

LC Paper No. CB(4)184/19-20(06) - Administration's paper on Star Ferry's application for fare increases

LC Paper No. CB(4)184/19-20(07) - Paper on Star Ferry's fare increase application prepared by the Legislative Council Secretariat (Updated background brief)

Declaration of interests

52. The Chairman declared that he was a non-executive director of the “Star” Ferry Company Limited and said that he would not take the chair for the discussion of this item. He invited the Deputy Chairman to act in his capacity for discussing this item. The Deputy Chairman then took the chair.

Measures to cope with operating difficulties faced by the “Star” Ferry

53. Mr LUK Chung-hung expressed that the “Star” Ferry had been providing efficient ferry services to passengers and tourists at a reasonable fare. However, he opined that in view of the recent social events resulting in a substantial drop in tourists visiting Hong Kong, the Administration should provide more support to the “Star” Ferry. Existing measures provided by the Administration, such as reimbursing pier rental and taking over the responsibility of pier maintenance, were insufficient for the “Star” Ferry to cope with the operating difficulties. Mr YIU Si-wing enquired if the Administration had made any projections on the resultant drop in farebox revenue caused by the drop in patronage of “Star” Ferry.

54. DS/TH2 responded that the Administration had taken note of the limited revenue growth of the “Star” Ferry services while its operating cost were on the rise. In this connection, the Administration had allowed the “Star” Ferry to sub-let premises at its piers to generate non-farebox revenue to cross-subsidize the ferry operation. It was also necessary to allow fares to be

suitably adjusted from time to time to maintain the financial viability of the service.

55. As regards the impact of recent social events, DS/TH2 said that the Administration anticipated that there would be a drastic drop in patronage, especially tourists, and the number could hardly return to the previous level in the short run. The Administration would discuss with the “Star” Ferry on possible means to generate more income and reduce costs. In addition, the Administration would provide a six-month fuel subsidy to public transport services as a short-term alleviating measure to help public transport service operators to cope with the operating pressure in the current economic environment.

56. Mr YIU Si-wing opined that the “Star” Ferry should enhance service provision for tourists such as offering Wifi and charging facilities on ferry. DS/TH2 took note of Mr YIU’s suggestions and said that the Administration would discuss with the “Star Ferry” any measures to attract tourists.

57. In reply to Mr LUK Chung-hung’s suggestion on launching monthly tickets to boost farebox revenue, DS/TH2 said that the “Star” Ferry had already offered monthly tickets for the benefit of frequent passengers.

Drop in non-farebox revenue of the “Star” Ferry

58. Pointing out that the farebox revenue had steadily increased from 2016 to 2018 and yet rental income showed a drop of 17% in 2018, Mr Jeremy TAM opined that non-farebox revenue failed to perform well to cross-subsidize ferry service operations in recent years. Mr POON Siu-ping expressed that the Administration should closely monitor rental income from restaurants and shops at the piers and explore ways to stabilize the income.

59. DS/TH2 replied that rental income was highly dependent on economic situations. Owing to the construction works being carried out near the Wan Chai Pier, the shops there became less accessible for customers, rental income from pier shops thus dropped by around 17% in 2018. The Administration would coordinate with relevant government departments to speed up the construction works as far as possible, and would also discuss with the “Star” Ferry possible measures to enhance the shops mix at the pier with a view to boosting non-farebox rental income.

60. Mr Tommy CHEUNG also urged the Administration discussing with the “Star” Ferry on how to better utilize the open space in front of pier shops with a view to attracting more customer flow, and to enhance other non-

farebox revenue such as advertising income. DS/TH2 took note of Mr CHEUNG's suggestion.

Revival of in-harbour ferry services

61. Mr POON Siu-ping and Mr HO Kai-ming expressed that in-harbour ferry services could have been important alternative cross-harbour transport services during the recent public order events when major public transport services such as railways and franchised buses were seriously disrupted. They enquired whether the Administration would review the positioning of in-harbour ferry services in the overall public transport services in Hong Kong so that public transport would not be too heavily tilted towards railway. Mr HO urged the Administration considering ways to boost ferry usage such as allowing bicycles on ferry and providing more short-haul feeder transport service at the piers to facilitate passengers travelling to various destinations.

62. DS/TH2 responded that in response to passengers' demand for in-harbour ferry services, the Administration had plans to revive the Central to Hung Hom ferry services and introduce "water taxi" services plying between different tourists spots. However, owing to limited capacity of ferry, mass carriers such as railways and buses would remain as the backbone of public transport services in Hong Kong. As regards carriage of bicycles on ferry, DS/TH2 replied that bicycle carriage was already allowed on the lower deck of vessels plying between Wan Chai and Tsim Sha Tsui.

Salary increase of staff of the "Star" Ferry

63. Mr POON Siu-ping enquired about the percentage of salary increase of staff if the proposed fare increase application was approved. In reply, DS/TH2 said that due to manpower shortage and difficulties in retaining staff, it was anticipated that the "Star" Ferry would offer reasonable salary increase on a par with market situations to attract and retain staff.

VI. Any other business

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

附錄I Appendix I

點名表決DIVISION: 1
日期 DATE: 20/12/2019
時間 TIME: 12:41:31 下午 PM

動議 MOTION: 朱凱迪議員就"城巴有限公司(香港島及過海巴士網絡專營權)及新世界第一巴士服務有限公司的加價申請"動議的議案
Motion moved by Hon CHU Hoi-dick on "Fare Increase Applications from Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited"

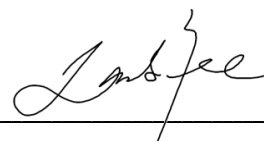
動議人 MOVED BY:

出席 Present : 18
投票 Vote : 17
贊成 Yes : 17
反對 No : 0
棄權 Abstain : 0
結果 Result : 通過 Passed

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

議員	MEMBER	投票	VOTE	議員	MEMBER	投票	VOTE
易志明	Frankie YICK	出席	PRESENT	盧偉國	Ir Dr LO Wai-kwok		
石禮謙	Abraham SHEK			楊岳橋	Alvin YEUNG	贊成	YES
張宇人	Tommy CHEUNG	贊成	YES	尹兆堅	Andrew WAN	贊成	YES
陳克勤	CHAN Hak-kan			朱凱迪	CHU Hoi-dick	贊成	YES
梁美芬	Dr Priscilla LEUNG			何君堯	Dr Junius HO		
黃國健	WONG Kwok-kin			何啟明	HO Kai-ming	贊成	YES
葉劉淑儀	Mrs Regina IP			林卓廷	LAM Cheuk-ting	贊成	YES
謝偉俊	Paul TSE	贊成	YES	邵家輝	SHIU Ka-fai	贊成	YES
毛孟靜	Claudia MO	贊成	YES	柯創盛	Wilson OR		
田北辰	Michael TIEN			陳淑莊	Tanya CHAN		
姚思榮	YIU Si-wing	贊成	YES	陸頌雄	LUK Chung-hung	贊成	YES
莫乃光	Charles Peter MOK	贊成	YES	劉國勳	LAU Kwok-fan		
陳志全	CHAN Chi-chuen	贊成	YES	劉業強	Kenneth LAU		
陳恒鎮	CHAN Han-pan	贊成	YES	鄭松泰	Dr CHENG Chung-tai	贊成	YES
梁志祥	LEUNG Che-cheung			譚文豪	Jeremy TAM	贊成	YES
黃碧雲	Dr Helena WONG			謝偉銓	Tony TSE		
潘兆平	POON Siu-ping	贊成	YES				

秘書 CLERK



附錄II Appendix II

點名表決DIVISION: 2
日期 DATE: 20/12/2019
時間 TIME: 12:42:06 下午 PM

動議 MOTION: 林卓廷議員就"城巴有限公司(香港島及過海巴士網絡專營權)及新世界第一巴士服務有限公司的加價申請"動議的議案
Motion moved by Hon LAM Cheuk-ting on "Fare Increase Applications from Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited"

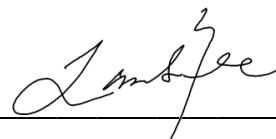
動議人 MOVED BY:

出席 Present : 18
投票 Vote : 17
贊成 Yes : 17
反對 No : 0
棄權 Abstain : 0
結果 Result : 通過 Passed

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

議員	MEMBER	投票	VOTE	議員	MEMBER	投票	VOTE
易志明	Frankie YICK	出席	PRESENT	盧偉國	Ir Dr LO Wai-kwok		
石禮謙	Abraham SHEK			楊岳橋	Alvin YEUNG	贊成	YES
張宇人	Tommy CHEUNG	贊成	YES	尹兆堅	Andrew WAN	贊成	YES
陳克勤	CHAN Hak-kan			朱凱迪	CHU Hoi-dick	贊成	YES
梁美芬	Dr Priscilla LEUNG			何君堯	Dr Junius HO		
黃國健	WONG Kwok-kin			何啟明	HO Kai-ming	贊成	YES
葉劉淑儀	Mrs Regina IP			林卓廷	LAM Cheuk-ting	贊成	YES
謝偉俊	Paul TSE	贊成	YES	邵家輝	SHIU Ka-fai	贊成	YES
毛孟靜	Claudia MO	贊成	YES	柯創盛	Wilson OR		
田北辰	Michael TIEN			陳淑莊	Tanya CHAN		
姚思榮	YIU Si-wing	贊成	YES	陸頌雄	LUK Chung-hung	贊成	YES
莫乃光	Charles Peter MOK	贊成	YES	劉國勳	LAU Kwok-fan		
陳志全	CHAN Chi-chuen	贊成	YES	劉業強	Kenneth LAU		
陳恒鎮	CHAN Han-pan	贊成	YES	鄭松泰	Dr CHENG Chung-tai	贊成	YES
梁志祥	LEUNG Che-cheung			譚文豪	Jeremy TAM	贊成	YES
黃碧雲	Dr Helena WONG			謝偉銓	Tony TSE		
潘兆平	POON Siu-ping	贊成	YES				

秘書 CLERK



附錄III Appendix III

點名表決DIVISION: 3
日期 DATE: 20/12/2019
時間 TIME: 12:42:30 下午 PM

動議 MOTION: 陸頌雄議員就"城巴有限公司(香港島及過海巴士網絡專營權)及新世界第一巴士服務有限公司的加價申請"動議的議案
Motion moved by Hon LUK Chung-hung on "Fare Increase Applications from Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) and New World First Bus Services Limited"

動議人 MOVED BY:

出席 Present : 17
投票 Vote : 15
贊成 Yes : 13
反對 No : 1
棄權 Abstain : 1
結果 Result : 通過 Passed

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

議員	MEMBER	投票	VOTE	議員	MEMBER	投票	VOTE
易志明	Frankie YICK	出席	PRESENT	盧偉國	Ir Dr LO Wai-kwok		
石禮謙	Abraham SHEK			楊岳橋	Alvin YEUNG	贊成	YES
張宇人	Tommy CHEUNG	贊成	YES	尹兆堅	Andrew WAN	贊成	YES
陳克勤	CHAN Hak-kan			朱凱迪	CHU Hoi-dick	贊成	YES
梁美芬	Dr Priscilla LEUNG			何君堯	Dr Junius HO		
黃國健	WONG Kwok-kin			何啟明	HO Kai-ming	贊成	YES
葉劉淑儀	Mrs Regina IP			林卓廷	LAM Cheuk-ting	贊成	YES
謝偉俊	Paul TSE	贊成	YES	邵家輝	SHIU Ka-fai	贊成	YES
毛孟靜	Claudia MO	贊成	YES	柯創盛	Wilson OR		
田北辰	Michael TIEN			陳淑莊	Tanya CHAN		
姚思榮	YIU Si-wing	反對	NO	陸頌雄	LUK Chung-hung	贊成	YES
莫乃光	Charles Peter MOK			劉國勳	LAU Kwok-fan		
陳志全	CHAN Chi-chuen	贊成	YES	劉業強	Kenneth LAU		
陳恒鎮	CHAN Han-pan	贊成	YES	鄭松泰	Dr CHENG Chung-tai	棄權	ABSTAIN
梁志祥	LEUNG Che-cheung			譚文豪	Jeremy TAM	出席	PRESENT
黃碧雲	Dr Helena WONG			謝偉銓	Tony TSE		
潘兆平	POON Siu-ping	贊成	YES				

秘書 CLERK

