

立法會
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Paper for the House Committee

**Report of the Subcommittee on Peak Tramway (Safety) (Amendment)
Regulation 2018 (Commencement) Notice**

Purpose

This paper reports on the deliberations of the Subcommittee on Peak Tramway (Safety) (Amendment) Regulation 2018 (Commencement) Notice ("the Subcommittee").

Background

2. Under the Peak Tramway Ordinance (Cap. 265), the Chief Executive in Council ("CE-in-C") may grant an operating right of the peak tramway¹ to a suitable operator in any manner that CE-in-C thinks fit. Each operating right should not exceed 10 years and is subject to terms agreed between the Government and the operator. The operating right may also be extended for a further period of not exceeding 10 years if the operator can satisfy CE-in-C that it is committed to and is capable of implementing an upgrading plan conducive to maintaining the peak tramway as an important tourism and recreational facility. Under such arrangement, the total period of an operating right can last for up to 20 years.

3. In December 2015, CE-in-C granted the first 10-year operating right of the peak tramway to the Peak Tramways Company Limited ("PTC") commencing on 1 January 2016. In October 2018, CE-in-C further approved PTC's application for a 10-year extension of its operating right (i.e. the second 10-year operating right from 2026 to 2035) together with an upgrading plan at an estimated cost of some \$650 million. Under the upgrading plan scheduled for completion in 2021, PTC proposed to replace and enhance the existing peak tramway system by, among others, increasing the tramcar capacity by over 75% from 120 passengers to 210 passengers.

¹ The peak tramway has been in operation since 1888 and is a popular tourism and recreational facility for locals and tourists alike. Currently, it is operated by the Peak Tramways Company Limited.

4. Upon the grant of the second 10-year operating right, CE-in-C and the Secretary for Commerce and Economic Development ("SCED") made necessary legislative amendments to implement the upgrading plan. One of the legislative amendments was the Peak Tramway (Safety) (Amendment) Regulation 2018 (L.N. 171 of 2018) ("the Amendment Regulation"),² which sought to amend the definition of "tramcar" and to increase tramcar capacity from the maximum load of 120 passengers to 210 passengers. The Amendment Regulation was published in the Gazette on 12 October 2018 and tabled before the Legislative Council at its meeting of 24 October 2018.

The Peak Tramway (Safety) (Amendment) Regulation 2018 (Commencement) Notice

5. Section 1 of the Amendment Regulation provides that it shall come into operation on a day to be appointed by SCED by notice published in the Gazette. On 9 July 2021, the Peak Tramway (Safety) (Amendment) Regulation 2018 (Commencement) Notice (L.N. 110 of 2021) ("Commencement Notice") was published in the Gazette, by which SCED appointed 17 December 2021 as the day on which the Amendment Regulation would come into operation.

The Subcommittee

6. At the House Committee meeting held on 16 July 2021, Members agreed to form a subcommittee to study the Commencement Notice. The membership list of the Subcommittee is in the **Appendix**.

7. To allow more time for the Subcommittee to consider the Commencement Notice, the Chairman of the House Committee moved a motion at the Council meeting of 21 July 2021 to extend the scrutiny period of the Commencement Notice to 1 September 2021. Under the chairmanship of Hon CHAN Kin-por, the Subcommittee held a meeting with the Administration and PTC on 13 August 2021 to examine the Commencement Notice.

² A subcommittee was formed to study the Amendment Regulation together with another legislative amendment, namely, the Peak Tramway Ordinance (Amendment of Section 3(3)) Notice 2018 (L.N. 172 of 2018), which came into operation on 31 December 2018. The then Subcommittee held two meetings with the Administration between October and November 2018 to examine the legislative amendments, details of which are set out in its report (LC Paper No. CB(4)257/18-19).

Deliberations of the Subcommittee

8. At the meeting, members have expressed support for the upgrading plan and raised questions with the Administration and PTC on the latest implementation progress of the plan, particularly in respect of the financial commitment made by PTC and the supporting arrangements for the enhanced peak tramway operation. The major deliberations of the Subcommittee are set out in the ensuing paragraphs.

Financial commitment of the upgrading plan

9. Noting from the meeting that PTC's upgrading plan involves investment of more than \$700 million, which exceeds its originally estimated cost of some \$650 million back in 2018, members have sought clarification as to whether the latest investment amount fully covers the whole upgrade exercise, including tramcars, systems and ancillary equipment and facilities. Apart from PTC's own investment, members have asked whether the Administration has deployed resources to assist PTC in taking forward the upgrading plan. Members have also raised concern as to whether the reduction in the revenue of peak tramway operation arising from a drop in the number of visitors amid the Coronavirus Disease 2019 ("COVID-19") pandemic will affect the financing of the project, which may in turn affect the progress of the upgrading plan.

10. The Administration and PTC have advised that the upgrading plan is fully funded by PTC and is targeted to complete in late December 2021. The investment amount of more than \$700 million will cover the costs of the whole project, and there will be no further works required upon the completion of the upgrading plan except on-going maintenance exercises. The global pandemic of COVID-19 has brought significant impact on the supply chains and manufacture of tramcars and equipment, which has inevitably resulted in project delay and extra costs. Having said that, PTC has assured members that it is fully funding the project.

Ancillary and supporting arrangements for the upgraded peak tramway

11. Members are concerned whether the expanded waiting area located at the Lower Terminus with capacity increased up to 1 300 passengers is sufficiently large to cope with the problem of long queues and waiting time for boarding the peak tram, and enquired about the contingency measures put in place by PTC at both the upper and lower termini to manage such problem.

12. PTC has explained that apart from the provision of a covered and temperature-controlled waiting area for up to 1 300 people at the Lower Terminus, new tramcars with increased capacity up to 210 passengers will be provided under the upgrading plan. With the operation of the enlarged tramcars, more people can be transported per trip (with travel time of seven minutes) and

thus it is expected that the long-standing problem of queuing and waiting at both upper and lower termini of the Peak Tramway will be fully addressed.

13. Members have asked whether special access arrangement will be made to facilitate tour groups to board the peak tram. PTC has advised that the provision of specific access points at the entrance of the termini will continue. There will be fast track entry lines specifically designated for different passengers, such as tenants of the Peak Tower, PTC staff, monthly ticket holders and tour groups.

14. Members have expressed concern about regulation of the provision of taxi service to peak tram passengers, in particular measures against illegal practice of taxi drivers at the Lower Terminus. The Administration has advised that it has all along been committed to curbing illegal practice of taxi drivers. The Police takes enforcement actions, including decoy operations, against illegal practice of taxi drivers at the Lower Terminus on Garden Road from time to time, and will continue its efforts in deterring taxi drivers from illegal practice.

Other issues of concern

15. In response to members' enquiry about peak tram fares and future fare level adjustment following the completion of the upgrading plan, PTC has advised that while the actual fares to be charged are yet to be determined, PTC, as a commercial entity, will take into account a host of factors such as market outlook, profit expectations, expenses and investments when drawing up the fee structure. The Administration further explained that peak tramway is a recreational and tourism facility rather than a mode of public transport. Its fares will be set at a competitive level in accordance with market conditions.

16. Members have asked whether the Administration will step up its efforts in promoting this 133 years old tourist attraction following the completion of peak tram upgrade project. The Administration has advised that the Hong Kong Tourism Board, which has all along been a close partner with PTC, will continue to liaise with PTC on initiatives in promoting the commissioning of the new peak tram system upon the completion of its enhancement work.

17. Members have also asked whether the Administration and PTC will consider re-provisioning the retired fifth-generation burgundy tramcar, which is the city's collective memory. PTC has advised that one retired burgundy tramcar has been put in storage. PTC is actively negotiating with some organizations on the utilization of this retired tramcar for various activities. The other retired burgundy tramcar is parked next to the retired green tramcar (i.e. the fourth-generation tramcar), and they both will be displayed along the tram track.

Recommendation

18. The Subcommittee raises no objection to the Commencement Notice and will not propose any amendment.

Advice sought

19. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 4
Legislative Council Secretariat
24 August 2021

**Subcommittee on Peak Tramway (Safety) (Amendment) Regulation 2018
(Commencement) Notice**

Membership list

Chairman Hon CHAN Kin-por, GBS, JP

Members Hon YIU Si-wing, SBS

Hon CHAN Chun-ying, JP

(Total: 3 members)

Clerk Ms Wendy JAN

Legal adviser Miss Joyce CHAN