

(Translation)

Minutes of Meeting of Traffic and Transport Committee

Date : 21 November 2016 (Monday)
Time : 2:00 p.m.
Venue : Islands District Council Conference Room,
14/F, Harbour Building, 38 Pier Road, Central, Hong Kong.

Present

Chairman

Mr WONG Man-hon

Vice-Chairman

Mr CHEUNG Fu

Members

Mr CHOW Yuk-tong, BBS
Mr YU Hon-kwan, Randy, JP
Mr WONG Hon-kuen, Ken
Mr FAN Chi-ping
Mr LOU Cheuk-wing
Ms YU Lai-fan
Ms LEE Kwai-chun
Mr TANG Ka-piu, Bill, JP
Ms YUNG Wing-sheung, Amy
Mr KWONG Koon-wan
Mr CHOW Ho-ding, Holden
Ms TSANG Sau-ho, Josephine
Mr KWOK Ping, Eric
Ms FU Hiu-lam, Sammi
Mr WONG Fuk-kan
Mr LAM Po-keung
Mr WONG Ma-tim
Mr WONG Shun-chuen
Mr HO Siu-kei
Mr YUEN King-hang

Attendance by Invitation

Ms LEE Yim-fong, Stella	Assistant Commissioner/Management/Paratransit, Transport Department
Ms CHU Wai-size, Fiona	Senior Transport Officer/Planning/Ferry 2, Transport Department
Mr KWAN Wing-hong	Senior Engineer 10/HZMB, Highways Department
Mr PANG Chi-chiu	Senior Engineer 9/HZMB, Highways Department
Mr HAR Mung-fei, Philip	Principal Assistant Secretary for Transport & Housing, Transport and Housing Bureau
Mr POON Chun-kong, Jeff	Assistant Manager, Traffic Operations, Long Win Bus Company Limited
Mr LAW Yiu-wah, Rayson	Planning and Support Officer I, Long Win Bus Company Limited
Mr Billy WONG	Assistant Manager, Operation Support, New Lantao Bus Co.(1973) Limited
Mr Brian K M NG	Chief Planning Officer, New World First Bus Services Limited & Citybus Limited
Mr Albert S W LEUNG	Manager (Operation Department II-Traffic), Citybus Limited

In Attendance

Mr CHOW Chit, Joe	Assistant District Officer (Islands) 2, Islands District Office
Mr TO Chi-keung, Gary	Senior Transport Officer/Islands, Transport Department
Mr LEE Ka-hei, Haywood	Engineer/Islands 1, Transport Department
Ms LEUNG Chiu-mei	District Engineer/Islands, Highways Department
Mr POON Wai-wing, Alvin	Engineer 11 (Islands Division), Civil Engineering and Development Department
Mr CHAN Chiu-fai	District Operations Officer (Lantau), Hong Kong Police Force
Mr LAW Tung-wah, Benji	Police Community Relations Officer (Marine Port District), Hong Kong Police Force
Mr WONG Wah	Administrative Consultant, New Lantao Bus Co.(1973) Limited
Mr CHAN Tin-lung	Deputy General Manager, New Lantao Bus Co.(1973) Limited
Mr Peter Tsang	Senior Manager-Transportation, Discovery Bay Tunnel Corporation Limited
Ms CHAU Shuk-man, Anthea	Corporate Communications Manager, New World First Ferry Services Limited

Secretary

Ms CHAN Ka-ying, Florence	Executive Officer I (District Council), Islands District Office
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Absent with Apology

Mr CHAN Lin-wai	
Mr LAW Kwan	
Mr WAN Tung-yat	
Mr CHAN Kam-hung	Chairman, Lantau Taxi Association

Welcoming remarks

The Chairman welcomed Members, representatives of government departments and organisations to the meeting and introduced the following representatives who attended the meeting:

- (a) Mr Alvin POON, Engineer 11 (Islands Division) of Civil Engineering and Development Department (CEDD), who attended the meeting in place of Ms Wendy LI; and
- (b) Mr Peter TSANG of Discovery Bay Tunnel Corporation Limited who attended the meeting in place of Mr Vincent CHUA of HKR International Limited.

2. Members noted that Mr CHAN Lin-wai, Mr LAW Kwan, Mr WAN Tung-yat and Mr CHAN Kam-hung were unable to attend the meeting due to other commitments.

I. Confirmation of the Minutes of Meeting held on 19 September 2016

3. The Chairman said that the captioned minutes had been distributed to Members for perusal before the meeting.

4. No amendment was proposed and the above minutes were endorsed unanimously.

II. Proposal to strengthen the bus services in Tung Chun North

(Paper T&TC 68/2016)

V. Question on barrier-free design of bus route No. 37H

(Paper T&TC 66/2016)

5. The Chairman welcomed Mr Gary TO, Senior Transport Officer/Islands of Transport Department (TD), Mr CHAN Tin-lung, Deputy General Manager and Mr Billy WONG, Assistant Manager (Operation Support) of New Lantao Bus Co. (1973) Limited (Lantao Bus), Mr Jeff POON, Assistant Manager, Traffic Operations and Mr Rayson LAW, Planning and Support Officer I of Long Win Bus Company Limited (Long Win) and Mr Albert LEUNG, Manager and Mr Brain NG, Chief Planning Officer of Citybus Limited (Citybus) to the meeting to present the paper.

6. Mr Gary TO presented the contents of the paper, and Mr Billy WONG, Mr Rayson LAW and Mr Brain NG later introduced the contents of Annexes I, II and III respectively with the aid of PowerPoint presentations.

7. Mr Bill TANG raised opinions as follows:

- (a) Lantao Bus route no. 37H was provided to serve North Lantau Hospital (NLTH). Due to its low frequency, some people would take other bus routes (for instance route no. 38), leading to low patronage of route no. 37H. He hoped that the patronage rate of route no. 37H would improve after the population intake of Ying Tung Estate. In addition, many mobility-handicapped people took the bus to go to hospital and he proposed the use of low-floor buses to run on the route to meet passengers' needs.
- (b) The changes regarding route no. E31 of Long Win were to provide one more bus stop at the bus terminus of Ying Tung Estate, and add two express trips from Yat Tung Estate to Discovery Park (without detouring to Tung Chung North) at 7:10 am and 7:40 am during morning peak hours from Monday to Friday. He opined that the two trips were too far apart in time and hoped that the bus company would provide extra trips.
- (c) At present, route no. E22S of Citybus had only one trip in the morning and the patronage rate was over 80%. With the imminent population intake of Ying Tung estate, he hoped that the bus company would increase frequency to meet the demand. In addition, many residents took route no. E22S buses to go to work in Kowloon East. Their destinations were not Tseung Kwan O. The bus fare was \$24, \$6 more than route no. E22 destined for Kowloon East (fare \$18). He hoped that the bus company would introduce sectional fare for E22S buses. For instance, passengers alighting at Kowloon East could get a partial refund by tapping the Octopus card.

8. Mr Eric KWOK said that after the enhancement of service of route no. 37H of Lantao Bus, the patronage rate would rise. Thus he hoped that the bus company would consider the proposal of extending the cover of the bus stop in front of NLTH. In addition, after the completion of Ying Tung Estate and housing estates of Tung Chung North, the traffic of the area would become busier. He enquired whether TD would build bus bays along Ying Tung Road for buses to stop. Bus stops set up at the roadside might obstruct the traffic.

9. Ms Sammi FU raised opinions as follows:

- (a) She proposed that route no. S56 of Citybus move its terminus to the new bus terminus at Ying Tung Estate without passing Tung Chung MTR Station because there were other high-frequency bus routes (such as S1) passing through Tung Chung MTR Station at present while only S56 travelled to Tung Chung North (including Caribbean Coast and Coastal Skyline). Residents of Tung Chung North would then have to make a detour to go home from the Airport by passing Tung Chung MTR Station. She proposed that the bus route terminate at the bus terminus at Ying Tung Estate to save travel time.

- (b) Although route nos. E21X and E22S of Citybus would go to the urban areas via Ying Tung Estate, they provided services only during morning peak hours. At present, only route no. E31 of Long Win going through Ying Tung Estate provided all-day service. She hoped that bus companies would provide more all-day external bus services for residents of Ying Tung Estate.
- (c) Route no. E32A provided only two trips at 6:00 pm and 6:30 pm. It travelled from Kwai Fong Station to Tung Chung New Development Ferry Pier. Some people might not be able to catch the bus in time after work and she hoped that the bus company would increase the frequency.

10. Mr LAM Po-keung said that at present only one bus route made use of the new bus terminus at Ying Tung Estate. He was concerned about the parking arrangement when bus services increased in the future and whether facilities such as toilets would be provided.

11. As Mr Holden CHOW would be a little late, the Chairman read out his opinions on his behalf:

- (a) He welcomed TD's proposals to strengthen and enhance bus services in Tung Chung North, but he raised concerns over the bus routes, time of service, number of trips and boarding and alighting points for passengers to meet the needs arising from future population growth and traffic demand. When new private and public housing estates (such as The Visionary, Century Link and Ying Tung estate etc.) in Areas 55 and 56 were completed one after another, the population would increase to 30 000 or more. TD proposed to introduce five regular routes and two special routes during peak hours, but no overnight bus service was proposed. He opined that overnight bus services should be enhanced.
- (b) He hoped that TD would take into account the following proposals: First, most of the bus routes serving Tung Chung North were en route stops, and residents might be unable to get onboard because the buses were already full. He hoped that the Department would pay attention to the situation and provide additional or special trips when necessary. Second, he proposed that route no. E11 be extended to Ying Tung Estate so that residents of Tung Chung North could reach Hong Kong Island directly. Third, he proposed that the route of overnight buses serving Tung Chung be extended to Ying Tung Estate to save travel time and enhance passenger safety (female passengers in particular). Fourth, he proposed that bus stop be set up at Ying Hei Road to serve residents of Century Link, The Visionary and Caribbean Coast and its vicinity. Fifth, he urged the bus company to increase the frequency of route no. 37M.

12. Mr CHAN Tin-lung said that the contents of agenda item no. 5 were related to those of item no. 2, and enquired whether the two items be discussed together.

13. The Chairman agreed that items 2 and 5 be discussed together.

14. Mr CHAN Tin-lung replied that there was already a low-floor bus running on route no. 37H as stated in the schedule. The Company was planning to replace all the three buses running on the route with low-floor buses and the replacement was expected to be completed in the first quarter of 2017.

15. Mr Rayson LAW said that according to the programme, route no. E31 provided service at 15 minutes' interval during morning peak hours, with two express trips scheduled at 7:10 am and 7:40 am. The express trips departed from Yat Tung Estate to Tsuen Wan (Discovery Park) without passing Tung Chung North. The proposed E32A buses scheduled at 6:00 pm and 6:30 pm departed from Kwai Fong Station and were provided in response to the demand during the initial period after the population intake of Tung Chung North housing estates. The Company noted members' opinions and would continue to monitor the situation and the passenger demand after population intake. It would review the bus service timely and enhance the service when necessary.

16. Mr Brian NG said that the Company had all along monitored the patronage rate of route no. E22S. According to a recent patronage survey, there were on average about 80 passengers taking the route. The Company would closely monitor passenger demand especially after the population intake of Ying Tung Estate and consider frequency enhancement in accordance with TD's guidelines on service improvement and reduction. In addition, the Company noted Members' proposals of rerouting overnight bus route serving Tung Chung and bus route no. E11 going to Hong Kong Island via Ying Tung Estate.

17. Mr Eric KWOK further enquired of the Bus Company and TD whether the cover of the bus stop in front of North Lantau Hospital could be extended, and also enquired of the Department whether bus bays would be built at the new bus stop at Ying Tung Road to facilitate the stopping of buses.

18. Mr Bill TANG said that many Tung Chung North residents who took E22S of Citybus would get off at Wong Tai Sin or Kwun Tong but they had to pay the full fare of \$24. He proposed the introduction of sectional fare to reduce public spending on transport. In addition, he enquired of TD when the bus service planning proposals would be implemented and hoped that it could provide a concrete timetable. He further enquired about the extra journey time needed for relevant bus routes (such as E22S of Citybus or E31 of Long Win) after the proposals were implemented.

19. Mr Gary TO made a consolidated response as follows:

- (a) With regard to Mr Eric KWOK's proposal of extending the cover of the bus stop in front of NLTH, the Department would discuss and follow up with the Bus Company. As for the proposal of bus bay at the Ying Tung Road section outside Ying Tung Estate, there was a bus bay at the location, which was already adequate for buses to stop.

- (b) With regard to Mr Holden CHOW's proposal of Tung Chung's overnight bus services, including the extension of bus route to Ying Tung Estate and increase in frequencies, the Department would from time to time review traffic needs and make adjustments in accordance with the population growth of Tung Chung. As for the 2017-18 Bus Route Planning Programme, the Department would explain in detail to Members the bus service arrangements in the ensuing year.
- (c) The service proposals contained in the paper mainly aimed at serving the transportation needs of Tung Chung North (including Ying Tung Estate) residents at present. According to information of Housing Department (HD), residents would move into Ying Tung Estate in the first quarter of 2017. After the opening of Ying Tung Road section, the proposals would be implemented as soon as possible.

20. Mr CHAN Tin-lung said that route no. 37M of Lantao Bus was operated at ten minutes' interval during the morning peak hours (from about 7:40 am to 8:40 am) departing from Tung Chung MTR Station. According to the Company's record, the bus route had yet reached the parameter for an increase in frequencies, i.e. patronage rate of 85% during peak hours and 100% every half hour. Recently, TD approved a change of service schedule and increase of frequencies during peak hours, starting from December 2016. In the long run, after the population intake of Ying Tung Estate, double-decker buses would be used gradually to run the route to raise the capacity. The Company would also closely monitor the changes in patronage rate and adjust frequencies as appropriate.

21. Mr Bill TANG again enquired about the proposal of sectional fare for route no. E22S of Citybus and the extra journey time needed after rerouting.

22. Mr Albert LEUNG said that initial estimation was that it would take five more minutes for route no. E22S to travel via Ying Tung Estate. However, the actual time needed would depend on the boarding and alighting of passengers after the official rerouting and the traffic conditions. With regard to the proposal of two-way section fare, at present the bus route passed through busy road sections in Kwun Tong and bus terminus with heavy pedestrian flow. With a high patronage, the introduction of section fare would affect the boarding and alighting procedure during the actual bus journey and the travel time, etc. apart from the complexity involving the Octopus set-up. As such, the Company would not consider the introduction of section fare at the moment. With regard to the proposal of Ms Sammi FU for rerouting route no. S56 for not passing Tung Chung MTR Station, the bus route was a relatively fast route from the Airport to Tung Chung MTR Station and some residents took the buses from Tung Chung MTR Station to Tung Chung North. As such, the Company at present would not reroute S56. The Company would closely monitor the passenger demand after the population intake of Tung Chung North and provide services that could best meet the demand during its annual bus route planning.

23. Mr Rayson LAW said that the proposed amended route of bus no. E31 of Long Win would travel via the bus terminus of Ying Tung Estate only after morning peak hours, thus the passengers travelling at peak hours would not be affected. The estimated extra journey time needed during the affected time slots would be about five minutes. However, the actual time needed would depend on the actual journey and the passenger demand after the route came into operation.

24. Mr FAN Chi-ping said that he once waited for route no. 38 bus during morning peak hours at the NLTH stop. Although several buses arrived, he could not get onboard. He proposed that the Bus Company consider reserving some seats on no. 38 buses departing from Yat Tung Estate for passengers boarding at NLTH, especially for those in need.

25. Mr WONG Wah responded that at present route no. 38X of Lantao Bus departing from Yung Yat House of Yat Tung Estate operated from 7:00 am to 8:30 am. It would travel to Tung Chung MTR Station via the bus stop at Chung Yan Road (south bound) outside NLTH at 6 to 8 minutes' interval. Route no. 37H would depart from NLTH to Tung Chung MTR Station via the bus stop at Chung Yan Road (south bound) outside NLTH. The two above-mentioned bus routes could also meet the needs of passengers travelling to Tung Chung MTR Station by route no. 38 bus during morning peak hours from that bus stop

(Mr WONG Shun-chuen arrived at about 2:15 pm, and Mr KWONG Koon-wan arrived at about 2:25 pm.)

III. Question on the traffic in New Development Area in Tung Chung North
(Paper T&TC 63/2016)

IV. Question on traffic in the Visionary
(Paper T&TC 69/2016)

26. The Chairman proposed that agenda items III and IV be discussed together as their contents were related. He welcomed Mr Gary TO, Senior Transport Officer/Islands and Mr Haywood LEE, Engineer/Islands 1 of TD to the meeting to respond to the questions.

27. As Mr Holden CHOW would arrive later, the Chairman presented the question in Paper T&TC 63/2016 on his behalf. Ms Sammi FU subsequently presented the question in Paper T&TC 69/2016.

28. Mr Haywood LEE said that according to the information of HD, the remaining section of Ying Tung Road in Area 56 Tung Chung would be completed before the population intake of Ying Tung Estate, and was expected to be open to full-sized buses in the first quarter of 2017.

29. Mr Gary TO said that to tie in with the completion of new housing estates in Areas 55 and 56 of Tung Chung, the bus service of Tung Chung North would be enhanced and the number of bus routes in the vicinity of Century Link, The Visionary and Ying Tung Estate would be increased correspondingly. As for the patronage of route no. 37M of Lantao Bus,

according to the information of 7 to 13 November 2016, the patronage of morning peak hours was 49% and that of the afternoon peak hours was 65%. The Bus Company was planning to introduce double-decker buses into route no. 37M, and coupling with other new bus routes, the demand of residents in the vicinity of Tung Chung North would be met. Recently, the Department turned down the application of the management company of The Visionary for the operation of residential coach service. The main reason was overlapping of residential coach service and existing bus routes. The Department opined that resources should focus on the planning of the services of franchised buses and residential coaches should only play a supplementary role. Thus the application for residential coach service would not be considered in the meantime.

30. Mr LAM Po-keung said that the location of the bus stop of route no. 37M of Lantao Bus and Citybus route no. S56 at Tung Chung MTR Station overlapped with each other, obstructing route no. 38 of Lantao Bus when pulling into and out of the stop. He enquired whether the Department would designate separate locations for the bus stops of 37M and S56, and he advised the Department to conduct on-site visit to understand the situation.

31. Mr Gary TO said that at present Tung Chung MTR Station was already very congested, and there might not be enough space for relocating bus stops of route nos. 37M and S56. The new bus stop nearby would be completed soon and was expected to come into operation in mid-2017. The Department could then consider the proposal and relocate bus stops.

32. Mr WONG Wah said that the existing service of Lantao Bus route no. 37M was adequate at present. Even if there was an increase in the number of passengers, it could cope with the demand. As such, the Bus Company opined that at the current stage, there was no need to increase the number of residential coaches.

VI. Special Helping Measures for six major outlying island ferry routes for the next three-year licence period 2017-20
(Paper T&TC 72/2016)

33. The Chairman welcomed Mr Philip HAR, Principal Assistant Secretary for Transport & Housing of Transport and Housing Bureau (THB), Ms Stella LEE, Assistant Commissioner/Management/Paratransit and Ms Fiona CHU, Senior Transport Officer/Planning/Ferry of TD to the meeting to present the paper.

34. Ms Fiona CHU presented the paper.

35. Ms Amy YUNG said that apart from the six major outlying island ferry routes, the paper mentioned that TD would consider extending the Special Helping Measures to the eight other outlying island ferry routes. As the Discovery Bay route came second in terms of passenger volume among the Islands District, she hoped that the Department would proactively consider including the ferry route in the scheme. While land transport was

available in Discovery Bay, the same applied to other areas (such as Mui Wo) that were included in the scheme. She queried that the Department treated the two areas differently.

36. Ms LEE Kwai-chun objected to the fare increases for the ferries. At present, there were many tourists going to Islands District especially Cheung Chau where the ferry services were outstripped by demand. Ferry operators, however, did not adjust or increase frequency timely to clear the passenger queue, which caused great inconvenience to residents of Cheung Chau. As the Government would provide subsidy for the six major outlying island ferry routes, she enquired why the two ferry operators still applied for fare increase which would increase the burden on residents. She reiterated that she strongly opposed to the ferry operators' applications for fare increases.

37. Mr Bill TANG said that he could not understand why there were still proposed fare increases against the backdrop that the Government had over the years used public money to subsidise public transport and that fuel prices remained at low levels at present. It was stated in paragraphs 14 and 15 of the paper that, with the provision of Government subsidy and fare increases, the projected profit margin for the two ferry operators would be 6%, which were at a reasonable or low level, and against this background, the Government hoped that the District Council would accept the applications for fare increases. He pointed out that the actual profit margin for the two ferry operators in the first three-year licence period (2011-2014) was about 7%, whereas the actual profit margins for the first eighteen months of the current licence period of the two ferry operators was about 7.5% and 13.5% respectively, reflecting that the profit margins of the two ferry operators for the past two years were satisfactory. He enquired how TD deduced that the future profit margin for the two ferry operators would fall, and if it was higher than expected, how the Government would handle the situation.

38. Mr Eric KWOK raised opinions as follows:

- (a) He was disappointed that TD failed to act as a gatekeeper for Islands District's residents. At present, fuel prices were falling, but ferry operators still applied for fare increases of around 4%. He did not agree with TD's view that the fare increases were on the low side.
- (b) At present, the fares of outlying island ferry services were already very high. Take Mui Wo ferry route as an example, the adult fare for a single journey for fast ferry service was \$29.9 on weekdays and \$42.9 on holidays; it would be \$31.3 and \$44.9 on weekdays and public holidays respectively after the proposed fare increases.
- (c) He opined that it seemed that it had become a practice that TD would approve fare increases during the discussion of licence extension with the ferry. In July 2014 when the fuel price was more than US\$100/barrel, TD approved fare increases of 5%. At present, fuel price was less than US\$62 a barrel, ferry operators still applied for fare increases. He opined that the Government should explain to the residents of Islands District instead of

making decisions behind closed doors. He also proposed that the Government should set up a fuel price stabilisation fund to offset the fuel price fluctuation.

- (d) Members and ferry operators had proposed many times that the Government should extend the licence period of ferry services. He opined that the difficult operating conditions of ferry services rooted in the licence period of only three years at maximum. He thus urged the Government to review the Ferry Services Ordinance (Cap.104) and extend the licence period to five or ten years in order to give a higher degree of certainty to ferry operators in operation.
- (e) Members had advised the Government many times to consider taking forward property development of Central Piers. At present, rental incomes of commercial concessions at the piers were minimal and insufficient to cover the cost of ferry operation. He opined that the piers' locations were supreme and the view was magnificent, he believed they could attract many investors. He hoped that the Government would seriously consider topside property development of the piers to increase non-fare box revenue.
- (f) With regard to environmental protection and air quality, he was concerned about the emissions exhausted by the vessels of the "Inter-islands" route and other ferries. He hoped that when ferry operators applied for fare increases, they would upgrade their ferries to reduce the impact on environment and air at the same time.

39. Ms Josephine TSANG said that the last fare increases were implemented in June 2014. There was a fuel price upsurge at that time, but then the prices stabilised in October of the same year and continued to fall afterwards. During the period, ferry operators did not reduce fare along with the fall in fuel prices. The Government now planned to provide more than \$400 million to subsidise the two ferry operators. She queried why the Government subsidised the ferry operators with such a large amount of public money and did not subsidise the transport expenses of the residents of Islands District directly. As for the new measure of subsidising ferry operators in their purchase of new vessels, she enquired how the vessels would be handled after the licence period expired and whether the Government would buy back the vessels. She urged the Government to prudently consider the application for fare increases and the implementation of new measures.

40. Mr KWONG Koon-wan raised opinions as follows:

- (a) He estimated that the rental income of the topside development of the piers would be enormous. Although the Government had submitted the funding application for the construction of additional floors of the piers and was rejected by the Legislative Council (LegCo), he hoped that the Government would resubmit the proposal for LegCo's deliberation as soon as possible in order to subsidise the operation of the ferries.

- (b) He said that if the revenue generated by fare increases was to offer a pay rise to frontline staff (such as sailors, engine operators), members of the public would find it easier to accept. He himself would also be pleased to accept the proposal for fare increases.
- (c) It was mentioned in the paper that a ferry operator planned to introduce two new vessels in the next licence period. He hoped that TD would provide more information. He welcomed ferry operators to implement a series of measures to enhance vessel facilities, including renovating cabins/seats. In addition, he was concerned about the locations where life jackets were stored. At present, most ordinary ferries stored life jackets in a storage box and he had pointed out many times that it was a risky arrangement. When accidents occurred, it might easily result in a chaos. He proposed that the practice of fast ferries of placing life jackets behind or under the seats to facilitate easier access should be adopted. He reiterated that when ferry operators renovated cabins in the next licence period, life jackets should be placed behind or under the seats in order to enhance safety.
- (d) The paper mentioned repeatedly the depreciation expenditure and the form of reimbursement but they were not clear. It was hoped that the Department would explain further and provide supplementary information. According to Annex III, the Government reimbursed ferry operators more than \$200 million for vessel maintenance and \$16 million for vessel-related depreciation. He enquired TD about the details of such expenditure. In addition, he enquired whether the Government would subsidised half the vessel price upon the ferry operators' procurement of new vessels, what would the upper limit of subsidy be and whether the vessels would be belong to ferry operators upon the expiry of the licence period.
- (e) Many Members of DC and LegCo proposed the lengthening the maximum licence period of ferry service so as to allow a longer period for ferry operators' investment. However, he opined that lengthening of the maximum licence period would give rise to other problems. In case the Government would plan to revoke the operators' licences as they could not provide proper service, and given it would be difficult to find other ferry operators in the market as a replacement, the Government might have to let the operators continue their operation, leaving the ferry services under de facto control of the operators.
- (f) He opined that the nature of service licence of Cheung Chau ferry route was of no substantial difference from a franchise because the pier and ferry route were used and operated by a single ferry operator. As far as he understood, the legislation stipulated that when the franchise was revoked, the assets could be temporarily taken over by the Government. He proposed that the above arrangement be incorporated into the terms of licence. He considered

that the supervision over the operators would be hard if the Government only extended the licence period without imposing penalties.

- (g) It was pointed out in paragraph 22 of the paper that it was considered undesirable for the Government to purchase vessels and outsource the service as ferry services would in effect become public services. He disagreed with the viewpoint because the Government would only own the assets and would not be involved in the operation. The operation of ferries would still be in the hand of operators. If the service was not being provided properly, the Government could replace them with other operators after a few years. The Government also had the right to take over and replace the management. He considered that under the present situation, even if the public was not satisfied with the service and the management, the Government had no good handle to intervene. He queried that the Department was only informing the Committee instead of soliciting its opinions. He hoped that the Government would formulate a long-term and comprehensive ferry policy.

41. Mr Randy YU raised opinions as follows:

- (a) He opined that the crux of the problem was that the Department had not fully applied the concept of sustainable development in its planning. Well-connected infrastructure (such as MTR and road network) was built to provide accessible transport service around most Hong Kong people's living place, but there were no roads connecting to quite a number of islands and people had to rely on ferry services. In addition, there was no other infrastructure connecting it to other places. Transportation was rather inconvenient for the residents. Although residents chose to reside on islands, they should not be deprived of the right to enjoy infrastructure as a citizen of Hong Kong.
- (b) Over the years, members had raised the proposals of topside development of the piers, establishing a fuel stabilisation fund and for the Government to purchase vessels. However, the Government had ignored the demands all along. As for the proposal of the Government to form the ferry fleet, TD only explained briefly in paragraph 22 of the paper why the Government considered the proposal undesirable. Members had explicitly said that if the Government had its own fleet, it would enjoy greater flexibility in looking for well-qualified ferry companies with better quality.
- (c) Under the terms of the existing licence, ferry operators were not franchised company and the Government could not take over ferry services as in the case of franchised ferry services. He said that when the three-year licence approached its expiry, Members would be informed of the proposal of fare increase. The fare increases requested this time were 4.7%. While it appeared to be lower than the inflation rate, fare increases had been accumulating over the years. Take South Lantau and Mui Wo as an

example, residents going to work or school in urban areas had to spend \$50 on transport. They could not enjoy Octopus interchange concessions in changing to other transport.

- (d) As for the topside development of piers, Members had raised the proposal many years before and consulted the representatives of the trade. The trade in general wished that accessibility of piers be enhanced and there would be footbridges connecting the piers in order to enhance pedestrian flow and encourage spending at the pier shops. However, the proposal had yet been realised. At present shops at piers sold mainly snacks and it was believed that rental return was not high. He considered that while the Government had to provide subsidy to ferry operators, members of the public did not benefit.
- (e) After consulting the Committee, the Government would submit funding application of \$410 million to the LegCo. He hoped that the Government could formulate long-term ferry policies that could bring about sustainable development in the future, so that residents of Islands District could really benefit.

42. Mr Ken WONG raised opinions as follows:

- (a) He opined that the Government would only be able to be freed from the control of ferry operators when the Government had its own fleet. At present, the Government proposed subsidising ferry operators to purchase new vessels, but the Government had no effective decision-making power over the ferry operation. Upon the expiry of licence period, the new vessels would belong to the ferry companies.
- (b) He said that compared with the resources allocated to land transport, the subsidy of \$410 million was not a large sum. He gave the example of the phasing out of Pre-euro IV diesel commercial vehicles by the Environment Bureau to illustrate how the Government spent large sum of money to encourage owners to replace their old cars. At present, many ferries still used old style engines and the cost of maintenance was high. He criticised the Environment Bureau for investing huge amounts of resources only on improving land transport, but offered no subsidy to ferries.
- (c) After the opening of Tung Chung Line, many visitors who went to Ngong Ping or Tai O would take MTR and then interchanged to bus instead of taking ferries. It was because the combined fare of MTR and bus was still cheaper than ferry fare and there would be no time constraints imposed by the ferry schedule. He said that the number of passengers of Mui Wo ferry route continued to decrease and it would not help even if the Government provided more subsidy. The population of Islands District continued to

decrease while ferry fares continued to rise. He urged the Government to think of solutions.

- (d) The Government restricted the development of South Lantau so as to turn it into a “backyard” of Hong Kong. Not only had it a small population, its tourist industry failed to flourish. As a result, passengers of relevant ferry routes decreased and he queried whether the helping measure was still effective.

43. Mr LOU Cheuk-wing raised opinions as follows:

- (a) Although Tai O had both waterborne and land transport, fare increases still had some impact on its residents. He took Mui Wo as example. After fare increases, the fare for fast ferry was \$31.3 on weekdays and \$44.9 on holidays, which was expensive. If transport cost continued to rise, not only would financial burden of residents be increased, the number of tourists and local economy would also be affected.
- (b) He did not agree with the Government using public money to subsidise ferry operators. He proposed that the Government should directly subsidise ferry fares, so that residents could get benefit.
- (c) Subsidy of the Government had risen from \$190 million to \$410 million, but there was still fare increases. He opined that it was unreasonable and thus he objected to the application for fare increases submitted by ferry operators. He proposed that the Government should consider granting franchise for ferry services to replace the existing licence, so that operators could have a longer investment period.
- (d) He agreed that topside development on piers should be pursued and the property should be leased to businesses such as restaurants. It was believed that a considerable amount of rent could be generated and could be used for subsidising ferry operation. The public demand for catering services could also be satisfied.

44. Mr CHOW Yuk-tong said that there would be opposition no matter the level of fare increase. The Government should formulate a long-term plan for ferry services. Members had many times proposed extending the licence period and hoped that the Government would conduct a review. In addition, topside development of piers could bring considerable revenue which could be used to cross-subsidise the operation of ferry service. Thus the Government should not overlook the development potential of piers. He hoped that the Government would consider the above two proposals.

45. Mr Philip HAR provided a consolidated response as follows:

Background

- (a) The operation of ferry services faced a number of difficulties, including increase in fuel prices and wage expense, as well as aging of crew members and that ferry operators had to raise the remuneration in order to keep staff. In addition, the business environment of ferry operation was difficult for ferry operators in general. It was difficult to attract new investors or operators to enter the market.
- (b) The Government had been implementing a number of regular helping measures for ferry routes. To maintain the financial viability of ferry services and stabilise fares, the Special Helping Measures (SHM) for the six major outlying island ferry routes had been introduced since 2011 for a period of three years each. The main reason was that apart from ferry services, there was no alternative public transport available or the land transport to urban areas was very circuitous.
- (c) The Government provided SHM in 2011 and 2014 respectively, each lasting for three years. In respect of the next three year licence period (2017-2020), there were opinions that the Government should consider and study extending the SHM to the other eight outlying island ferry routes. The Government would conduct in-depth study, including the respective operational environment and financial situation of the eight outlying island ferry routes. The expiry dates of the eight ferry routes varied. Study had to be conducted later on whether to package them or align their licence periods. He supplemented the Government had conducted interview with the operators of the remaining eight outlying island ferry routes. While there was no consensus at the moment, the operators had said that they were willing to give support to the review.

Fare

- (d) The Government acknowledged the objection of the residents of Islands District to fare increases. However, ferry operators did in fact encounter many difficulties in operation. If no SHM were provided, the ferry operators would have to increase fares by more than 30% in order to achieve breakeven. SHM served to subsidise passengers, not ferry operators. They would alleviate the burden of fare increase on passengers and maintain the financial viability of ferry services. The Government provided SHM in the amount of \$120 million and \$190 million in the first (2011-2014) and current (2014-2017) licence period respectively. It was proposed that a subsidy of \$410 million be provided for the following licence period (2017-2020). The amounts of subsidies on each passenger's fare during the three three-year licence periods were \$2, \$3.5 and \$7.6 respectively.

- (e) Except for ferries, the Government at present did not provide any SHM to any other public transport. It was impractical from a policy point of view, to only rely on Government subsidies in meeting the operators' escalating costs without fare increases. The Government saw that the level of fare increases (about 4%) in the next three-year licence period (2017-2020) was mild, when comparing with that (about 5% to 6%) of the existing licence period (2014-2017) with the composite consumer price index of the previous three years (about 7.4%). In addition, he reiterated that in the previous and the current three-year licence period, the ferry operators increased fares once in each licence period, not yearly.

Ferry services

- (f) TD had conducted face-to-face questionnaire onboard the Islands District ferries and found that 70% to 80% passengers were generally satisfied with ferry services with comments such as setting up monthly ticket passages and the type of vessel used in Peng Chau ferry route, which would be followed up by the Department pragmatically.
- (g) As a result of the difficult operational environment of ferry industry, there were only a few new investors or operators and competition was very limited. The Government had conducted an open tendering exercise in respect of the six major outlying island ferry routes and only two bids were submitted by the two existing operators. If the same was to be done for the following licence period (2017-2020), it was believed that not much would be changed. In addition, past experience revealed that ferry operators would usually request a substantial fare increase of 20% to 30%. Take the first three-year licence period (2011-2014) as an example, the selected operators originally requested a fare increase of more than 20%. After repeated negotiations between the Government and the ferry operators, the increase rates were lowered to approximately 10%.
- (h) Open tender would take 6 to 9 months, and the new investors might not be able to take over ferry routes in April and July of the following year. In addition, the public was generally satisfied with the performance of the two current ferry operators. The Government conducted consultation with the District Council and LegCo in April and May of the current year. It was proposed that the existing licences be extended to maintain the service of six ferry routes for another three-year period, and that direct negotiation be conducted with ferry operators. The proposal was supported by Members.

Extension of the licence period of ferry services

- (i) The Government would pro-actively study the proposal of lengthening the period of ferry licence, including the appropriate length of such licence (such

as 5, 10 or 15 years). Take the two inner harbour ferry routes of The Star Ferry Company, Limited (Star Ferry) as example, the franchise period approved by the Government was 10 years. In formulating the period of licence, the Government had to consider it together with the period of ferry franchise. If both periods coincided, consideration had to be made on the differences between ferry franchise and ferry licence. If the Government was to form its own vessel fleet and ferry operator was to assist in its operation, it would give rise to a contract between the Government and ferry operators and it was no longer a matter of licence period.

The remaining eight outlying ferry routes

- (j) The Government would study extending the SHM to other outlying island licensed ferry routes, including “Central - Discovery Bay” ferry route. It was mentioned in the paper that some ferry routes (such as Discovery Bay and Ma Wan ferry routes) were introduced to tie in with the residential project of the time. Thus the Government had to study in detail factors such as the legal responsibility of the ferry companies, the terms of contract signed with the ferry companies at the time, and the financial situation of the ferry companies.

Profit sharing mechanism

- (k) The Government was aware that, as a result of the fall in fuel prices, the profit margins of the two ferry operators in the first 18 months of the current licence period (2014-2017) were higher than the projection at the time of licence renewal. In the earlier mid-term review, the Government proposed the establishment of a profit sharing mechanism through which the operator would provide fare concessions and let passengers share the “windfall profits” on a 50:50 basis. The profit sharing mechanism would be applicable to the following licence period (2017-2020). The “windfall profits” earned in the first half of the licence period would be shared with passengers on a 50:50 basis in the second half of the licence period, whereas the “windfall profits” arising from the second half of the licence period would be shared with passengers on a 50:50 basis in the subsequent licence period.

Environmental protection measures

- (l) Environmental Protection Department (EPD) once subsidised five bus companies a total of \$180 million to purchase 36 environmentally friendly buses. He said that the prices of buses and ferries varied in that an electric bus cost about a few million whereas a 500-seater ferry could cost up to \$100 million. Thus there would be no meaningful direct comparison between them. He supplemented that Star Ferry had submitted an application to EPD for subsidy for vessel renovation (World Star), which was still at a trial

stage. Should there be new environmentally friendly policies for vessels in the future, the Bureau would explore them together with EPD.

Development of superstructure of piers

- (m) In 2013, the Government proposed the construction of additional floors on Central Piers Nos. 4, 5 and 6 for the provision of commercial concessions with a view to increasing rental income for cross-subsidisation of the operation of the six ferry routes. The proposal was submitted to Public Works Subcommittee under Finance Committee of LegCo but was rejected in mid-2013. The Department would re-examine the proposal later. He said that the increase in shop rental income from topside development of piers might not be able to fully cover the operational expenditure of ferry services. The Government might have to continue to provide subsidy to reduce the magnitude of fare increase.
- (n) Financial advisers had proposed that the Government commissioned an agent to manage the retail shops in Central Piers 4, 5 and 6 on behalf of ferry operators, so as to achieve financial viability. The Government opined that the proposal would involve many stakeholders and interests, and that the service charge of the agent would offset the rental return partially. At the end, subsidy still had to be provided to ferry operators/public. As such, the rental return from etopside development of the piers might not be able to effectively cover the operational expenditure of ferries.

Salary expenditure

- (o) Fuel costs and salary of staff represented about 70% of the operational expenditure of ferry operators. While the fuel price had fallen, the number of staff due to retire had increased. People who would join ferry industry decreased and thus operators had to increase the salary of staff to attract new blood. For example, the salary for frontline staff had increased by more than 10% in the previous year. Ferry operators estimated that in the following licence period, staff expenditure would exceed 40%.

Government purchase and manage its vessel fleet

- (p) The established policy for public transport was to let private organisations operate public transport services in accordance with commercial principles. All public transport services (including MTR, buses and taxis) operated under that principle. It would involve a large sum of public money for the Government to purchase vessels and manage its own fleet and then outsource the service. In that case, ferry service would become a public service and thus the Government had to be prudent in studying the proposal.

46. Ms YU Lai-fan raised opinions as follows:

- (a) She opined that non-fare box revenue was very important to ferry operators and it could alleviate the pressure to increase fare. The location of Central Piers Nos. 4, 5 and 6 was supreme but they were vacant for a long time. Its management involved many departments (such as TD and Government Property Agency) and as such there was much constraint in its tenancy. For example, it could not be rented to commercial offices, and it posed restriction on the mode of sale. If the Government could relax the restriction on terms of tenancy, it was believed that more investors could be attracted.
- (b) She said that the public objected to increase of ferry fares. At present, ferry fares of Islands District were expensive. While members actively promoted tourism of Islands District, the increase in ferry fares put tourists off. She urged the Government to conduct review on relevant situation.
- (c) The operating environment of the ferry industry was difficult and it was a diminishing industry. Many kaito ships had been in use for more than 50 years, and she hoped that the Government would provide assistance or subsidy to kaitos so as to improve safety of the vessels. She opined that safety and facilities of many piers (such as Cheung Chau, Mui Wo and Lamma Island) of Islands District should be improved. Take the pier of Lamma Island as example, there was no toilet facilities for many years. She hoped that the Government would commence the construction work of toilets in the pier as soon as possible to improve hygiene.

47. Mr KWONG Koon-wan raised opinions as follows:

- (a) He enquired information of new vessels to be purchased by ferry operators, and whether the \$241 million and \$16 million as contained in paragraphs (d) and (e) of Annex III were one and the same sum of money. TD had received 193 complaints about ferry services in the first operational year (from mid-2014 to mid-2015) of the existing three-year licence period. He enquired how many of those complaints involved “Central - Cheung Chau” route.
- (b) The results obtained by surveys conducted by private agency commissioned by the Government varied greatly with those obtained by those conducted by the people themselves. According to passenger opinion survey conducted by TD in December 2015, 89% of respondents had expressed “very satisfied”, “satisfied” or “proper” about the “Central - Cheung Chau” ferry service. However, there was no explanation about the remaining 11%. He enquired that apart from the above three options (very satisfied/satisfied/proper), was there any other options for respondents to choose from.

- (c) The capital investment on ferry service was very high. If the Government formed its own fleet, it could lower the threshold of joining the industry. He believed that more investors would be attracted to join in competition and tendering, including ferry companies with experience in operating ferry routes, or even small and medium enterprises.

48. Mr LAM Po-keung enquired after the purchase of the two new vessels, whether carrying capacity could be increased and whether extra trips could be provided during peak hours to ease the passenger flow. He also enquired whether substantial assistance could be brought about to the operation of ferry operators.

49. Mr WONG Fuk-kan raised opinions as follows:

- (a) It was mentioned in paragraph 18 of the paper that according to the Ferry Services Ordinance (Cap. 104), the longest licence period for ferry services should not exceed three years, and that the licence could be renewed once or more with a total period of not more than 10 years. He opined that the three-year licence period would hinder ferry operators in making long-term planning. The Government said that it would study the amendment of the ordinance in the following mid-term review and extend the licence period. He proposed that the licence period should be extended to ten years, so that ferry operators could have more time to make long-term investment and formulate a long-term planning. He also hoped that the Government would once again review the proposal of topside development of Central Piers Nos. 4, 5 and 6.
- (b) Take Mui Wo ferry route as example. The fare for adult single journey fast ferry during weekdays was \$29.9. After the fare increase, it would be \$31.3 and even more expensive on holidays. The Government had all along encouraged the development of tourism in Islands District, but additional charge was levied on holidays. The practice did not make sense.
- (c) Many people took kaitos to travel between islands in the District (such as from Mui Wo to Discovery Bay and from Tai O to Tung Chung), but kaito service was infrequent. The Government provided subsidy to major ferry operators, but not small operators. He hoped that the Government would provide funding to subsidise the operation of kaitos. The industry of kaitos had been declining and vessels were old. If no subsidies were provided by the Government, it would be difficult for the industry to continue its operation.

50. Ms Josephine TSANG enquired how the amount of subsidies for ferry operators for purchasing new vessels was projected, and after the expiry of the licence period, how the new vessels would be disposed. According to a ferry passenger survey conducted by the Government on the six major outlying island ferry routes, most passengers were satisfied with

the service provided by the operators. She enquired whether the targets were residents of Islands District or tourists, because opinions of the two varied greatly.

51. Mr Philip HAR made a consolidated response as follows:

Increase of non-fare box revenue

- (a) He acknowledged Members' wish that the Government could assist ferry operators to increase non-fare box revenue in order to maintain the financial viability of ferry services. The Government had all along encouraged ferry operators (regardless of franchise or licensed ferry service providers) to increase non-fare box revenue so as to cross-subsidise ferry operation. He gave the example that apart from shop rental income, ferry operator (such as Star Ferry) would rent out the roof top of the pier to organisers as observation deck during festives' fireworks display.

Installation of toilets at piers

- (b) He explained that ancillary facilities such as water and electricity supply and sewerage facilities were not provided at certain piers, thus installation of toilets would be difficult. However, the Government would continue to explore its feasibility.

Vessel related subsidies

- (c) The \$241 million of vessel maintenance fees shown in item (d) and \$16 million of depreciation charges in item (e) of Annex III of the paper were two separate sums. Ferry operators could make use of the \$241 million during the three-year licence period to cover the vessel maintenance cost and the reimbursement would be based on actual expenses of the item. The funding could also be used to cover the cost of vessel surveys carried out at shipyards and replacement of major spare parts of vessels.
- (d) The \$16 million for reimbursement of depreciation expenditure were provided to ferry operators mainly for procurement of new vessels. According to the information provided by the ferry operators, a new 500-seat vessel would cost about \$100 million, whereas a new 700-seat vessel would cost about \$120 million. For a \$100 million vessel, the depreciation expenditure in a 15-year depreciation period would be \$6.6 million annually. If the Government subsidised half of that sum (about \$3.3 million), the amount of subsidy for the three-year licence period would be more than \$10 million.
- (e) The Government planned to introduce a new item in the following three-year licence period to provide subsidy for the depreciation expenditure of vessels and to encourage ferry operators to purchase new vessels. The Government

opined that it would be more appropriate that the ownership of the vessels be vested in the operators upon expiry of the licence period. Environmental Protection Department had similar experience in the past in providing subsidy to bus company to purchase environmentally friendly buses. EPD set up the Pilot Green Transport Fund under which a subsidy of 50% of the vehicle price would be provided to vehicles which used alternative fuels and the vehicle would belong to the operator at the end.

The Government forming its own ferry fleet

- (f) The Government noted the proposal of the Government forming its own ferry fleet so as to lower the entry requirement and attract new operators. He explained that the greatest difficulty facing the ferry business was not capital investment but its day-to-day operational expenses. The SHM provided by the Government was basically subsidising the daily operating costs of ferry operators.

Tourism development

- (g) The Government had actively promoted tourism of Islands District and had provided subsidy to ferry operators under the “Visiting Scheme to Outlying Islands”. On the other hand, the Islands community had expressed that there were too many visitors visiting the islands during holidays.

52. Ms Stella LEE made a consolidated response as follows:

- (a) The two new vessels respectively ran the “Central - Yung Shue Wan” route and “Central - Peng Chau” route. According to the information of ferry operators, the new vessel for “Central - Yung Shue Wan” route was used as a spare vessel while a vessel was out of service for maintenance, whereas the one for “Central - Peng Chau” route was used to replace an existing vessel.
- (b) As for the enquiry raised by Mr KWONG Koon-wan about the details of 193 complaints about ferry services, the Department had no information at hand and would provide it after the meeting.

(Post-meeting note: On 24 November 2016, TD made a reply in the form of email to Mr KWONG Koon-wan about the details of 193 complaints on ferry services, of which 104 complaints involved the ferry service between Central and Cheung Chau.)

- (c) In 2015, the Government commissioned a consultant to conduct a passenger opinion survey on ferry services. The survey was conducted in the form of face-to-face interviews on vessels. Passengers surveyed were chosen by the consultant based on passengers’ combination of each route in two separate

pre-set stages though sampling on different levels. The number of samples in the first level of sampling was set in accordance with the proportion of passengers in fast and ordinary ferries, deluxe and ordinary class of ordinary ferries, outgoing and returning trips and at different times. Passengers were interviewed according to their seats randomly chosen beforehand. In the second stage, the interviewee had to clearly respond to whether he or she took the relevant route at least three weekdays per week. If the passenger took the route less than three days per week, he or she would not be included in the sampling so as to ensure the interviewees were regular passengers. A total of more than 3 000 passengers were interviewed and more than 2 000 questionnaires were completed. The rate of responding was over 60%.

53. Mr KWONG Koon-wan proposed that university should be commissioned to conduct the survey. He opined that the results of survey conducted by universities were fairer and had higher referential values than those conducted by private companies. He reiterated that he hoped the Government would have its own fleet so as to attract more shipping companies to take part in tendering and hence increase competition. In the meantime, the Government needed not abolish the SHM for the sustainability of ferry services.

54. Ms Anthea CHAU said that when New World First Ferry Services Limited (First Ferry) submitted the application for licence renewal to the Government, it had submitted data of staff salary to show that the pay rise focused on frontline workers instead of the management staff. She supplemented that in the existing and the following applications for three-year licence renewal, First Ferry did not propose a fare increase of 20% to 30%.

55. Ms YU Lai-fan enquired how the Transport and Housing Bureau would resolve the inadequate service of Cheung Chau ferry route, since both new vessels would not serve Cheung Chau.

56. Mr Holden CHOW said that the Government had all along said that it was difficult to look for companies who were interested in running ferry services. He proposed that the Government should disseminate information about the SHM to the market, so as to attract other interested companies to join in the tendering exercise. In addition, he hoped that the Government would consider incorporating a new clause in the licence when it conducted the following tender exercise for the new licence, requiring the contractor to provide adequate number of vessels in order to resolve the long-standing issue of inadequate service of Cheung Chau ferry route.

57. Ms Amy YUNG said that the representative of First Ferry said that in its application for licence extension, the company did not request a 20% to 30% fare increase. She enquired how the Transport and Housing Bureau acquired the data. If other ferry companies did not raise such request but the Government generalised the percentage increase, then the community at large would be misled into thinking that the whole ferry industry was requesting a rise of 20% to 30%.

58. Mr Philip HAR made a consolidated response as follows:

Cheung Chau ferry Service

- (a) Since 2015, TD had collected data on the patronage for Cheung Chau bound during long holidays or special festivals (such as Easter holidays or Bun Festival) every year. Relevant data revealed that departing from Cheung Chau to Central during the most peak period, if one could not board the current vessel during the peak period, he or she would be able to board the next one. In addition, the Department recently consulted the community on the monthly ticket passages for Cheung Chau ferry route and the proposal was supported. After implementation of the proposal, timely review could be conducted in respect of its effectiveness.

Small number of service providers

- (b) When the Government conducted open tender for ferry service licence in 2011, the market noted the provision of SHM but at the end only two ferry operators took part in the tender exercise. From 2011 to the present, it was believed that there was adequate time for the market to respond. Unfortunately, as a result of the difficulties facing the ferry industry, not many new ferry operators were willing to enter the market.
- (c) According to the Ferry Services Ordinance (Cap. 104), if there were two or more operators who showed interest in operating the same ferry route, the Commissioner for Transport had to arrange an open tender.

Rate of fare increases

- (d) In applying for licence renewal for the current and following licence periods, the two ferry operators had requested for double-digit fare increases. The paper also mentioned that when applying for licence extension of the following licence period, the two ferry operators had requested for about a 10% fare increases. After repeated discussions with the operators, the Government was able to reduce the rate of increase to about 4%.
- (e) Past tendering experience revealed that ferry operators would usually request for hefty increases. Take the open tender of 2011 as example, tenderer proposed via the tendering document a fare increase of about 22% to 55%. It was after a series of negotiations and the provision of the SHM that the average rate of fare increase was lowered to around 10%.
- (f) Finally, he invited Members to endorse the paper.

59. Ms LEE Kwai-chun requested that a conditional endorsement be given. She hoped that while the Government approved the fare increases, it should ensure that the operators would provide adequate ferry services for residents of Islands District.

60. The Vice-Chairman Mr CHEUNG Fu said that reasonable rates of fare increases would enable the continuation of ferry services. He supported the proposal in principle but urged the Government to expeditiously implement the monthly ticket passages of Cheung Chau ferry route for the interest of the locals.

61. Ms Amy YUNG supported the paper conditionally and hoped to include an additional clause. She requested that the Transport and Housing Bureau and TD should consider extending the SHM to the eight remaining outlying island ferry routes the soonest possible, or other residents could not get benefit from the subsidy of the Government.

62. Mr Eric KWOK had reservation about the endorsement of the paper. At present, the fuel prices were relatively low and it was unreasonable for the Government to allow the ferry operators to increase fare.

63. Mr Randy YU said that while the Government provided subsidy for ferry operators and introduced new subsidy items to attract other service providers, it was to no avail. In fact, the number of tenderers taking part in the previous few tender exercises was few. Members could only endorse the paper conditionally. He proposed that the Government should pro-actively consider developing the topside of the piers to increase rental income, establish the fuel stabilisation fund to lower the risk of oil prices and to allow ferry operators to strengthen their financial capability so as to reduce the magnitude of fare increase. Furthermore, he proposed that the Government should form its own fleet to allow new service providers to enter the market without investing in vessels. He urged the Government to take into account the above proposals and put them into practice as soon as possible. He also urged the Government to make good use of the remaining time to formulate a holistic and long-term plan for ferry services.

64. Mr KWONG Koon-wan said that he conditionally supported the paper but hoped that departments concerned would as soon as possible meet and jointly discuss with ferry operators on how to improve services. The issue had been dragged on for many years and he hoped that a solution would be arrived at the soonest possible.

65. Mr WONG Fuk-kan enquired whether the public hearings organised by LegCo in respect of the current issue would be held in various areas of the Islands District.

66. Mr Philip HAR said that after the meeting on 18 November 2016, LegCo Panel on Transport decided to hold a public hearing in respect of the current issue in order to collect public opinions. The public hearing would be held in form of special meeting and would be open to the public. Anyone interested in attending the meeting could register online through the LegCo website.

67. The Chairman said that members unanimously and conditionally endorsed the paper. He hoped that government departments would study and consider opinions raised by Members.

(Mr Holden CHOW arrived at about 4:20 pm; Mr Ken WONG and Mr Randy YU left at about 3:50 pm and 4:50 pm respectively.)

VII. Question on making public the financial statistics about the ferry operation and subsidies
(Paper T&TC 64/2016)

68. The Chairman welcomed Ms Fiona CHU, Senior Transport Officer/Planning/Ferry 2 of TD to the meeting to respond to the question.

69. Mr KWONG Koon-wan briefly presented the question.

70. Ms Fiona CHU said that Members hoped that the Transport Department (TD) would provide them with data such as operational revenue and expenditure and statement of assets and liability. However, the TD would not be able to make public the relevant information which was commercially sensitive. At the special meetings of the Finance Committee of LegCo, the TD had made public the reimbursement figures of various routes of First Ferry under the Special Helping Measures (SHM) and the relevant information had been uploaded onto the LegCo website. If it was necessary, the Department could download this information and related it to Members after the meeting.

71. Mr KWONG Koon-wan enquired whether the information uploaded included all six ferry routes of the two ferry operators under the SHM, or information of subsidy provided to individual ferry route or ferry operator.

72. Ms Fiona CHU said that the relevant information contained the amount of subsidies for each SHM item of individual ferry routes. The information had been made public during the LegCo Finance Committee meeting and could be downloaded from the LegCo website.

73. Mr KWONG Koon-wan said that under the SHM, the two ferry operators were given much subsidies. However, there was not clear operational and subsidy data. He hoped that the Government would make public the information, such as staff salary expenditure, maintenance and operational costs, so as to enhance transparency. This would enable members of the public to have objective indicators to determine whether ferry operators were suitable service providers.

74. Ms Fiona CHU said that vessel maintenance expenditure had been contained in the information of the SHM mentioned previously. The existing SHM did not cover staff cost and as the information was commercially sensitive, the Department could not disclose it.

(Post-meeting note: After the meeting, TD passed on the relevant information of the special meeting of the Finance Committee of LegCo to Mr KWONG Koon-wan for reference.)

VIII. Question on request for re-implementation of fare discount programme for interchange between ferry and MTR
(Paper T&TC 58/2016)

75. The Chairman said that MTR was not able to arrange representative to attend the meeting and a written reply had been distributed to Members before the meeting for perusal.

76. Ms LEE Kwai-chun briefly presented the question and gave opinions about the written reply. She requested MTR to reintroduce the interchange concession of \$1.5 for passengers of outlying island ferry changing to MTR, so as to alleviate the transportation costs of residents of Islands District. Since residents of other districts could benefit, there was no reason why residents of Islands District could not enjoy the same treatment. She felt very helpless about the reply given by MTR.

(Mr FAN Chi-ping left at about 5:00 pm)

IX. Question on request for installation of concrete divider at Sai Tai Road, Cheung Chau
(Paper T&TC 59/2016)

77. The Chairman welcomed Mr Haywood LEE, Engineer/Islands 1 of TD and Ms LEUNG Chiu-mei, District Engineer/Islands of Highways Department (HyD) to the meeting to respond to the question.

78. Mr KWONG Koon-wan briefly presented the question.

79. Ms LEUNG Chiu-mei explained that installation of concrete divider did not comply with existing standard of HyD. According to standard of HyD, railings or bollards were used to separate pedestrians and cyclists. As sometimes railings would be used for bicycle parking, the Department advised that bollards be installed at Sai Tai Road to enhance road safety.

80. Mr KWONG Koon-wan hoped that the Department would explain in detail the proposal of bollards, including their actual height and width and the space they occupied, etc.

81. Ms LEUNG Chiu-mei said that after the meeting, the Department would provide the picture of bollards to Members and on-site visit would be arranged for Members in order to have an actual understanding of the situation.

(Post-meeting note: Pictures of bollards were sent to Mr KWONG Koon-wan after the meeting.)

X. Question on the barrier gate of No.2 Yat Tung Estate Car Park
(Paper T&TC 60/2016)

82. The Chairman welcomed Mr Haywood LEE, Engineer/Islands 1 of TD to the meeting to respond to the question. HD and “Link REIT” (the Link) were not able to arrange representative to attend the meeting. Their written replies had been distributed to Members before the meeting for perusal.

83. Mr LAM Po-keung briefly presented the question.

84. Mr Haywood LEE said that the written replies of HD and the Link had clearly stated the ownership and management of the barrier gate of No.2 Yat Tung Estate Car Park and the adjoining road and roundabout. On 17 November 2016, (Thursday) TD and many Members had conducted on-site visit to study ways to improve the use of the gate to reduce the failure rate. If the Link planned to relocate the gate, the Department would be pleased to give advice on traffic engineering.

85. Mr LAM Po-keung enquired whether the gate of No.3 Yat Tung Estate Car Park would be open and how the issues of safety be addressed.

86. Mr Bill TANG enquired whether pedestrian safety and the nearby traffic be affected if the gate of No.2 Yat Tung Estate Car Park was relocated to the slope at the Car Park. In addition, he enquired that after the opening of No.3 Car Park, when would the slope be open to vehicles and whether roads nearby and traffic safety be affected. He hoped that TD and the Link would liaise closely to address the above matters.

87. Mr Haywood LEE said that according to the reply of the Link, at present No.2 and No.3 Yat Tung Estate Car Park shared the same entry and exit. In planning and designing the location of entry and exit, TD would take into account many factors, such as traffic and road situation and whether the location of entry and exit was appropriate and safe, etc. As to whether the Link would open the entry and exit of No.3 Car Park and what the relevant timetable was, the Department would communicate with the Link closely.

XI. Follow-up on question on outside vehicles in Discovery Bay
(Paper T&TC 61/2016)

88. The Chairman welcomed Mr Gary TO, Senior Transport Officer/Islands of TD, Mr CHAN Chiu-fai, District Operations Officer (Lantau), Hong Kong Police Force, Ms LEUNG Chiu-mei, District Engineer/Islands of HyD and Peter TSANG, Senior Manager-Transportation of Discovery Bay Tunnel Corporation Limited to the meeting to respond to the question. Discovery Bay Transit Services Limited was not able to arrange representative to attend the meeting and the relevant written reply had been distributed to Members before the meeting for their perusal.

89. Ms Amy YUNG briefly presented the question.

90. Mr Gary TO made a consolidated reply as follows:

- (a) Based on the pictures provided by Ms Amy YUNG earlier, the Department obtained information of 13 vehicles that entered Discovery Bay, and most of them were light goods vehicles. He provided information of four vehicles: two were light passenger-goods vehicles which entered Discovery Bay for goods delivery or carrying out renovation works; the other two were private vehicles which were police cars and security vehicles of Discovery Bay respectively.
- (b) As for the proposal of installing CCTV at the entry of the tunnel, TD would consider installing CCTV under the four circumstances as follows: the first was regional traffic control system. CCTV was installed at areas controlled by traffic light system (such as junctions with traffic lights) to smooth traffic flow and assist drivers or road users. The second was traffic control and surveillance system. CCTV systems were found in most tunnels and their administration areas (including Discovery Bay Tunnel), mainly for monitoring traffic control inside tunnels, such as CCTV, automatic vehicle detection and lane control signals for traffic management. The third was the CCTV on the internet. The Department would install CCTV at strategic locations for taking contingency measures. And the fourth, Traffic and Incident Management System. The aims were to handle traffic accidents effectively and provide information to the public. As there was CCTV at Discovery Bay Tunnel and another CCTV at North Lantau Highway monitoring the traffic between North Lantau and Siu Ho Wan, TD did not recommend the installation of another CCTV at the entrance of the tunnel.
- (c) Discovery Bay Tunnel was privately constructed and owned. The Department would check the cleanliness, lighting, traffic signs, rescue vehicles and number of staff of the tunnel regularly to ensure safety.
- (d) Regarding the staff of the tunnel and maintenance vehicles, the Tunnel Company would respond to the enquiry in due course.

91. Mr Peter TSANG said that the Discovery bay Tunnel was opened in 2000. The Company had all along strictly complied with the tunnels ordinance and relevant legislations in its operation. There were a number of electronic recording equipment at the control centre of the tunnel. There was a register system and CCTV at the toll plaza. Field staff would regularly conduct patrol to the tunnel and nearby roads in order to conduct strict surveillance on vehicles and to ensure that only permitted cars could enter Discovery Bay through the Tunnel. To his knowledge, Tunnels Monitoring Team of TD would conduct irregular inspection on operation of tunnels to ensure that tunnels were used only by specially permitted vehicles. The Tunnel Company had all along maintained close co-operation with TD and would tie in with the Department to provide relevant information. The number of

staff and maintenance vehicles was sensitive information that would involve deployment of internal resources and thus could not be revealed. He reiterated that the Tunnel operated around the clock and the Company would ensure that there would be adequate manpower and vehicles to maintain its smooth operation.

92. Ms Amy YUNG raised opinions as follows:

- (a) She appreciated the explanation of TD and the Tunnel Company. However, the biggest problem was Discovery Bay was a private place and the tunnel was not long enough to accommodate too many vehicles.
- (b) She received complaints from residents frequently that there were some vehicles in Discovery Bay that seemed to enjoy special privileges and they could enter or leave Discovery Bay at will. She was doubtful whether these were the specially permitted vehicles referred to by the legislation. While it was stipulated in the Ordinance that transport vehicles delivering goods could enter the Tunnel, she hoped that outsiders would not mistake that as long as one was driving light goods vehicle, he or she could enter Discovery Bay for non-transport purposes at will.
- (c) Discovery Bay Management Company (Management Company) was responsible for issuing licence to vehicles and monitoring vehicles operating in the area. However, she discovered that both the licence controllers and users were members of the same group. She could not fully understand the reason for the refusal of the representative of the Tunnel Company to reveal sensitive information. It was because when she was patrolling the housing estate, she found private cars parking in the private car parks of Discovery Bay's directors. There were light goods vehicles not for delivery purpose parked in front of Management Company for a long period of time. There were also vehicles bearing both Hong Kong's and China's licence plates. She was suspicious that these vehicles were not specially permitted vehicles and had entered the area illegally. She urged TD to step up control to avoid members of the same group from controlling and monitoring each other. She would later pass on to TD the short films and photographs taken by residents of suspected offending vehicles.
- (d) She pointed out that in the past there was "CID" vehicle of the Police picking up staff, Management Company and security company staff to go to ball games, which was blatantly in violation of the tunnel ordinance. She hoped that the Police would set an example to avoid the same from happening again.

93. Mr CHAN Chiu-fai would like to explain the incident of "CID" vehicle entering Discovery Bay to conduct ball games. It was a community activity of the Police that occurred two years before. After the activity, the Police had conducted in-depth review and no similar incident occurred again. The police vehicle mentioned by the representative of

TD previously was civilian vehicles with no police signs (“CID” cars). All along, the Police maintained strict control over the use of vehicles. It would continue to monitor governmental vehicles to avoid public misunderstanding. As for law enforcement, from November 2015 to October 2016, the Police received about 50 complaints of outside vehicles entering Discovery Bay. The Police would carry out law enforcement according to legislations of driving in restricted areas and disobeying traffic signs. The above complaints were mainly reported by Management Company which witnessed the incidents. If they were indeed violations, the Police would initiate prosecutions. Information revealed that violation by taxis was more commonplace. The main reason was drivers were not familiar with Discovery Bay area or they carried passengers. There were also cases in which bus drivers entered Discovery Bay by mistake because they were unfamiliar with roads of the area. In the previous year, the Police had prosecuted 53 vehicles.

(Mr KWONG Koon-wan left at about 5:20 pm.)

XII. Question on road safety in North Lantau Highway
(Paper T&TC 62/2016)

94. The Chairman welcomed Ms LEUNG Chiu-mei, District Engineer/Islands of HyD, Mr Gary TO, Senior Transport Officer/Islands and Mr Haywood LEE, Engineer/Islands 1 of TD to the meeting to respond to the question.

95. Mr Holden CHOW briefly presented the question.

96. Ms LEUNG Chiu-mei said that “Tuen Mun-Chek Lap Kok Link-Southern Connection Viaducts” works were at full swing. To tie in with the construction of viaducts on land and the steep slopes of relevant roads, the contractors would in various stages implement temporary traffic measures at North Lantau Highway and Cheung Tung Road. The works areas would be enclosed to ensure the safety of roads users and engineering staff. She supplemented that the premises of all temporary traffic measures would be ensuring road safety and minimisation of impact on existing traffic, including avoiding their implementation during the morning and evening peak hours. In addition, the works item had set up a traffic management liaison group. Relevant departments, on-site engineer and contractor would study in detail the temporary traffic measures. Community consultation would be conducted appropriately before the proposals were implemented. During the implementation of temporary traffic measures, HyD and on-site engineer would closely monitor the traffic situation. Emergency and improvement measures would be implemented as and when necessary.

97. Mr Haywood LEE said that to tie in with the development of Tung Chung and the opening of Hong Kong-Zhuhai-Macao Bridge, TD conducted planning on the overall transportation network to cope with the increasing vehicular flow, which would include Tuen Mun-Chek Lap Kok Link-Southern and Northern Connections and the link road to Hong Kong International Airport. Vehicles traveling between the Airport and Hong Kong Boundary Crossing Facilities of Hong Kong-Zhuhai-Macao Bridge and the urban areas could

use these link roads directly without using North Lantau Highway. TD would closely monitor the traffic situation and would adopt suitable measures to ease traffic flow. In addition, THB and other relevant policy bureaux and departments would co-ordinate various development proposals and relevant study and researches to provide the best possible transportation infrastructure to tie in with the development of Lantau Island. With regard to public transport, the Department would, after the opening of Hong Kong-Zhuhai-Macao Bridge, closely monitor the carrying capacity of franchise buses and minibuses travelling from and to Hong Kong Boundary Crossing Facilities, and to demand that the bus companies and minibus companies should formulate emergency measures and set aside adequate manpower and backup vehicles to ease passengers flow in case of sudden increase in number of passengers.

98. Mr Holden CHOW was concerned of the safety of North Lantau Highway. He hoped that HyD would formulate more specific measures to enhance road management and prevent accidents. In addition, according to TD's information about public transport service after the opening of Hong Kong-Zhuhai-Macao Bridge, franchise buses would travel through North Lantau Highway to Hong Kong Boundary Crossing Facilities and that the new minibus route would only travel between MTR Tung Chung Station and Hong Kong Boundary Crossing Facilities. As the demand for traffic would increase greatly after the opening of Hong Kong-Zhuhai-Macao Bridge, he proposed the Department to consider the provision of minibus route traveling between Airport Island and Tung Chung town centre. That could ease the flow of passengers and the vehicular flow of North Lantau Highway.

99. Ms LEUNG Chiu-mei reiterated that when works were carried out on Tuen Mun-Chek Lap Kok Link, apart from implementing temporary traffic measures, HyD and on-site engineer would closely monitor traffic situation and would take contingency measures in case of emergency. Furthermore, the Department would conduct review to ascertain any direct connection between temporary traffic measures and the increase in accidents.

100. Mr Holden CHOW opined that after the implementation of temporary traffic measures, the number of accidents at North Lantau Highways had in fact increased. He urged the departments concerned to study the causes of accidents and make improvement as soon as possible and enhance road safety.

(Mr Holden CHOW left at about 5:30 pm.)

XIII. Question on traffic after commissioning of the Hong Kong-Zhuhai-Macao Bridge (Paper T&TC 65/2016)

101. The Chairman welcomed Mr KWAN Wing-hong, Senior Engineer 10/HZMB and Mr PANG Chi-chiu, Senior Engineer 9/HZMB of HyD, as well as Mr Haywood LEE, Engineer/Islands 1 of TD to the meeting to respond to the question.

102. Mr Bill TANG briefly presented the question.

103. Mr PANG Chi-chiu said that Tuen Mun-Chek Lap Kok Link was divided into Southern Connection and Northern Connection. Southern Connection linked with North Lantau Highway and Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities, whereas the Northern Connection linked with Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities and Tuen Mun South. The anticipated time of completion of Southern Connection would tie in with that of Hong Kong-Zhuhai-Macao Bridge. The Northern Connection was anticipated to be completed at the end of 2018. However, as a result of technical difficulties, its schedule at present faced huge pressure and it was believed that it would be not able to be completed on schedule. HyD was at present closely monitoring its progress and endeavouring to overcome the technical difficulties in order to make up for the time lost. The Department was also conducting a comprehensive review of the date of commissioning.

104. Mr Eric KWOK said that he had mentioned the issue of left/right hand drive many times, but the Government had yet studied the issue. He enquired how the Government would address the issue.

105. Mr Bill TANG enquired about the actual date of opening of the Southern Connection and Northern Connection of Tuen Mun-Chek Lap Kok Link. If the opening could not be materialized as scheduled, would vehicles have to go through airport roads and Tung Chung town centre. He hoped that the Department would explain in detail.

106. The Vice-Chairman Mr CHEUNG Fu enquired whether the opening of Southern Connection and Northern Connection of Tuen Mun-Chek Lap Kok Link would tie in with that of Hong Kong-Zhuhai-Macao Bridge, or whether they would be opened one after another.

107. Mr PANG Chi-chiu said that the original completion date of Southern Connection could tie in with that of Hong Kong-Zhuhai-Macao Bridge. The Northern Connection was scheduled to be completed at the end of 2018 but it was believed that it could not be completed in time. The Department was conducting an overall review on the date of opening to traffic of the project.

108. Mr Bill TANG reiterated that if Tuen Mun-Chek Lap Kok Link Connections could not be open to traffic as scheduled and vehicles had to pass through airport roads and Tung Chung town centre, traffic in Tung Chung would become more congested.

109. Mr Haywood LEE said that he did not have information of left/right hand drive at hand. He would communicate with colleagues concerned to relate the relevant information to Mr Eric KWOK. If after the opening to traffic of Hong Kong-Zhuhai-Macao Bridge, Tuen Mun-Chek Lap Kok Link Connections could not be open to traffic as scheduled, vehicles traveling between Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities and the urban areas and the New Territories could travel through existing roads near the Airport, including East Coast Road, Airport Road and North Lantau Highway. They did not have to drive past Tung Chung town centre.

110. The Vice-Chairman Mr CHEUNG Fu said that if all vehicles drove through Airport roads, the traffic load there would increase substantially. He hoped that TD would review the situation. In addition, he was concerned that after the opening of Hong Kong-Zhuhai-Macao Bridge, there would be impact on the Airport and nearby roads. He hoped that the departments concerned would holistically consider the matter to avoid chaos.

111. Mr Bill TANG said that while the Department opined that vehicles would not have to go through Tung Chung town centre and that traffic of Tung Chung would not be affected, roads in the vicinity of the Airport (such as East Coast Road) still fell within the area of Tung Chung. He enquired whether existing roads in the vicinity of the Airport be able to cope with the increasing vehicular flow. For Airport buses (“A” vehicles) which were originally planned to travel through Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities, he enquired whether there would be any changes if the date of opening to traffic should postpone. If link roads were not yet open to traffic when Hong Kong-Zhuhai-Macao Bridge opened, what would the traffic arrangements be and along what route would vehicles travel.

112. Mr Haywood LEE said that TD would closely monitor the traffic conditions of roads in the vicinity of the Airport and would timely make traffic arrangement.

113. Mr Gary TO said that with regard to airport buses (“A” buses), TD would closely monitor the situation and report to the Committee in due course.

114. Mr PANG Chi-chiu said that he understood Members’ concern over the traffic arrangements and that the Government would closely monitor the traffic conditions of relevant roads.

115. The Chairman hoped that the departments concerned would study and consider the opinions of Members.

(The Vice-Chairman Mr CHEUNG Fu left at about 5:40 pm.)

XIV. Question on request for relocating the pick-up and drop-off area for coaches in Tai O
(Paper T&TC 67/2016)

116. The Chairman welcomed Mr Haywood LEE, Engineer/Islands 1 of TD to the meeting to respond to the question.

117. Mr LOU Cheuk-wing briefly presented the question.

118. Mr WONG Wah had reflected to TD the issue of tourist coaches boarding and alighting passengers but the Department so far had not followed up. At present, there was not adequate space at Tai O bus terminus for buses to alight and board passengers. In the future when Tai O Revitalisation Scheme would be implemented, the pick-up and drop-off area for coaches in Tai O would further decrease and parking of buses would be more difficult.

As such, he supported the proposal of moving the pick-up and drop-off area for coaches to the parking lot at north-east river revetment behind Lung Tin Estate, Tai O.

119. Mr Haywood LEE said that the contractors of CEDD had pledged that in the Phase II of Tai O Revitalisation Scheme, they would use the government land near Tai O bus terminus to store building materials, so as to lower the impact on roads. The Department would also implement improvement works at the existing car park and the pick-up and drop-off area for coaches. The Department would submit temporary traffic diversion suggestions to TD and the Police for their approval in due course. It was believed that the Department would discuss the relevant diversion measures with Tai O Rural Committee beforehand, so as to minimise the impact on Tai O residents, tourists and roads users of various public means of transport. After Stage One of Phase II Improvement Works were to be completed, there would be one more pick-up and drop-off area for coaches in Tai O that could accommodate six coaches at the same time whereas Lantao Bus would have its own terminus. He said that the arrangement would make the future traffic in Tai O smoother. TD would not at the current stage consider moving the pick-up and drop-off area for coaches to Lung Shing Street.

120. Mr LOU Cheuk-wing opined that TD did not answer the relevant question. He reiterated that he supported Tai O Revitalisation Scheme but hoped that TD would move the pick-up and drop-off area for coaches to the location of north-east river revetment behind Lung Tin Estate.

121. Mr WONG Wah questioned whether the works would improve Tai O traffic. He opined that traffic situation would worsen. Thus he supported the proposal of Mr LOU Cheuk-wing to move the pick-up and drop-off area for coaches.

122. Mr HO Siu-kei hoped that TD would study in-depth problem facing Tai O residents. There were a large number of tourists coming to Tai O on Saturdays, Sundays and public holidays. As such, there was many coaches holding one-day permit at Tai O and made Tai O very crowded. In addition, tourist coaches boarded and alighted passengers at Tai O bus terminus and caused traffic congestion. Local residents and other road users were thus affected. He opined that there was limited space at the pick-up and drop-off area for coaches at present and only a small number of coaches could be accommodated. He hoped that TD would deal with the issue squarely to avoid public discontent.

123. Mr WONG Fuk-kan said that many residents worried that during the works period, the 18 parking spaces in the vicinity of the sports ground would be closed. He had made enquiry of the Consultant and learnt that they would continue to be open. As there were a large amount of tourists, their coaches often extended to the kindergarten at Lung Tin Estate. He urged TD to set up parking spaces for coaches at north-east river revetment in order to ease congestion at Tai O bus terminus.

124. Mr Haywood LEE said that CEDD would soon begin Tai O Revitalisation Scheme Phase II, which would include moving the bus terminus to Lung Shing Street, increase the number of private car parking spaces, setting up independent bus terminus, setting up pick-up

and drop-off bays and increase the number of entrance to the square. In order to tie in with the works project, contractors of CEDD had raised at the liaison group meeting the proposal of temporarily moving the pick-up and drop-off area for coaches to Lung Shing Street. TD opined that the temporary traffic measure was worthwhile to be considered as it could alleviate the traffic pressure on Tai O during the works period. In addition, the newly added parking bays would give coaches more space to board and alight passengers. Tourists could also wait for their coaches by the side of the square entrance to ease the congestion of Tai O bus terminus.

125. Mr WONG Wah opined that even if more pick-up and drop-off areas for coaches were provided, only a few coaches could be accommodated and demand would not be met. He proposed that representative of TD to conduct on-site visit with members in order to have an actual understanding of the situation.

126. Mr LOU Cheuk-wing said that there were six parking spaces for coaches at Lung Shing Street all along, but had not been put into use. They had become private car parking spaces already. If the pick-up and drop-off area for coaches be moved to Lung Shing Street, the number of parking spaces for coaches would be adequate to meet demand and congestion at Tai O bus terminus could be solved and passenger flow could be eased. He hoped that TD would implement the proposal the soonest possible.

127. Mr HO Siu-kei reiterated that he hoped TD would consider mandatorily requiring all outside tourist coaches with one-day permit board and alight passengers at Lung Shing Street.

128. Mr LAM Po-keung said that outside tourist coaches with one-day permit flocked to Lantau Island within a time period, leading to traffic congestion and had impact on residents leaving and returning to their areas of residences. He hoped that TD would consider imposing time constraints to segregate tourists upon the issue of permits.

129. The Chairman hoped that TD would take into account the opinions of Members.

XV. Question on the pedestrian crossing in Coastal Skyline
(Paper T&TC 70/2016)

130. The Chairman welcomed Mr Haywood LEE, Engineer/Islands 1 of TD to the meeting to respond to the question.

131. Ms Sammi FU briefly presented the question.

132. Mr Haywood LEE said that the pedestrian crossing at Wai Tung Road of Coastal Skyline was planned at the early stage of Tung Chung development. At the design stage, the Department mainly took into consideration factors such as anticipated pedestrian flow, vehicular flow, development in the vicinity and other pedestrian crossing facilities. TD conducted a survey on pedestrian and vehicular flow of the pedestrian crossing in

mid-November of 2016 and revealed that there were plenty of pedestrians using the crossing. However, some would choose to cross underneath the bridge. He would like to make use of the opportunity to urge members of the public to use the pedestrian crossing or footbridge for safety reasons. As there was a footbridge nearby, the Department currently had no plans to move the pedestrian crossing at Coastal Skyline.

XVI. Question on the toll of Lantau Link
(Paper T&TC 71/2016)

133. The Chairman said that the relevant section of TD was not able to arrange representative to attend the meeting and its written reply had been distributed to Members before the meeting for their perusal.

134. Ms Sammi FU briefly presented the question.

135. Mr Bill TANG said that no toll charges were levied at Stonecutters Bridge and Ting Kau Bridge and that Lantau Link was an exception. He hoped that the Government would consider scrapping the toll charge for Lantau Link.

136. Mr LAM Po-keung said that residents of Lantau used Lantau Link to travel between Lantau Island and the urban areas. The toll charges were very unfair for them and he supported the proposal of Mr Bill TANG to scrap the toll charge for Lantau Link.

137. The Chairman asked TD would relate Members' opinion to the relevant section.

XVII. Any Other Business

Highways Department's Minor Traffic Improvement Projects and Works Schedules

138. The Chairman welcomed Ms LEUNG Chiu-mei, District Engineer/Islands of HyD to the meeting to present the paper. HyD had submitted the Minor Traffic Improvement Projects and Schedule (the Schedule) as at early November of 2016. The paper was tabled at the meeting and Members were invited to raise enquiries and opinions.

139. Mr WONG Wah enquired when would the road improvement works of bends K13, K14 and K15 as contained in Annex A begin.

140. Mr LOU Cheuk-wing was concerned about the progress of K12. When there was heavy rain, water would carry away the soil and tar and cause serious damage to the road surface. He hoped that relevant departments would conduct roads maintenance and improvement works as soon as possible.

141. Mr Bill TANG said that HyD and TD had said that they would consider converting a section of Chung Yan Road into roundabout and works were scheduled to begin in 2016. He enquired about the latest progress of the works.

142. Ms LEUNG Chiu-mei made a consolidated response as follows:

- (a) Road improvement works of bends K13, K14 and K15 would be conducted in four stages and works would begin after the Lunar New Year of 2017 and would be completed at the end of the same year.
- (b) Bend K12's works were conducted by HyD and Drainage Services Department (DSD). It was anticipated to begin in December 2016 and completed in the first quarter of 2017.
- (c) As the Schedule only provided information of works in the coming three months, the progress of Chung Yan Road roundabout was not shown therein. The Department was conducting assessment on trees. Application for permit to remove trees would be submitted in due course. Works were anticipated to begin in the second quarter of 2017 and was expected to complete at the end of 2017.

143. Mr Bill TANG enquired whether amendments would be made to the design of Chung Yan Road roundabout. He hoped that the Department would update the Committee about the final design before the commencement of works.

144. Mr WONG Fuk-kan said that the road section near catchwater channel of Bend K1 had been seriously damaged. Whenever there was heavy rainfall, the manhole would overflow. Large amount of water would flood the road surface and carry away the tar and the road would become uneven. He enquired when improvement works of K1 would begin. In addition, Members and relevant departments conducted visit to Bends K13 and K14 and proposed that slope be cut at a minor scale so as to widen the road. He hoped to know more details and the progress of works.

145. Mr Haywood LEE said that the final layout plan of Chung Yan Road roundabout would be provided to Members after the meeting. With regard to Bends K13 and K14, CEDD was responsible for slope maintenance works. If CEDD could conduct slope cutting works as proposed by members at the two bends, the road could be widened. The Department would enquired of CEDD about the details and the latest progress.

146. Mr WONG Fuk-kan said that he hoped TD would update Members the latest progress about Bends K13 and K14 works, and the ways of handling by relevant departments.

147. Ms LEUNG Chiu-mei said that the Department would conduct relevant maintenance works at K1 and K12 for the damages of road surface. As the damage was caused by rainwater, DSD would conduct drainage improvement works at Bend K12. Works were anticipated to begin in December 2016 and were expected to complete in the first quarter of 2017.

148. Mr WONG Wah enquired of HyD whether the works at Bends K1 and K12 could repair the road damages and the uneven surface satisfactorily.

149. Ms LEUNG Chiu-mei supplemented that the road surface was damaged more quickly because of heavy rain. In order to address the situation thoroughly, DSD would conduct drainage improvement works at Bend K12 to divert rainwater. After works were completed by the two departments, it was believed that the road surface would be greatly improved.

XVIII. Date of next meeting

150. There being no other business, the meeting adjourned at 6:15 pm. The next meeting would be held at 2:00 pm on 17 January 2017 (Tuesday).

- End -