

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 12th meeting
held at the Legislative Council Chamber
on Friday, 24 May 2002, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, GBS, JP
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung
Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS
Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon LAU Wong-fat, GBS, JP

Hon Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon MA Fung-kwok, JP

Members absent:

Hon Albert HO Chun-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Hon CHAN Yuen-han, JP
Hon Bernard CHAN
Hon Howard YOUNG, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP

Public officers attending:

Miss Denise YUE, GBS, JP	Secretary for the Treasury
Mr Stanley YING, JP	Deputy Secretary for the Treasury (1)
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mrs Rebecca LAI, JP	Commissioner for Tourism
Miss Winnie HO	Assistant Commissioner for Tourism

Dr C K LAU, JP	Director of Civil Engineering
Mr Y S CHOW, JP	Deputy Director of Civil Engineering
Mr P D MORGAN	Chief Engineer of Civil Engineering Department (W)
Mr K K CHAN	Chief Engineer of Civil Engineering Department (C)
Miss Elizabeth TSE, JP	Deputy Secretary for the Treasury (3)
Mr SHUM Man-to, JP	Director of Accounting Services
Mr Alan CALDER, JP	Assistant Director of Accounting Services
Mr LAM Wai-man, Frankie	Chief Treasury Accountant of Treasury
Mr Thomas CHOW, JP	Deputy Secretary for the Environment and Food
Mr Howard CHAN	Principal Assistant Secretary for the Environment and Food
Mr C W TSE	Assistant Director of Environmental Protection
Ms Doris CHEUNG	Principal Assistant Secretary for Transport
Miss LUI YING	Acting Principal Transport Officer of Transport Department
Mr FAN Ho Chuen	Project Manager of Electrical and Mechanical Services Department

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
Miss Yvonne YU	Senior Assistant Secretary (1)4

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Item No. 1 - FCR(2002-03)19

**RECOMMENDATIONS OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 15 MAY 2002**

The Committee approved the proposal.

Item No. 2 - FCR(2002-03)15**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 8 MAY 2002**

2. At Mr Albert CHAN's request to consider and vote on PWSC (2002-2003)16 and PWSC(2002-03)20 separately, the Chairman put FCR(2002-03)15, except PWSC(2002-03)16 and PWSC(2002-03)20, to the vote. The Committee approved the proposal.

Head 707 - New Towns and Urban Area Development**New Territories North Development****Civil Engineering - Drainage and erosion protection****PWSC(2002-03)16 53CD River training works on the Upper River Indus**

3. Noting that the river training works for Upper River Indus started in August 1999 was originally scheduled for completion in mid-2002, Mr Albert CHAN expressed his dissatisfaction that the serious delay in the works had not only resulted in the deferral of the completion date for about one year but also a substantial increase in the approved project estimate (APE) by \$168.7 million. Although the Administration was seeking to recover from Guangdong Water Conservancy and Hydro-power Engineering Development Company Limited the additional cost of works incurred due to re-entering of the contract, the Administration should be held accountable for the incident. He said that the incident had put Members of Democratic Party (DP) in a dilemma. While they considered the substantial increase in APE unjustified, they found it difficult to vote against the proposal on account of the need for early completion of the river training works in the interest of the residents along River Indus. Members of DP would therefore abstain on the proposal.

4. The Chairman put the item to vote. The Committee approved the item.

Head 705 - Civil Engineering**Civil Engineering - Land Development****PWSC(2002-03)20 660CL Site formation, construction of associated infrastructure and provision of government, institution and community facilities for an international theme park on Lantau Island**

5. Ms Emily LAU expressed regret at the substantial rise in decommissioning cost of Cheoy Lee Shipyard (CLS) from \$22 million quoted in November 1999 to \$450 million under the current proposal. She highlighted that in the absence of the Environmental Impact Assessment (EIA) study on the decommissioning, the Administration had not made any

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arrangements to assess the extent of soil contamination and the required clearance cost before effecting payment of \$1.5 billion to CLS for acquisition of the site. Ms LAU considered that the Administration should be held accountable for the additional costs incurred. She reiterated her objection to the proposal as raised at the Public Works Subcommittee (PWSC) meeting on 8 May 2002.

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6. In response to Ms Emily LAU's enquiry about the progress of seeking legal remedy from CLS for the additional decommissioning cost, the Commissioner for Tourism advised that the Department of Justice was still examining the options available for the Government to seek legal remedies and no specific timetable could be provided at this stage. However, she undertook to report further progress to the relevant Panel(s) in due course.

7. Mr Albert CHAN stated that Members of DP considered it inappropriate to support the funding proposal because the substantial increase in decommissioning cost was due to the failure on the part of the Administration to fully assess the environmental impact and take necessary precautionary measures. He said that Members of DP regretted the fast-track approach in which the Disneyland project had been taken forward. However, they understood that if the funding proposal was turned down, further delay to the project and considerable economic loss might result. In the circumstances, he said that Members of DP would abstain from voting.

8. Mr WONG Yung-kan was concerned about the progress of the settlement of the mariculturists' claims against fish loss caused by the reclamation works during the Penny's Bay Reclamation Stage 1 (PBR1). As the report by the Independent Review Panel had confirmed that fish kills at the Ma Wan and Cheung Sha Wan fish culture zones were attributable to the reclamation works, the Administration should expedite action in negotiating with the mariculturists concerned on compensation issues. As no agreement had yet been reached by both parties on the compensation, Mr WONG said that he would abstain from voting. In this connection, the Director of Civil Engineering (DCE) advised that having regard to the experience of PBR1, the Administration would conduct more consultation with the mariculturists in relation to the provision of precautionary measures such as silt curtains prior to the commencement of Penny's Bay Reclamation Stage 2 (PBR2).

9. In reply to Miss CHOY So-yuk, DCE confirmed that the Administration had accepted the consultants' recommendation that the 30 000 cubic metres of dioxin-contaminated soil be excavated and treated off-site in a thermal desorption plant to be set up at To Kau Wan in North Lantau. About 600 cubic metres of organic oily residue would be generated from the process over a period of one or two years. These would be collected and despatched in batches for incineration at the Chemical Waste Treatment Centre (CWTC) in Tsing Yi. The soil after thermal desorption would be solidified by adding

cement to immobilize the remaining metals in the soil. Nevertheless, the Administration was prepared to consider other alternative treatment methods as might be proposed by the tenderers. In this connection, flexibility had been provided in the tender document issued on 30 April 2002 to allow the tenderer to propose alternative treatment methods.

10. Given that the Kwai Ching District Council (KCDC) had opposed to the incineration of the oily residue at CWTC in Tsing Yi, Mr LEUNG Yiu-chung queried whether the Administration would take into account the objection of KCDC when considering which treatment method to use. In response, DCE assured members that all views expressed would be seriously considered by the Administration. As previously explained at the PWSC meeting, CWTC was designed for the purpose of treating chemical wastes, including dioxin, and the Centre could fulfil the requirements and standards for safe treatment of these waste materials. As the respective cost had not yet been ascertained, it could not be concluded at this stage that treatment of the dioxin-contaminated soil off-site in a thermal desorption plant at To Kau Wan would be less cost-effective than other process such as direct incineration.

11. Regarding the selection of tender for the treatment of dioxin-contaminated soil, DCE said that the price, technologies and the time frame proposed by the tenderers would be considered. The Administration was also prepared to consider other alternative treatment methods proposed by the tenderers which were proven to be more cost-effective, conformed to the technical requirements of the project, and complied with the statutory requirements under the EIA Ordinance.

12. Mr Henry WU was concerned about possible contamination hazard for the archaeological excavation carried out at the CLS site, and enquired about measures to ensure that excavators would be free from the hazards of the dioxin-contaminated soil. In reply, DCE advised that a site of archaeological value was located north-west of CLS. In the preliminary archaeological excavation exercise in 2001, no dioxin had been detected at the site. DCE said that while he could not provide an absolute assurance, the Administration was closely monitoring the situation by designating a specific site team to supervise the works.

13. Ms Emily LAU remarked that the Administration did not have a high sense of environmental awareness. In response to Ms LAU's enquiry about the costs of using public fill and the changes in the design of PBR2, DCE advised that the unit cost in the revised design and advancement of works were lower than those in the original design due to the economy of scale derived from handling a total of 23.4 million tonnes of public fill in the former compared to only 3.6 million tonnes in the latter. The Audit Report had recommended the Civil Engineering Department (CED) to find means to increase the public fill intake in PBR2 to make up for the loss in PBR1. CED

therefore asked the Consultant to review the design of the reclamation of PBR2 to identify more opportunities for the intake of public fill. Having satisfied with the engineering feasibility of a revised design to replace the top 2 meters of general fill by public fill and a proposal to advance the works of filling a temporary drainage channel, CED had decided to adopt both changes.

14. The item was put to vote. 24 members voted for the item, 5 voted against and 13 abstained.

For:

Mr Kenneth TING
 Dr Raymond HO
 Mr NG Leung-sing
 Mr CHAN Kwok-keung
 Mrs Sophie LEUNG
 Mr TSANG Yok-sing
 Mr LAU Kong-wah
 Mrs Miriam LAU
 Mr TAM Yiu-chung
 Mr Tommy CHEUNG
 Mr Frederick FUNG
 Mr LAU Ping-cheung
 (24 members)

Mr James TIEN
 Dr LUI Ming-wah
 Mrs Selina CHOW
 Mr CHAN Kam-lam
 Mr Andrew WONG
 Mr YEUNG Yiu-chung
 Mr LAU Wong-fat
 Miss CHOY So-yuk
 Mr Abraham SHEK
 Mr LEUNG Fu-wah
 Mr IP Kwok-him
 Mr MA Fung-kwok

Against:

Ms Cyd HO
 Mr LEUNG Yiu-chung
 Mr Michael MAK
 (5 members)

Miss Margaret NG
 Ms Emily LAU

Abstained:

Mr James TO
 Mr HUI Cheung-ching
 Mr WONG Yun-kan
 Mr Ambrose LAU
 Mr SZETO Wah
 Mr Henry WU
 Mr WONG Sing-chi
 (13 members)

Mr CHEUNG Man-kong
 Mr SIN Chung-kai
 Dr YEUNG Sum
 Mr Andrew CHENG
 Mr LAW Chi-kwong
 Mr Albert CHAN

15. The Committee approved the item.

Item No. 3 - FCR(2002-03)16**CAPITAL WORKS RESERVE FUND
HEAD 710 - COMPUTERISATION****Treasury****◆ New Subhead "Replacement of the Government Financial Management Information System"**

16. Members noted that the Financial Affairs Panel had been consulted on the present proposal on 6 May 2002.

17. Mr NG Leung-sing noted that the estimated realizable savings would come from the anticipated reduction of 21 posts in the Treasury currently managing the Ledger Accounting and Financial Information System and the existing payment system in 2006-07 after the implementation of the new Government Financial Management Information System (GFMIS), followed by a further reduction of 11 posts in 2007-08 when the existing International Computers Limited mainframe computer operating in a proprietary operating system would totally cease operation. He was concerned about how the surplus staff would be absorbed following deletion of these posts. In response, the Director of Accounting Services (DAS) advised that the surplus staff would be absorbed by internal redeployment and natural wastage.

18. Noting that the new system and technical support would be outsourced to achieve cost-effectiveness, Mr CHAN Kam-lam was concerned about the security and integrity of the new system in the event of unforeseeable circumstances, such as operational or financial problems of the suppliers. In response, DAS advised that in the selection process, the financial situation and track record of the suppliers would be seriously considered. While the Administration had decided to procure the necessary hardware capacity by outsourcing, it would retain the ownership of the software and the information contained in the system. This arrangement would enable a speedy take-over of the operation of the system should any problem arise, thus minimizing disruption in service to user departments.

19. Mr CHAN Kam-lam was concerned about the confidentiality and security of Government financial management information after the implementation of the new system and sought assurance on how such sensitive information would be safeguarded. In response, DAS confirmed that confidentiality requirements would be provided in the contract with the suppliers and a designated team of staff would be responsible for monitoring their operation. In addition, facilities would also be provided to prevent unauthorized access to the system.

20. Ms Emily LAU commented that the notional savings achieved after implementation of the GFMIS as presented in the paper was misleading. In

response, DAS advised that the notional savings referred to the apportioned overhead costs of the Treasury's computer bureau and support service and the service of the Information Technology Services Department's Disaster Recovery Centre, as well as the reduced requirement for office space in various places. Regarding the apportioned overhead costs under the notional savings, the Deputy Secretary for the Treasury (1) explained that the time saved by the DAS as a result of the new GFMIS could be more productively used for other purposes although such saving could not be quantified in monetary terms. The presentation of notional savings aimed at providing more complete information in the cost-benefit analysis of a project proposal. Similarly, the total non-recurrent in-house costs did not refer to additional costs being incurred. For example, the project team staff cost and accommodation cost would be met by the Treasury through redeployment of existing resources.

21. The Committee approved the proposal.

Item No. 4 - FCR(2002-03)17

HEAD 44 - ENVIRONMENTAL PROTECTION DEPARTMENT

◆ Subhead 700 General other non-recurrent

New Item "One-off grant to assist owners of pre-Euro diesel heavy vehicles to retrofit their vehicles with particulate removal devices"

22. Members noted that the Panel on Environmental Affairs and Panel on Transport had been consulted on the present proposal at the joint Panel meeting held on 15 January 2002.

23. Ms Miriam LAU expressed support for the present proposal and declared that she had all along participated in the work of the monitoring committee tasked to monitor the trial scheme of retrofitting pre-Euro diesel heavy vehicles with catalysts. Nevertheless, to provide a fundamental solution to reduce emissions from the existing diesel heavy vehicle fleet, she considered that the Administration should subsidize owners to replace their existing vehicles with Euro III models. Mr LAU Chin-shek also considered that the Administration should provide incentives such as waiving the first registration tax to encourage pre-Euro vehicle owners to replace their vehicles.

24. In response, the Deputy Secretary for the Environment and Food (DS(EF)) stressed the need for prudence in the use of public funds. According to the Administration's estimate, the income foregone from waiving the first registration tax would amount to some \$2.2 billion. Moreover, as the first registration tax only accounted for some 18% of the value of a new vehicle, waiving such tax might not provide sufficient incentive for owners to replace their vehicles with Euro models. In this connection, Miss CHOY So-yuk said that while she could accept the Administration's explanation, she shared the

view that providing subsidies for replacing pre-Euro vehicles with Euro models would be the best solution.

25. On behalf of Members of DP, Dr YEUNG Sum expressed support for the present proposal. He also urged the Administration to monitor the cost-effectiveness of the scheme closely and to take necessary steps to tackle cross-border pollution.

26. Ms Miriam LAU enquired about measures to ensure that future products could meet the objective technical specification of particulate removal devices for pre-Euro diesel heavy vehicles drawn up by the international expert panel engaged by the Environmental Protection Department (EPD). In response, DS(EF) and the Assistant Director of Environmental Protection (ADEP) advised that in determining whether any product could meet the functional requirements, the panel would not rely solely on the technical specifications provided by the bidders. It would also examine the supporting test data of the products which had to meet international testing standards. DS(EF) also confirmed that the successful suppliers would be required to provide a five-year warranty period for any damages to the products which were not caused by any fault of the owners.

27. Miss CHOY So-yuk considered that EPD should possess the expertise and experience in handling particulate removal devices and queried the need to engage the service of an international expert panel at a cost of \$800,000. In response, DS(EF) pointed out that given the diversity of particulate removal devices, the service of an international expert panel was needed to evaluate the compliance of the tender submissions with the specified requirements and to ensure an independent evaluation of the tenders based on the panel members' expert knowledge. ADEP added that as the EPD had been involved in the testing of various products, it might not be appropriate for it to take part in the evaluation of tenders so as to avoid any conflict of interests. Ms Miriam LAU on the other hand agreed that it was necessary to set up the international expert panel for tender evaluation.

28. As to why it was necessary to set a maximum number of particulate removal products for the retrofitting programme, DS(EF) explained that the Administration intended to award nine contracts with two suppliers for each contract. A selection process would be undertaken by the international expert panel to shortlist two eligible bids with the most competitive price for each contract. He pointed out that if all products which met the technical requirements could be eligible for the grant, the bidders might not have the incentive to provide the best price in competing for the contract.

29. Mr Henry WU was concerned whether there were enough suppliers for suitable devices and whether consideration would be given to completing the programme in phases so as to avoid last minute bunching by vehicle owners to

retrofit particulate removal devices.

30. In response, ADEP advised that EPD had circulated the functional requirements to potential suppliers and local consulates so as to invite as many potential suppliers as possible to participate in the tender exercise for the award of nine contracts for different types of particulate removal devices. The Administration considered that there should be enough suppliers to complete the programme on schedule. On whether the programme should be carried out in phases, ADEP said that the transport industry had been consulted and they considered the current arrangements most appropriate. Nevertheless, EPD would monitor the situation closely. If necessary, owners who had registered for installation prior to expiry of the scheme could be allowed extra time to carry out the installation work and still be eligible for the grant.

31. Miss CHOY So-yuk said that the Administration should draw on the experience of the previous retrofitting programme for diesel light vehicles and prevent possible shortcomings in the tendering procedures. She considered that the Administration should be prepared to accept devices as long as they could reduce particulate emission as required. Miss CHOY also suggested that apart from local consulates, the Administration should also disseminate information to Mainland suppliers through its Beijing Office.

32. In response, DS(EF) confirmed that all products which met the functional requirements would be considered in the tendering exercise. Information on the retrofitting programme was also circulated to the Economic and Trade Offices and Beijing Office, as well as being posted on the Government's Website on the Internet.

33. In reply to Mr Henry WU's enquiry about the effectiveness of the programme launched in May 2000 to retrofit pre-Euro diesel light vehicles, ADEP confirmed that the suppliers were required under the respective contracts to test the effectiveness of their products and to replace faulty ones during the warranty period. Testing results revealed that the newly installed products could reduce the emission of particulates by 30% as required under the contracts. The reduction in the emission of particulates should not fall below 25% in the initial five-year period. Last, the suppliers would be required to replace the device.

34. As regards the costs incurred in the retrofitting programme for diesel light vehicles in May 2000, DS(EF) recalled that the Finance Committee had approved funding on the basis of an estimated cost of \$1,200 for the installation of a suitable particulate trap. However, the lowest successful tender outturn price was \$1,300. DS(EF) said that given the small difference in the estimated cost and the outturn price, the tenders had been awarded accordingly pursuant to existing tendering procedures.

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35. On the estimated cost for retrofitting particulate removal devices for diesel heavy vehicles, DS(EF) advised that the estimated cost of \$14,600 was only an average figure. Depending on the capacity of the engine, the retrofitting costs might range from \$7,800 for small vehicles to about \$20,000 for large vehicles. ADEP confirmed that the Administration had worked out the estimated cost having regard mainly to the costs of catalysts available in the market. He also clarified that the catalysts which were suitable for use on vehicles travelling into the Mainland were not necessarily more expensive but were of a different design to cater for a higher sulphur content in the motor diesel.

36. Ms Emily LAU considered that effective measures should be taken to tackle air pollution in Hong Kong. She enquired about the arrangements for the remaining 20% of eligible diesel light vehicles which did not participate in the retrofit programme in May 2000, as well as the 4 000 long-idling vehicles which were not dealt with under the present proposal.

37. In response, DS(EF) pointed out that the said 20% accounted for some 2 000 to 3 000 vehicles most of which might no longer be road-worthy. Nevertheless, the Administration planned to introduce a Bill at the start of the 2002-03 session to make the installation of a suitable particulate trap a prerequisite for licence renewal of pre-Euro diesel vehicles. Regarding the 4 000 long-idling vehicles, DS(EF) said that the Administration was working closely with the industry in identifying suitable devices to resolve the problem of occasional emission of white smoke and would seek funding in due course for retrofitting the long-idling vehicles. In this connection, Ms Emily LAU urged the Administration to also actively explore other alternatives to tackle the emission problem of long-idling vehicles.

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38. At Ms Miriam LAU's request, the Administration would provide a breakdown of the types of pre-Euro diesel heavy vehicles classified as long-idling vehicles. DS(EF) added that upon funding approval, the Administration would notify all eligible vehicle owners by letter of the one-off grant.

39. In reply to Mr IP Kwok-him's enquiry about the completion of the installation work by end 2004, DS(EF) advised that Hong Kong was very much a pioneer in embarking on a massive scheme of retrofitting particulate removal devices. To encourage early compliance, the Administration would introduce legislation to make the installation of suitable particulate removal devices a prerequisite for licence renewal. Diesel heavy vehicles which only took steps to install the devices after end 2004 would not be eligible for financial assistance.

40. The Committee approved the proposal.

Item No. 5 - FCR(2002-03)18

**CAPITAL WORKS RESERVE FUND
HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND
EQUIPMENT**

Transport Department

◆ New Subhead "Parking Meter System Replacement Programme"

41. Members noted that the present proposal had been discussed by the Panel on Transport at its special meeting on 6 May 2002.

42. Mr Henry WU enquired about the reasons for not replacing the existing system with a two-card (Octopus and Credit Card) parking meter system and the additional cost incurred if the future one-card (Octopus only) system had to be upgraded to a two-card system.

43. In response, the Principal Assistant Secretary for Transport (PAS(T)) explained that apart from the higher capital cost for a two-card system, the Administration had decided to use a one-card system in the initial stage mainly because an off-line payment service was now implemented on one credit card and was accepted by three merchants only. The Project Manager of Electrical and Mechanical Services Department (PM, EMSD) supplemented that to cater for future enhancement, the proposed one-card system would have sufficient capability to be upgraded to also accept other reloadable cards including credit cards in future. On the additional cost to be incurred, PM, EMSD pointed out that with the fall in prices of electronic products, it was likely that the future cost of the hardware of a two-card system would be similar to the present cost of a one-card system.

44. Mr IP Kwok-him shared Mr Henry WU's concern and enquired about the compatibility of the future parking meter system with the new smart identity card (ID card). In response, PM, EMSD advised that the hardware infrastructure of the proposed system and the new ID card would be compatible as both were able to support the international standard of ISO 7816. However, future interoperability could not be confirmed at this stage as the detailed design of the software applications of the new ID card had not yet been finalized.

45. Mr Henry WU was concerned that the replacement exercise would affect the use of existing parking spaces and cause inconvenience to car users. In response, PAS(T) advised that the replacement exercise would be widely publicized and implemented by districts. Priority would be given to replacing those parking spaces in the vicinity of MTR stations so as to facilitate users in reloading their Octopus Cards. As to the time required for replacing the parking meters, PM, EMSD advised that the meters would be tested prior to being installed. Arrangements would also be made to complete other

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necessary preparatory work in advance so as to shorten the installation process. The actual time required for installation would depend on the available manpower resources.

46. In reply to Mr Henry WU's enquiry about the unused balance of e-Park cards, PAS(T) confirmed that upon implementation of the new parking meter system, the contractor would arrange to refund the unused balance of e-Park cards to the cardholders.

47. The Committee approved the proposal.

48. The Committee was adjourned at 4:05 pm.

Legislative Council Secretariat
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