# 立法會 Legislative Council

LC Paper No. CB(1)1146/03-04 (These minutes have been seen by the Administration)

Ref: CB1/PL/TP/1

#### **Panel on Transport**

Minutes of meeting held on
Friday, 30 January 2004, at 3:00 pm
(immediately after the meeting of the
House Committee scheduled for 2:30 pm on the same day)
in the Chamber of the Legislative Council Building

**Members present**: Hon LAU Kong-wah, JP (Chairman)

Hon Andrew CHENG Kar-foo (Deputy Chairman)

Hon Albert HO Chun-yan

Ir Dr Hon Raymond HO Chung-tai, JP

Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP

Hon CHAN Kwok-keung, JP Hon Andrew WONG Wang-fat, JP

Hon LAU Chin-shek, JP Hon Miriam LAU Kin-yee, JP Hon TAM Yiu-chung, GBS, JP Dr Hon TANG Siu-tong, JP

Hon Tommy CHEUNG Yu-yan, JP

Hon Albert CHAN Wai-yip Hon LEUNG Fu-wah, MH, JP

Hon LAU Ping-cheung

**Members absent** : Dr Hon David CHU Yu-lin, JP

Hon Abraham SHEK Lai-him, JP

Hon WONG Sing-chi

**Public Officers** attending

Agenda item IV

Ms Annie CHOI

Deputy Secretary for the Environment, Transport and Works

Mrs Sharon YIP

Principal Assistant Secretary for the Environment, Transport and Works

Mr Y M LEE

Chief Traffic Engineer/New Territories West Transport Department

Mr T K LEE

Chief Engineer/Major Works Highways Department

## Agenda item V

Ms Annie CHOI

Deputy Secretary for the Environment, Transport and Works

Mrs Sharon YIP

Principal Assistant Secretary for the Environment, Transport and Works

Mr David TSANG Senior Engineer/Vehicle Safety Transport Department

Mr Patrick LAI

Assistant Director/Gas and General Legislation Electrical and Mechanical Services Department

Mr Vincent CHOW Senior Engineer/General Legislation Electrical and Mechanical Services Department

#### Agenda item VI

Ms Annie CHOI

Deputy Secretary for the Environment, Transport and Works

Mr Patrick CHAN

Principal Assistant Secretary for the Environment, Transport and Works

Mr CHEUNG Wing-leung Senior Government Counsel Department of Justice Mr Francis LIU Acting Assistant Director of Marine

Mr Adam LAI

General Manager/Services

Marine Department

**Clerk in attendance:** Mr Andy LAU

Chief Council Secretary (1)2

**Staff in attendance** Ms Alice AU

Senior Council Secretary (1)5

Miss Winnie CHENG Legislative Assistant 5

#### **Action**

#### I Confirmation of minutes and matters arising

(LC Paper No. CB(1)863/03-04 - Minutes of meeting held on 19 December 2003)

1. The minutes of meeting held on 19 December 2003 were confirmed.

#### II Information papers issued since last meeting

(LC Paper No. CB(1)669/03-04(01) - Information paper on "Tenancy in

respect of the Occupation, Modification and Use of Part of the Tuen Mun Ferry Pier for the Operation of Crossboundary Passenger Ferry Services" provided by the Administration; and

- Referral from Duty Roster Member LC Paper No. CB(1)658/03-04(01)

> regarding submission on Regulating the design intensity and of vehicle

headlamps and rear lamps)

2. Members noted the above information papers issued since last meeting.

## III Items for discussion at the next meeting scheduled for 27 February 2004

(LC Paper No. CB(1)848/03-04(01) - List of outstanding items for discussion; and

LC Paper No. CB(1)848/03-04(02) - List of follow-up actions)

- 3. <u>Members</u> agreed to discuss the item "Report on the progress of the review of speed limit" as proposed by the Administration at the next meeting scheduled for 27 February 2004. Regarding the item "Citybus/New World First Bus's service rationalization plan" which was originally scheduled for discussion at the meeting on 27 February 2004 as agreed with the Administration under the Panel's work plan, <u>members</u> noted that the Administration now proposed to defer discussion on the item after any proposals involving changes of bus networks had been received from the companies.
- 4. <u>The Chairman</u> said that if members had any proposed item for discussion at the meeting on 27 February 2004, they could forward their suggestions to the Clerk after the meeting.

# IV Traffic impact on Tuen Mun Road upon the commissioning of Shenzhen Western Corridor and Deep Bay Link

(LC Paper No. CB(1)848/03-04(03) - Information paper provided by the Administration; and

LC Paper No. CB(1)848/03-04(04) - Submission from the Chairman of Transport and Traffic Committee of Tuen Mun District Council)

- 5. <u>Members</u> noted the submission from the Chairman of Transport and Traffic Committee of Tuen Mun District Council on the subject matter (LC Paper No. CB(1)848/03-04(04)).
- 6. <u>The Chairman</u> said that the discussion papers for the present item as well as the following item were only made available to members shortly before the meeting, and called on the Administration to ensure that papers for Panel discussion were timely provided for members' consideration.
- 7. The Deputy Secretary for the Environment, Transport and Works (DS for ETW) apologized for the late submission of the Administration's papers. She then highlighted the salient points of the Administration's paper (LC Paper No. CB(1)848/03-04(03)) which set out the traffic impact on Tuen Mun Road upon the commissioning of the Shenzhen Western Corridor (SWC) and Deep Bay Link (DBL), as well as the options being considered by the Administration to improve traffic flow of Tuen Mun Road.
- 8. Mr TAM Yiu-chung noted that as proposed, the Administration was merely relying on the improvement of existing highway infrastructure, viz. Yuen Long Highway, Castle Peak Road and Tuen Mun Road to cope with the increase in forecast

#### **Action**

demands. While calling on the early implementation of such improvement works, he considered that these could only bring about temporary relief. Hence, the Administration should plan ahead and seriously consider the provision of new transport infrastructure such as Route 10 and the Tuen Mun Western Bypass (TMWB) to meet long-term traffic demand.

- 9. Mr Albert HO expressed grave disappointment that notwithstanding members' repeated calls for the Administration to devise effective traffic diversion arrangements for Tuen Mun Road in anticipation of the commissioning of SWC and DBL in 2005, no new progress was reported in the Administration's paper. Reiterating the local community's skepticism about the effectiveness of the Administration's proposed improvement works of the existing road network in the North West New Territories (NWNT), he stressed the need for the Administration to commit on the provision of additional infrastructure as well as its negotiation with Route 3 (CPS) Company (Route 3 Company) in order to improve the traffic flow in Tuen Mun.
- 10. Sharing other members' concern about the lack of progress in the Administration's negotiation with Route 3 Company on measures to divert traffic from Tuen Mun Road to Route 3, the Chairman emphasized that the matter involved a critical time element as SWC and DBL was scheduled to open in 2005. As such, it was incumbent upon the Administration to come up with an action plan to address the issues involved as a matter of priority.
- 11. Ms Miriam LAU also expressed grave disappointment that despite previous undertakings made by the Administration to devise effective traffic diversion measures for Tuen Mun Road when seeking funding approval for the SWC and DBL projects, the Administration was neither keenly taking forward the discussions with Route 3 Company, nor actively planning for the provision of an Easterly Link Road (ELR) as an additional access road connecting DBL to the existing road system. Referring to paragraph 17 of the Administration's paper which claimed "successful" result for the toll concessions offered to articulated heavy goods vehicles (HGVs) since July 2002, she was particularly concerned about the Administration's complacency in the matter because as far as she understood, the offer was made by Route 3 Company out of its own initiative and not as a result of the negotiations with the Administration. Moreover, it had only managed to increase the daily patronage of Route 3 by about 300 articulated HGVs. Stressing on the urgency of achieving traffic diversion from Tuen Mun Road so as to safeguard the interests of local residents in Tuen Mun, Ms LAU considered that more concrete efforts should be made by the Administration both in terms of the provision of ELR and the negotiations with Route 3 Company.
- 12. <u>Ir Dr Raymond HO</u> also queried whether the Administration was sincerely making efforts to resolve the overloading problem of Tuen Mun Road. In view of the impending commissioning of various strategic cross boundary links including SWC, DBL and the Hong Kong-Zhuhai-Macao Bridge (HZMB), he stressed that the Administration must urgently consider the overall planning in the provision of

supporting infrastructure such as the ELR and Route 10 to cope with the increasing traffic load of the local road network.

- 13. In response, <u>DS for ETW</u> said that according to the Administration's forecast, the daily traffic flow of SWC and DBL in 2006 would be 28 000 vehicles, with traffic building up incrementally in the first few years after its completion. Some of these vehicles would be diverted from the Lok Ma Chau Crossing, and were current users of Tuen Mun Road already. In addition, it was expected that most of the freight traffic coming from SWC/DBL would use Route 3. Hence, it was projected that the traffic flow at Tuen Mun Road would only be slightly increased by about 6 000 vehicles daily. Nonetheless, the Administration was considering a whole range of improvement works as set out in paragraph 7 of the paper to improve the traffic handling capability of the Town Centre Section of Tuen Mun Road. Looking further ahead, the Tuen Mun Road Reconstruction and Improvement Project could substantially increase the capacity of the road.
- 14. <u>DS for ETW</u> added that taking into account the impact of the planned and ongoing major projects in NWNT and Lantau, including SWC, DBL and HZMB, the Administration was conducting an overall review to assess the long term needs for transport infrastructure development in NWNT and Lantau (the Review). As the next step, the Administration would proceed with part two of the Review and would revert to the Panel on its progress in June 2004. <u>DS for ETW</u> assured members that in the run-up to 2011 after the commissioning of SWC and DBL in 2005, the Administration would monitor the situation closely, and would devise and implement the necessary improvement measures before the existing network reached its full capacity.
- 15. Responding to members' concern about the Administration's negotiations with Route 3 Company, <u>DS for ETW</u> said that both sides were still exploring the possibility of toll reductions or concessions to achieve traffic diversion from Tuen Mun Road. As demonstrated by Route 3 Company's offer of toll concessions to articulated HGVs, a win-win situation could be achieved for both the operator and the community. She added that while the daily patronage of Route 3 was only increased by about 300 articulated HGVs, it represented a 40% increase for this class of vehicles.
- 16. <u>DS for ETW</u> also called on members' understanding that the negotiation process was by no means simple as it involved the commercial operation of a private company. The outcome of on-going discussions on toll concessions would largely depend on Route 3 Company's consideration of the future traffic projections of Route 3 as well as the resulting financial implications. Such consideration was susceptible to changes under different economic conditions, particularly when the economy was showing signs of recovery. While noting members' concern about the need to expedite progress, she stressed that it would not be conducive to the Administration's stance in the discussions if a deadline was set. Nonetheless, she undertook to revert to the Panel if the Administration considered it no longer useful to continue discussions with the company.

- 17. Regarding the construction of the ELR, <u>DS for ETW</u> said that the Administration had always considered that the effectiveness of an ELR in channelling motorists to use Route 3 would hinge largely on the toll levels of Route 3. Unless the toll levels of Route 3 were reduced, the number of motorists using Route 3 via ELR would be very limited. Depending on the results of the negotiation with Route 3 Company on toll concessions, the Administration would decide on the way forward for ELR to facilitate traffic diversion to Route 3.
- 18. While noting the Administration's explanation, Ms Miriam LAU said that it was the Administration's undertaking at the relevant Finance Committee meeting that a detailed feasibility study would be conducted in consultation with the Planning Department on alignment option 4 as preferred by members. While the way forward for ELR had yet to be decided, she considered that the Administration was duty-bound to report the outcome of this study to members. In reply, DS for ETW said that a written response would be provided to the Panel after the meeting.

19. The Chairman pointed out that both members and the local community had repeatedly expressed reservation about the Administration's claim that the existing strategic roads in NWNT including Tuen Mun Road could cope with the additional demand generated from SWC and DBL. As such, he did not agree that the negotiation with Route 3 Company should be allowed to drag on indefinitely given the imminent opening of SWC and DBL in 2005.

- 20. Expressing similar concerns, <u>Mr Albert HO</u> considered that the Administration should at least have some contingency measures in case the negotiation with Route 3 Company did not achieve any fruitful result.
- 21. <u>Ms Miriam LAU</u> opined that the Administration should realistically assess the situation and come up with proposals to facilitate the offer of toll concessions by Route 3 Company, such as the possibility of extending its franchise in exchange for toll concessions, in order to achieve traffic diversion from Tuen Mun Road.
- 22. Given the time gap between the commissioning of SWC and DBL and the completion of the Tuen Mun Road Reconstruction and Improvement Project, <u>Ir Dr Raymond HO</u> urged the Administration to actively consider measures to better utilize Route 3 in relieving traffic from Tuen Mun Road.
- 23. Mr Albert CHAN criticized the Administration for failing to provide adequate supporting infrastructure in NWNT to cope with the additional traffic generated as a result of SWC and DBL. As a result, local residents would have to suffer from unacceptable congestion at Tuen Mun Road. While considering that it would not be appropriate to impose any deadline for the on-going negotiations, Mr CHAN urged the Administration to devise a fall back plan in case both sides failed to reach an agreement. In this connection, he asked whether the Administration would be prepared to consider buying out the ownership of Route 3, on ground of public interest, if Tuen Mun Road

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was overloaded beyond an acceptable level. To this end, he asked if the Administration was prepared to start examining the relevant legal issues involved at this stage.

- 24. <u>DS for ETW</u> responded that the suggestion to buy out the ownership of Route 3 would involve substantial capital and recurrent expenditure on the part of the public coffer. Given the Government's current financial position, this option would not be considered in the short to medium term. <u>Mr Albert CHAN</u> however disagreed that the Administration should preclude this course of action as it could create pressure on Route 3 Company to adopt a more forthcoming attitude in the discussions.
- 25. In reply to Mr TAM Yiu-chung, <u>DS for ETW</u> said that it was too early to assess the impact of the opening of West Rail (WR) on the traffic flow of Tuen Mun Road as WR was just opened in December 2003 with intervening public and school holidays. The Administration would review the situation when the normal pattern of traffic and transport demand was established.
- 26. Mr Albert CHAN sought elaboration about the local improvements to be made to the Town Centre Section of Tuen Mun Road. The Chief Engineer/Major Works of Highways Department replied that widening of the Town Centre Section of Tuen Mun Road near Tsing Tin Road was being considered to increase the traffic capacity and ease the morning peak traffic. A preliminary assessment of the feasibility of this widening and other relevant works was being carried out which was scheduled for completion in April 2004. DS for ETW supplemented that the Administration would report to the Panel on the Tuen Mun Road Reconstruction and Improvement Project in April 2004. At members' request, the Administration would provide detailed information on the proposed local improvement to the Town Centre Section of Tuen Mun Road including the scope, timetable and layout plan of the project, as well as the projected traffic benefits to be achieved after the preliminary assessment was completed in April 2004.
- 27. Summing up the discussion, the Chairman said that members were generally dissatisfied with the lack of progress in taking forward the matter as the Administration had yet to come up with effective and concrete measures to achieve traffic diversion from Tuen Mun Road in anticipation of the opening of SWC and DBL in 2005. The Administration was requested to revert to the Panel again in June 2004 on this matter. In particular, the Administration should report progress on its negotiations with Route 3 Company on toll concessions, the planning for constructing the ELR as well as the improvement works to be undertaken for the Town Centre Section of Tuen Mun Road.

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# V Proposed regulatory scheme for the vehicle maintenance trade

(LC Paper No. CB(1)848/03-04(05) - Information paper provided by the Administration)

- 28. <u>DS for ETW</u> introduced the Administration's paper on the proposed regulatory scheme for the vehicle maintenance trade (LC Paper No. CB(1)848/03-04(05)) which included a voluntary registration scheme for vehicle mechanics and a code of practice for vehicle maintenance workshops.
- 29. <u>Members</u> noted the following submissions forwarded by Ms Miriam LAU from vehicle maintenance trade associations on the subject matter:
  - (a) Joint submission dated 30 January 2004 from Hong Kong Vehicle Repair Merchants Association Limited (香港汽車修理同業商會) and Environmental Vehicle Repairers Association Limited (環保汽車維修同業聯會); and
  - (b) Submission dated 30 January 2004 from the Institute of the Motor Industry Hong Kong.

(*Post-meeting note*: The submissions were tabled at the meeting and subsequently issued to members vide LC Paper Nos. CB(1)919/03-04(01) and (02) respectively.)

#### Proposed registration scheme for vehicle mechanics

- 30. <u>Ms Miriam LAU</u> said that as stated by the three major vehicle maintenance trade associations in their submissions, the general view of the trade was that the registration scheme for vehicle mechanics should be implemented on a mandatory basis. She recalled that the registration of vehicle mechanics had been studied extensively by the Working Group on Vehicle Maintenance Services (the Working Group) established by the Administration in January 2000 after repeated calls from the vehicle maintenance for the Administration to formulate measures to enhance the standard of the vehicle maintenance trade. On the basis of a questionnaire survey conducted by the Hong Kong Productivity Council, the Working Group released a final report in 2001 recommending the implementation of a mandatory registration scheme for vehicle mechanics.
- 31. Speaking as a member of the Working Group, <u>Ms Miriam LAU</u> drew members' attention to the following views and concerns of the vehicle maintenance trade on the registration scheme:
  - (a) Unlike a voluntary scheme which introduced an artificial grading to vehicle mechanics, a mandatory scheme could ensure that the same registration requirements and capability criteria were applied to all vehicle mechanics. The Administration's present proposal was substantially

different from the Working Group's recommendation and the general consensus of the trade. However, the trade had not been consulted at all on this major change in the registration framework.

- (b) As seen from the experience of other overseas countries which adopted a voluntary scheme, the success of voluntary registration would largely depend on the existence of a strong and leading professional body to induce the participation of trade members. However, Hong Kong did not have such institutional support as the vehicle maintenance trade here was loosely organized.
- (c) A mandatory scheme would not impact adversely on the employment situation of the trade if suitable transitional arrangements were in place to allow for "grandfathering" of existing practitioners without the necessary professional qualifications. Upon satisfactory completion of relevant training courses during the transitional period, such persons would be formally registered. As attested by other mandatory registration schemes in Hong Kong, such as those for electrical workers and construction subcontractors, this arrangement could address the employment concerns of existing practitioners.
- (d) The trade was generally agreeable to the proposed regulation on vehicle maintenance workshops by way of a code of practice.

To facilitate members' understanding, she requested the Administration to release the report of the Working Group and provide information on the Administration's consultation with the trade on this matter for members' consideration. <u>DS for ETW</u> responded that supplementary information would be provided to members after the meeting.

- 32. Mr LEUNG Fu-wah expressed support in principle for the proposed scheme on account of the envisaged benefits for both the vehicle maintenance trade and the community. To tie in with the scheme, adequate training must be provided to ensure that vehicle mechanics could obtain the necessary professional qualifications for registration. Referring to the 10-year qualifying period for the registration of vehicle mechanics without the relevant professional qualifications, he considered that this requirement might be too stringent, and enquired about the Administration's consultation with the vehicle mechanics.
- 33. In response, <u>DS for ETW</u> stated that the Administration would consult the vehicle maintenance trade on the proposed registration scheme and the draft code of practice. In devising the initial framework of the scheme, preliminary discussions had been conducted with some trade associations and visits had been paid to small vehicle maintenance workshops. According to the views collected so far, the vehicle maintenance trade was generally supportive of a registration scheme but there were

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divergent views as to whether the scheme should be implemented on a voluntary or mandatory basis.

- 34. <u>DS for ETW</u> added that the Administration's proposal was to adopt an incremental approach in taking forward the matter, i.e. the registration scheme for vehicle mechanics would first be implemented on a voluntary basis. Apart from allowing for early implementation to bring benefits to the trade and the community, this could more importantly minimize the impact on the existing employment situation of the trade. As registration would serve as a recognition of their standards and the names of registered mechanics would be published on the internet, the Administration believed that there should be adequate incentive for vehicle mechanics to join the scheme voluntarily. With time and experience, the Administration could review the need to migrate to a mandatory scheme in due course if considered appropriate. However, she could not commit on a definite timeframe at this stage.
- 35. Notwithstanding the Administration's explanation, <u>Ms Miriam LAU</u> considered that it would be irresponsible for the Administration to go ahead with the proposal without taking into account the general consensus of the vehicle maintenance trade. She stressed that according to the survey commissioned by the Working Group, more than 80% of the small and medium size workshops were supportive of a mandatory registration scheme. Instead of rushing through the matter, the Administration should broadly consult the trade again so as to ascertain their views.
- 36. Mr LEUNG Fu-wah highlighted the utmost importance of safeguarding the employment of vehicle mechanics and called on the Administration to broadly consult the trade's views, especially the 11 000 in-service vehicle mechanics, before deciding whether the proposed registration scheme should be introduced on a mandatory or voluntary basis. To ensure fairness, the same registration arrangement should be made for both vehicle mechanics and vehicle maintenance workshops. In general, he remarked that greater flexibility could be allowed under a voluntary scheme. If a mandatory scheme was eventually adopted, the trade should be given adequate time to make preparations.
- 37. Mr Albert CHAN expressed support for introducing a registration scheme for vehicle mechanics in Hong Kong on the condition that it would not affect the employment situation of the trade. While indicating preference for a mandatory scheme, he considered that a voluntary scheme could be implemented first with a clear undertaking from the Administration that a mandatory registration scheme would be implemented by a definite time. In the meantime, the Administration could start preparation of the necessary legislative amendments to give effect to the mandatory registration requirement.
- 38. <u>Dr TANG Siu-tong</u> also considered that if the Administration's intention was to adopt an incremental approach in taking forward the matter, a definite timetable should be set for migrating to a mandatory scheme at a later stage. Stressing that the objective

of registration of vehicle mechanics was to elevate their service standards, he enquired about the training arrangements to be made for the vehicle maintenance trade to supplement the registration scheme.

- 39. As far as training was concerned, <u>DS for ETW</u> advised that the Automobile Training Board (AUTB) under the Vocational Training Council was responsible for the training issues related to the automobile industry. Details of further training programmes to tie in with the proposed registration scheme would be worked out by AUTB in due course.
- 40. Regarding the 10-year qualifying period for the registration of vehicle mechanics without the relevant professional qualifications, <u>DS for ETW</u> explained that this was the criteria adopted in earlier manpower surveys on the trade. Practitioners with ten years' relevant working experience (including those accumulated during apprenticeship) were considered to possess the necessary standards of skills and expertise for carrying out various vehicle maintenance services. Nonetheless, the Administration would carefully consider the views collected during consultation with trade members.
- 41. Concerned about the privacy issues involved, <u>Mr LEUNG Fu-wah</u> asked whether it was a common practice to publish the names of registered persons under other current registration schemes in Hong Kong. In reply, <u>DS for ETW</u> confirmed that this practice was adopted for some registration schemes.
- 42. Mr Albert CHAN said that the Administration should further examine the proposed classification of vehicle mechanics into three categories, taking into account overseas experience. He considered that such categories might need to be defined in more detail so as to reflect the different types of services provided by the vehicle mechanics.
- 43. Noting the views and concerns raised by members, <u>DS for ETW</u> said that the Administration would refine the proposal taking into account all comments received from the trade. After finalizing the details of the registration scheme, the Administration would revert to the Panel again.

# VI Establishment of a cross boundary ferry terminal in Tuen Mun

(LC Paper No. CB(1)848/03-04(06) - Information paper provided by the Administration; and

LC Paper No. CB(1)669/03-04(01)

- Information paper on "Tenancy in respect of the Occupation, Modification and Use of Part of the Tuen Mun Ferry Pier for the Operation of Crossboundary Passenger Ferry Services" provided by the Administration)

### Tenancy agreement

- 44. Mr Albert CHAN noted that under the agreement signed between the Government and the tenant for the occupation, modification and use of part of the Tuen Mun Pier for the operation of cross boundary passenger services to Macau and Mainland ports, the tenant was required to bear all the costs for the necessary pier modification works as well as the non-recurrent items for the Government departments' operation. While welcoming the convenience this new facility would bring to the residents in North West New Territories, he was worried that the tenant would seek to recover these costs from the passengers by charging an unreasonably high fare. According to some press reports, the fare levels being contemplated by the tenant would be higher than the existing cross boundary ferry services as well as outlying islands ferry services, based on journey time and distance comparisons.
- 45. Mr LEUNG Fu-wah also said that the Administration should ensure a reasonable level of fares in order to safeguard the interests of the travelling public. After all, the costs of providing the necessary Government services such as immigration, customs, police support and port health were paid by public expenditure. The tenant should not be allowed to make unreasonable profit at the expense of the public.
- 46. In response, <u>DS for ETW</u> said that the Administration had informed the Panel earlier that there was no immediate need to develop another cross boundary ferry terminal (CBFT) in Hong Kong. However, the Government was prepared to pursue the proposal to operate cross boundary ferry services at the existing Tuen Mun Pier if an appropriate financial arrangement, including possible financial contributions from interested operators, could be made. Accordingly, a financial scheme was drawn up for the project and an Expressions of Interest exercise was conducted. This was followed by an open tender exercise, and a tenancy agreement was signed with the successful tenderer in December 2003. The Administration believed that a win-win situation was achieved as members of the public could enjoy this convenient service while the burden on the public coffer was minimized.
- 47. <u>DS for ETW</u> further said that when considering the level of fares, the tenant would take into account the competition from other CBFTs as well as public affordability, and believed that its fares would be competitive. <u>The Acting Assistant</u>

#### **Action**

<u>Director of Marine</u> supplemented that there were different requirements for the operation of cross boundary ferry services and outlying islands services, say in terms of the type of vessels used and the qualifications of seafarers, it would not be appropriate to make a direct comparison of their fare levels.

### Services to Mainland ports

- 48. <u>Mr Albert CHAN</u> queried why ferry services to Mainland ports in the Pearl River Delta could only be provided six months after Tuen Mun Ferry Terminal (TMFT) began operation, and called on the Administration to encourage the tenant to provide such services as soon as practicable.
- 49. <u>DS for ETW</u> replied that this was a commercial decision made by the tenant and the Administration was not involved in any way. The Administration would make every effort to facilitate the early provision of services to Mainland ports when the tenant was ready.
- 50. Mr Albert CHAN however did not agree that it was a purely commercial decision as it was not a free market with the tenant being granted the exclusive right of using the berthing slots under the agreement. He was concerned that public interest would be seriously undermined if the tenant delayed the provision of services to Mainland ports and refused to allow other interested operators to operate such services from TMFT. It would be a serious oversight on the Administration's part if there was no safeguard in the tenancy agreement to prevent such abuse by the tenant. In this respect, he requested the Administration to provide supplementary information on the relevant terms and conditions of the tenancy agreement to members for consideration after the meeting.

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(*Post-meeting note:* A supplementary information note provided by the Administration was circulated to members vide LC Paper No. CB(1)1177/03-04(01).)

51. <u>DS for ETW</u> said that other operators could approach the tenant if they were interested in providing such services from TMFT. Subject to certain conditions, the tenant could sub-let the berthing slots under the tenancy agreement.

#### VII Any other business

52. There being no other business, the meeting ended at 5:20 pm.

Council Business Division 1 Legislative Council Secretariat 11 March 2004