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Tel No.: 2189 2182
Fax No.: 2104 7274

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Mr Andy Lau
Clerk to Panel on Transport
Legislative Council Secretariat
3/F, Citibank Tower
3 Garden Road
Central, Hong Kong

Dear Mr Lau,

**Proposed Registration Scheme
for the Vehicle Maintenance Trade**

The proposed registration scheme for the vehicle maintenance trade was discussed at the meeting of the Legislative Council Panel on Transport held on 30 January 2004. The Administration undertook to release the report of the Working Group on Vehicle Maintenance Services and provide information on the views gathered from the vehicle maintenance trade during previous consultations.

The Working Group on Vehicle Maintenance Services (the Working Group) was set up in late 1999 to explore ways to improve the service standard of the local vehicle maintenance trade. In March 2000, the Working Group commissioned the Hong Kong Productivity Council (HKPC) to conduct a survey on the operation of the local vehicle maintenance companies/workshop.

We note that many of the individuals consulted by the Working Group and HKPC were owners, managers and/or representatives of larger vehicle repair workshops rather than individual mechanics who would be affected by the scheme. In addition, the consultation did not make reference to the likely cost associated with the scheme and hence respondents might not have taken the cost factor into consideration.

The survey indicated that the vehicle maintenance trade in general supported a regulatory scheme to improve the standard of the trade. It was found that 78.5% of the respondents supported the setting up of a mandatory registration scheme for mechanics. However, about 20% of the respondents opposed to the idea of a mandatory registration scheme. There were also concerns that employers might need to spend extra resources to train mechanics to meet the registration standard.

The Working Group completed a report in September 2001 and recommended that the Government should study the practicability of setting up an appropriate mechanism to regulate the local vehicle maintenance trade. A copy of the report is attached.

To take forward the recommendations of the Working Group and to further examine the merits of a regulatory scheme, the Government carried out a Regulatory Impact Assessment (RIA) of the Proposed Regulatory Trade Scheme for Local Vehicle Maintenance in 2002. While the earlier HKPC survey mainly targeted at workshops, the RIA focused more on practitioners working in smaller workshops. Results revealed that 61% of the interviewees supported some form of regulatory scheme for mechanics. Of these, 72% supported a voluntary registration scheme, 21% supported a mandatory registration scheme, and 7% did not have a preference. Among the supporters for a regulatory scheme for mechanics, only 20% were willing to pay more than HK\$100 for the registration. Supporters for a mandatory scheme considered that it could enhance the professionalism of the trade as well as public confidence through the delivery of quality vehicle maintenance. However, those who did not support a mandatory scheme were concerned about the economic and financial impacts arisen from the scheme and cautioned that the Government should consider the economic climate and the livelihood of mechanics to avoid creating unemployment as a consequence of the registration scheme.

Given the divergence in opinions of different sectors of the vehicle maintenance trade, we intend to consult the trade again on the details of the proposed registration scheme. We will take into account the comments from different workshops and practitioners, as well as the likely impact on the trade before finalising the scheme. We will brief the Panel on Transport on the final details in due course.

Yours sincerely,

(Ms Elizabeth Tai)
for Secretary for the Environment,
Transport and Works

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