

立法會
Legislative Council

LC Paper No. CB(1)1853/04-05
(These minutes have been seen
by the Administration)

Ref : CB1/PL/TP/1

Panel on Transport

**Minutes of meeting held on
Friday, 27 May 2005, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon LAU Kong-wah, JP (Chairman)
Hon Albert CHAN Wai-yip (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon LAU Chin-shek, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Andrew CHENG Kar-foo
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, SBS, JP
Hon Patrick LAU Sau-shing, SBS, JP

Members absent : Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LEUNG Kwok-hung

Public Officers attending : **Agenda item IV**

Dr Sarah LIAO
Secretary for the Environment, Transport and Works

Mr Joshua LAW
Permanent Secretary for the Environment, Transport and
Works

Mr Thomas CHOW
Deputy Secretary for the Environment, Transport and Works

Ms Ava CHIU
Principal Assistant Secretary for the Environment, Transport
and Works

Mr C K MAK
Director of Highways

Mr C H LAM
Project Manager –
Hong Kong – Zhuhai – Macao Bridge HK
Highways Department

Agenda item V

Ms Annie CHOI
Deputy Secretary for the Environment, Transport and Works

Mr Clement LAU
Assistant Secretary for the Environment, Transport and
Works

Mr WOO Kin-ming
Chief Electrical & Mechanical Engineer/
General Legislation
Electrical & Mechanical Services Department

Agenda item VI

Ms Annie CHOI
Deputy Secretary for the Environment, Transport and Works

Mr Donald NG
Principal Assistant Secretary for the Environment, Transport
and Works

Mr Don HO
Assistant Commissioner for Transport/
Management and Paratransit

Miss Amy CHOW
Acting Assistant Commissioner for Transport/
Administration & Licensing

Mr David CHIU
Assistant Director of Immigration
(Enforcement and Liaison)

Clerk in attendance : Mr Andy LAU
Chief Council Secretary (1)2

Staff in attendance : Ms Anita SIT
Senior Council Secretary (1)9

Miss Winnie CHENG
Legislative Assistant (1)5

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I Confirmation of minutes and matters arising
(LC Paper No. CB(1)1563/04-05 - Minutes of the meeting held on
18 March 2005)

The minutes of the meeting held on 18 March 2005 were confirmed.

Proposed research on the experience of other places in the construction and operation of tolled tunnels and roads

2. The Chairman said that the Subcommittee to Study the Eastern Harbour Crossing Ordinance (Amendment of Schedule) Notice 2005 had requested this Panel to follow up the issues relating to the toll increase of the Eastern Harbour Crossing (EHC). He also noticed that some academics had expressed views on the matter through articles published in the press. He had requested the Administration to provide its response to the academics' views and the reply from the Administration was awaited. Since the subject involved a number of issues and some were rather complicated, he proposed that to facilitate the Panel's future deliberation on the subject, the Research and Library Services Division of the Legislative Council Secretariat (RLSD) be requested to conduct a research study, for which he had made some suggestions on the objective and issues to be covered as per his letter tabled. He requested members to give views on his proposal.

3. Ms Miriam LAU said that she agreed to the proposal. In this connection, she suggested that the Administration should be urged to speed up the related work and report to the Panel, at the earliest opportunity, on measures to improve the distribution of traffic among the three road harbour crossings and the outcome of the discussions with the two tunnel companies on the matter. Members agreed to write to the Administration for the purpose.

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4. Members agreed to the Chairman's proposal to conduct a research study on the experience of other places in the construction and operation of tolled tunnels and roads. The Clerk advised that RLSD would prepare a draft research outline for the Panel's consideration at the next regular meeting.

II Information papers issued since last meeting

- (LC Paper No. CB(1)1458/04-05(01) - Submission from the Chairman of the Traffic and Transport Committee of the Tuen Mun District Council regarding the standard used for determining the frequency of franchised bus services
- LC Paper No. CB(1)1594/04-05(01) - Administration's response to submission from Tuen Mun District Council on frequency of franchised bus services circulated vide LC Paper No. CB(1)1458/04-05(01)
- LC Paper No. CB(1)1459/04-05(01) - Referral from Legislative Council Members' meeting with Islands District Council on 3 February 2005 regarding the frequency and fares of outlying island ferries
- LC Paper No. CB(1)1502/04-05(01) - Referral from Legislative Council Members' meeting with Southern District Council on 7 April 2005 regarding the development of transport infrastructure facilities in the Southern District
- LC Paper No. CB(1)1603/04-05(01) - Referral from Legislative Council Members' meeting with Sai Kung District Council on 7 April 2005 regarding "Taxi Pooling"
- LC Paper No. CB(1)1607/04-05(01) - Information paper on "Replacement of Sailing Information Display Systems at Cross-boundary Ferry Terminals" provided by the Administration
- LC Paper No. CB(1)1611/04-05(01) - Information paper on "Procurement of Specialised Vehicles for Route 8 Control Area" provided by the Administration
- LC Paper No. CB(1)1618/04-05(01)and(02) - Letters dated 4 and 6 May 2005 from Democratic Alliance for Betterment of Hong Kong regarding the toll increase of Eastern Harbour

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- LC Paper No. CB(1)1618/04-05(03) - Crossing and related issues
- Letter from the New Hong Kong Tunnel Company Limited providing the company's response to the letter from Democratic Alliance for Betterment of Hong Kong dated 6 May 2005
- LC Paper No. CB(1)1617/04-05(01) - A complaint made by a member of the public regarding the traffic incident on 9 May 2005)

5. Members noted the information papers issued since last meeting.

III Items for discussion at the next meeting scheduled for 24 June 2005

- (LC Paper No. CB(1)1605/04-05(01) - List of outstanding items for discussion
- LC Paper No. CB(1)1605/04-05(02) - List of follow-up actions
- LC Paper No. CB(1)1457/04-05(01) - A letter dated 3 May 2005 from Hon Andrew CHENG Kar-foo requesting that the Panel discuss the subject of providing concessionary public transport fares at 50% for the disabled who are eligible for receiving the disability allowance under the Social Security Allowance Scheme)

6. Members agreed that the following items proposed by the Administration would be discussed at the next meeting scheduled for 24 June 2005-

- (a) Tseung Kwan O — Lam Tin Tunnel;
- (b) Revision of Government's Transport-related Fees and Charges; and
- (c) Proposed reduction of embarkation fee for cross-boundary ferry terminals.

7. Mr CHENG Kar-foo referred to his letter dated 3 May 2005 conveying Mr CHEUNG Chiu-hung's request that the Panel discuss the subject of providing concessionary public transport fares at 50% for the disabled who were eligible for receiving the disability allowance under the Social Security Allowance Scheme. Mr CHENG suggested and members agreed that the subject be discussed at the regular meeting of the Panel in July 2005.

IV Progress update on Hong Kong – Zhuhai – Macao Bridge

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(LC Paper No. CB(1)1605/04-05(03) - Information paper provided by the Administration)

8. Members noted the following papers tabled at the meeting –
- (a) presentation materials on Hong Kong - Zhuhai - Macao Bridge and North Lantau Highway Connection provided by the Administration;
 - (b) submission from Hong Kong Islands District Association on Hong Kong - Zhuhai - Macao Bridge; and
 - (c) submission from Tai O Rural Committee on Hong Kong - Zhuhai - Macao Bridge.

(Post-meeting note: The above papers were issued vide LC Paper No. CB(1)1658/04-05 on 30 May 2005.)

9. The Secretary for the Environment, Transport and Works (SETW) said that the Hong Kong – Zhuhai – Macao Bridge (HZMB) was a land transport link between the Hong Kong Special Administrative Region (HKSAR) and the Pearl River West, which would contribute to the development of tourism, logistics, finance and trade in the HKSAR, reinforce its status as an international shipping and aviation centre, and promote the economic integration between the HKSAR and the Pearl River West. She then updated members on the progress of the advance work for HZMB and the North Lantau Highway Connection (NLHC). The salient points were as follows –

- (a) The Hong Kong community at large was in support of the construction of HZMB and had called for early implementation of the project.
- (b) The various alignment options for HZMB, which were broadly classified into three categories – Northern Alignment, Southern Alignment and Extreme Southern Alignment, put forward by the of China Highway Planning and Design Institute (HPDI) had been examined and discussed in detail by experts from the Mainland, Hong Kong and Macao during an Expert Panel Meeting on the HZMB Alignment organized by the National Development and Reform Commission in April 2005. The Expert Panel Meeting recommended the Northern bridge-cum-tunnel Alignment with landings at San Shek Wan, Gongbei and A Pérola for consideration by the three governments.
- (c) The Central Government had on a number of occasions expressed its hope that construction of HZMB could commence as soon as possible.
- (d) According to the current schedule, the HZMB Advance Work Co-ordination Group (AWCG) would submit the finalized feasibility study report to the Central Government in June 2005. It was anticipated that it would take the

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Central Government a few months to consider the report. Upon endorsement of the report by the Central Government, the HZMB project would proceed to the design stage.

- (e) To enable the conceptual design for the HZMB to commence without unnecessary delay, the Administration planned to make a funding application to the Public Works Subcommittee in June 2005 for the conceptual design and certain essential technical studies at an estimated cost of \$26.8 million (HKSAR's share) for employing consultants.

10. With the aid of Powerpoint, the Director of Highways (DHy) briefed members on the Northern Alignment proposed to be adopted for the HZMB and the alignment options for NLHC. He highlighted the following –

- (a) Among the various alignment options studied, the Northern Alignment was considered the best option having regard to its effectiveness in achieving the intended functions of HZMB, its cost-effectiveness, as well as the fact that it would cause the least disturbance to the natural shoreline of Lantau.
- (b) Conservation of dolphins had all along been a major consideration in planning the HZMB. In this regard, the studies had made reference to overseas experience, particularly the impacts of the construction activities and the existence of bridges on dolphins' habitat in three places, namely Chesapeake Bay, Florida Keys in the United States and Moray Firth in Scotland.
- (c) The Northern Alignment would have the least impact on the dolphins' habitat in Hong Kong waters.
- (d) As regards NLHC connecting HZMB to the existing road network, various alignment options had been investigated. For the NLHC section west of the airport, preliminary assessment revealed that the option in the form of a viaduct along the Airport Channel would have less environmental impacts than the other options. It would also be compatible with the preferred Hong Kong landing point of the HZMB at San Shek Wan. For the eastern section of the NLHC, out of the alignments studied, four alignment options were found worthy of further exploration. Each of these options had its relative merits, as set out in Annex D to the Administration's paper.
- (e) The Administration planned to consult the Islands District Council on the HZMB and NLHC projects after this Panel meeting.

Impacts on dolphins

11. Mr WONG Kwok-hing, Mr Jeffrey LAM and Mr Albert CHAN expressed concern about the impacts of the HZMB project on the dolphins inhabiting in the waters

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affected by the project.

12. SETW advised that the entire Pearl River Estuary was the habitat of dolphins. In formulating measures to safeguard the dolphins, the Administration could draw reference from the experience gained in the Chek Lap Kok airport project, in which the impact on dolphins had been successfully controlled and a dolphin sanctuary had been created. Data collected since 1995 revealed that the number of dolphins in Hong Kong waters had been on the increase.

13. SETW further said that compared to the Chek Lap Kok airport project which involved large scale reclamation works, it was anticipated that the HZMB project would have much lesser impact on the dolphins. Preliminary assessment in the study of HPDI showed that HZMB would not cause unacceptable impact on the dolphins during the construction and operation stages. Moreover, the Hong Kong Special Administrative Region Government (HKSARG) would cooperate with the Guangdong Provincial Government and take the opportunity of the project to establish the Pearl River Estuary as a world class dolphin protection area.

14. On Mr WONG Kwok-hing's concern about the environmental impacts of HZMB and NLHC on Tung Chung, SETW advised that reducing the air pollution in Tung Chung was a priority task of the Administration. The occasional increase in ozone level over Tung Chung was not caused by pollutants originating from Tung Chung or the neighbouring areas, but arose from the photochemical reactions over the Pearl River Delta region. When such ozone-generating photochemical reactions were vigorous over the region, the ozone level over the whole of Hong Kong would rise. Since nitrogen monoxide emitted from vehicles could remove some ozone in the air, urban areas with heavy traffic flow might have lower ozone levels than other areas with low traffic flow, such as Tung Chung.

15. SETW pointed out that tackling the regional air pollution problem was the only way to improve the air quality in Tung Chung. The HKSARG and the Guangdong Provincial Government had reached a consensus in April 2002 to reduce by 2010, on a best endeavour basis, the regional emissions of four major pollutants by 20% to 55%, using 1997 as the base year. The two governments also had jointly drawn up the Pearl River Delta Regional Air Quality Management Plan in December 2003. The environmental impacts of the HZMB and NLHC would be examined in detail in the respective Environmental Impact Assessment (EIA) studies, and the objective was to identify an alignment with the minimum impacts.

16. Mr Albert CHAN said that he supported the proposed landing point of HZMB at San Shek Wan and the use of a viaduct structure for the section of HZMB within the HKSAR, as this design could minimize the environmental impacts. He enquired whether the section of HZMB outside the boundary of HKSAR would be subject to the same environmental requirements and standards as those adopted in HKSAR. He was concerned that if different requirements and standards were adopted for this section, the project would bring about serious damages to the environment, in particular the

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dolphins.

17. SETW advised that the section of HZMB within the boundary of HKSAR and all the connecting roads must comply with the relevant environmental requirements and standards in force in HKSAR. The EIA legislation in the Mainland had come into operation recently. The legislation was very similar to the corresponding legislation in Hong Kong in many respects, and in fact, views of experts from HKSAR had been taken into account in the drafting of the Mainland legislation. While the EIA in respect of the section outside the boundary of HKSAR fell within the purviews of the other two governments, experts from HKSAR would take an active part in giving views. SETW further said that under the AWCG mechanism, the three governments hold discussions and make decisions on equal footing. HKSARG believed that the HZMB project would not bring about negative impact on dolphins and for this matter, a very good cooperation mechanism between the HKSARG and the Guangdong Provincial Government had already been established.

Alignment for HZMB

18. Ms LI Fung-ying noted that some organizations of the Islands District had indicated their preference for the Southern Alignment for HZMB, contrary to the Administration's recommendation for the Northern Alignment. She said that although the decision on the alignment did not lie with HKSARG only, the Administration still should fully consider the views of Hong Kong residents, especially the residents in Lantau. She therefore urged the Administration to consult the Island District Council before the funding proposal for the conceptual design for HZMB was considered by the Legislative Council.

19. SETW said that the alignment for HZMB was to be decided by the three governments, not just by HKSARG. Under the Southern Alignment option, HZMB would run along the existing natural shoreline of West Lantau from Tai O to San Shek Wan. This option would lead to significant visual impacts and would unlikely be able to pass Hong Kong's EIA procedures. All the three governments did not support this option in view of its significant impacts. The Central Government also held the view that those options damaging natural shorelines should be avoided. The landing point at San Shek Wan would have minimum impact according to the findings of the feasibility study conducted by HPDI.

20. DHy added that HPDI and the Expert Panel Meeting had examined the various alignment options in detail taking into account environmental factors, engineering feasibility, impacts on navigation and anchorage areas etc. It was only after such detailed examination that the three governments agreed to adopt the Northern Alignment.

Admin 21. At Ms LI Fung-ying's request, the Administration agreed to provide further details on the various alignment options considered by the three governments and the respective assessments on the options.

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22. Mr CHEUNG Hok-ming asked whether the impact of the various alignment options on the economic development of Lantau had been duly taken into account in evaluating the alignment options. In this connection, he noted that the Administration had drawn up a Concept Plan for Lantau, and enquired how the different alignment options were evaluated in the light of the future developments recommended/envisaged in the Concept Plan.

23. SETW said that since HZMB was a cross-boundary infrastructure project and the primary objective was to provide a land transport link between HKSAR and the Pearl River West. The economic impact on a particular district in HKSAR was a second level consideration. It was therefore appropriate to obtain a consensus on the alignment among the three governments in the first place and then explain the choice to various stakeholders including organizations at the district level. Referring to the letters from the Hong Kong Islands District Association and the Tai O Rural Committee tabled at the meeting, she said that given the brevity of the letters, she could not fully comprehend the justification put forth by the organizations for their proposed alignments.

24. Mr CHEUNG Hok-ming considered that the objective of HZMB and the aspirations of the Islands District did not necessarily contradict each other. He thus opined that the Administration should give due consideration to the economic impact of HZMB on Lantau, and suggested that the Administration should consult the local community to understand their views.

25. The Deputy Secretary for the Environment, Transport and Works (Transport) 1 advised that the Concept Plan for Lantau published by the Lantau Development Task Force led by the Financial Secretary aimed to provide a coherent planning framework to meet a diversity of land use needs in Lantau. The first stage public consultation on the Concept Plan had been completed. The overall planning concept was to focus major economic infrastructure and urban development in North and North East Lantau to optimize the planned transport links and infrastructure, whilst the emphasis for South Lantau was nature conservation and tourism facilities. The Concept Plan had included possible alignments of HZMB and it was envisaged in the Concept Plan that HZMB would complement the economic infrastructure facilities in North Lantau but not other parts of Lantau.

26. Ms Miriam LAU considered that whilst the Southern Alignment for HZMB might be beneficial to Tai O in terms of economic development, the section running along the shoreline between Tai O and San Shek Wan would have significant environmental impacts and expectedly green groups would raise strong objection to this alignment. Overall, the Northern Alignment was more viable and it would not give rise to unnecessary controversies over environmental impacts.

27. Mr WONG Kwok-hing opined that before members took a position on the proposed funding for the conceptual design of HZMB, the Administration should first consult Islands District Council and report the results to members.

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28. In view of members' request for the Administration's consultation with the Islands District Council as a matter of urgency, the Chairman requested and the Administration agreed to consult the Islands District Council before the funding proposal for the conceptual design of HZMB was discussed at the Public Works Subcommittee.

Provision of a rail link under the HZMB project

29. Mr WONG Kwok-hing asked whether consideration had been given to providing a rail link under the HZMB project. SETW advised that HZMB would be a bridge-cum-tunnel structure in order to maintain the navigational channel for the Guangzhou Harbour. To provide a railway under the HZMB project would require huge additional cost, as the tunnel part would need to be much longer to achieve an acceptable gradient for a railway. Moreover, the railway system in the west bank of the Pearl River Estuary would be different from that currently in operation in North Lantau. Given the above considerations, the three governments held the common view that provision of a rail link between Hong Kong and Zhuhai under the HZMB project was not a preferred option.

Approach for construction and operation of the HZMB

30. Mr CHENG Kar-foo said that in relation to the toll increase of the Eastern Harbour Crossing (EHC), SETW had expressed the view that the Build-Operate-Transfer approach (BOT) was an outdated approach for construction and operation of transport infrastructure facilities. He asked whether the BOT approach would be adopted for the construction and operation of the HZMB and if so, how the BOT arrangements for HZMB could avoid the problems occurred in the past BOT projects.

31. SETW clarified that she did not mean that BOT per se was an outdated approach. BOT as a type of infrastructure delivery approach had a lot of variations, and special arrangements could be included under a BOT project to safeguard public interest. EHC was a BOT project, and it was considered that the relevant franchise agreement did not include adequate provisions to safeguard public interest.

32. SETW advised that HZMB would likely be a tolled road while NLHC would not be a tolled road but a public works project. AWCG's intention was to involve private sector participation in funding and operating HZMB. The three governments concerned and the Central Government were examining the matter with a view to coming up with a satisfactory arrangement. In the course of deliberation, they would draw reference from the experiences in BOT projects in various countries/places and would listen to views from interested parties.

33. Ms Miriam LAU commented that HZMB was very important for the development of the cargo trade between the west bank of the Pearl River Estuary and

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Hong Kong. The Administration should have a clear position on how HZMB should be operated in future. If the matter was entirely left to the private sector, which would understandably consider the project strictly based on commercial considerations, the tolls would probably be very high and the bridge would very likely be under-utilized. The tolls of HZMB must be competitive enough to attract some cargo traffic that was currently conducted through river trade vessels or by land via Humen in Dongguan. She thus asked whether the three governments were prepared to provide financial support for the HZMB project so that the future tolls could be set at the lowest possible level and hence the utilization of it could be optimized.

34. SETW said that the three governments had not decided the financial arrangements at this stage. She confirmed that the rate of return on investment would not be the only basis for determining the future tolls of HZMB. The governments recognized that the tolls should be competitive and be able to achieve the target traffic volume. The feasibility study of the HPDI had examined how the three governments could provide support at the policy level so that the operation of HZMB could satisfy commercial principles whilst the tolls were affordable to the public. At this stage, there was not yet a decision among the three governments on whether the governments would provide financial support for the HZMB project.

35. Mr LAU Chin-shek asked whether AWCG's intention to involve private sector participation in funding and operating the HZMB was concordant with the policy intent of the HKSARG. He also asked if the project was to be financed by private corporations, how the three governments would ensure that maximizing the return on investment would not be the primary consideration in operating the HZMB, and how the governments would secure control over the tolls.

36. SETW affirmed that the three governments as well as the Central Government shared the same view that it would be preferable for the private sector rather than the governments to take the lead in funding and operating the HZMB. They were fully aware of the problems in certain BOT projects in the past. Private sector participation in infrastructure projects had certain advantages and this was a world trend. Nonetheless, the three governments did realize that government regulation was needed for infrastructure projects, so that the public resource, i.e. the bridge, would be utilized to its designed purpose.

37. Mr LAU Chin-shek pointed out that what SETW depicted was an ideal situation which could be easily said but not done. He reiterated his question as to what mechanism would be in place to safeguard public interest, and whether the control over the tolls of HZMB would be vested with the three governments or the private corporation funding the project.

38. Ir Dr Raymond HO asked how the three governments would come to a decision on the approach/model for funding and operating HZMB. He was concerned that the project would be delayed if the three governments could not come to an agreement on the matter within a short time.

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39. SETW affirmed that the three governments were fully aware of the need to retain control over the tolls through contract, and that under the future operation arrangements, the economic viability of HZMB should not be sustained simply by increasing tolls. Although, there was not a confirmed plan on the toll regulation mechanism at this stage, the three governments were actively looking into the possible arrangements for funding and operating HZMB.

40. In reply to Ir Dr Raymond HO's enquiry, SETW advised that the design and construction of HZMB would be tendered out through an international open tender exercise. Ir Dr HO expressed support for this arrangement. He further said that Hong Kong based companies in the construction industry had an edge in terms of work quality and control of works schedule. However, they might compare less favourably in terms of price. He asked if the HKSARG had any strategy to facilitate the participation of Hong Kong based companies in the project.

41. DHy advised that for such a large scale project as HZMB, Hong Kong based companies would probably enter into joint ventures with other local companies or overseas/Mainland companies in making tender bids in the international tender for the project. He remarked that recent tender exercises for large scale public works projects in Hong Kong revealed that the tender prices offered by Hong Kong based companies were also very competitive.

42. On the question of how the future tolls should be determined, Mr CHEUNG Yu-yan asked whether the governments would differentiate between the overall economic benefits generated by the bridge and the economic benefits enjoyed by users of the facility and based on this differentiation, the governments and users would pay their respective share of the costs for the facility.

43. In response, SETW said that it was difficult to make the differentiation suggested by Mr CHEUNG. The three governments were committed to ensuring that HZMB would be utilized to its designed purpose through policy and/or financial support. As the matter was still under contemplation by the three governments, she could not tell whether and to what extent the governments would provide financial support.

44. Mr CHEUNG Yu-yan said that he would hope that HZMB could be commissioned as soon as possible and was thus concerned about the implementation timetable. He also asked when the details of construction cost, traffic flow projections and toll determination mechanism etc. would be available.

45. In reply, SETW advised that since the conceptual design for HZMB was yet to commence, it would not be possible to commence construction of HZMB in late 2005. The Permanent Secretary for the Environment, Transport and Works advised that it would take some time for the three governments and the Central Government to consider the financial arrangements and toll determination mechanism. He assured members that once these were decided, the Administration would provide relevant

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details to Members.

46. In reply to Mr CHEUNG Yu-yan's enquiry about the toll collection arrangement for HZMB, SETW advised that for an ordinary BOT project, the successful project proponent would fund and operate the facility including the collection of tolls. The current thinking was to adopt a simple toll collection method for the convenience of users.

47. Mr Albert CHAN opined that the project should not be pursued in a hasty manner, since the traffic and environmental implications of the project had yet to be ascertained.

48. Mr CHENG Kar-foo said that he had the impression that SETW had somehow confirmed that the BOT approach would be adopted for the construction and operation of HZMB. He thus urged SETW to be realistic about the inherent problems of the BOT approach, and make it her priority to put in place a toll determination mechanism which could safeguard public interest and would allow both upward and downward toll adjustments. He added that if possible, the three governments should expand their options to include other financing methods such as issuing government bonds.

49. Mr LAU Chin-shek urged that the HKSARG should clearly voice out its position about the need to secure control over the tolls of HZMB to safeguard public interest, and ensure that the views of Hong Kong people could be effectively reflected at the AWCG.

Alignment options for NLHC

50. Regarding the alignment options for the eastern section of NLHC, Mr CHENG Kar-foo said that the Democratic Party would not accept option (c) as under this option, NLHC would be too close to residential developments. In reply to his enquiry about the estimated capital cost for NLHC under the various alignment options, DHy advised the following –

<u>Alignment option</u>	<u>Estimated capital cost</u>
(a)	\$7 - 8 billion
(b)	\$9 - 10 billion
(c)	around \$4 billion
(d)	around \$6 billion

51. Ms Miriam LAU considered that from the viewpoint of facilitating the logistics industry, Alignment Option (c) was preferable since it was the shortest route available. However, residents in Tung Chung would probably object to it given the resultant environmental impacts. Among the three remaining options, she considered Option (d) preferable since it was the shortest and the cheapest route to build and would be in tunnel form hence minimizing the environmental impacts on existing developments.

52. Mr Jeffrey LAM asked whether the Administration had inclination toward any alignment option for NLHC. DHy said that at this stage, the Administration held an

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open mind on the alignment options, and would conduct further studies and listen to public views so as to decide on an optimal alignment. Mr Jeffrey LAM asked the Administration to give special attention to the possible impact of road traffic on sensitive receivers in its studies.

53. In reply to Mr LAU Sau-sing's enquiry about the technical feasibility of Alignment Options (b) and (d), DHy advised that based on the findings so far, although some technical difficulties were envisaged, these difficulties were not insurmountable rendering the alignment options not feasible. The Administration would further explore all the four alignment options.

54. Mr Albert CHAN considered that the four alignment options would have very different and important impacts on North Lantau and Tung Chung. He requested the Administration to provide more information on the alignment options for NLHC to the Panel as soon as possible.

55. In conclusion, SETW emphasized that all the three governments as well as the Central Government hoped that the HZMB project could proceed at the fastest possible pace, and she hoped that the Hong Kong side could effectively complement the overall pace of the HZMB project. She also acknowledged that the residents in Lantau were very concerned about the possible benefits and impacts of the project on Lantau, and hoped that they would also consider the matter from the angle of overall public interest.

56. The Chairman said that while the Administration would like to seek the support of the Panel for its funding proposal for the conceptual design of HZMB, it was not necessary for the Panel to take a position on the funding proposal and members had expressed their own views on the project. He reiterated members' request that the Administration should consult Islands District Council before the funding proposal was considered by the Public Works Subcommittee.

V Proposed registration scheme for the vehicle maintenance trade

(LC Paper No. CB(1)1605/04-05(04) - Information paper provided by the Administration)

57. Members noted the following submissions tabled at the meeting –

- (a) Submission from Hong Kong Vehicle Repair Merchants Association Ltd;
and
- (b) Submission from Public Omnibus Operators Association Ltd.

(Post-meeting note: The above submissions were issued vide LC Paper No. CB(1)1658/04-05 dated 30 May 2005.)

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58. Ms Miriam LAU said that proper vehicle maintenance was important for road safety and the control of air pollution. The vehicle maintenance trade had been asking for the implementation of a registration scheme for years, as such a scheme would be conducive to enhancing the standard of the trade. The trade was rather disappointed that the present proposal was to launch a voluntary registration scheme, the effectiveness of which would probably be limited. Whilst the trade accepted the implementation of a voluntary scheme in the first place, it held the view that the Administration should have a definite timetable for the implementation of a mandatory scheme. She therefore sought assurance from the Administration that it would review the voluntary scheme as soon as possible and implement a mandatory scheme in around 2008. She understood that some practitioners in the trade had expressed concern that a mandatory scheme would adversely affect their employment situation. She considered that as attested by other mandatory registration schemes in Hong Kong, this concern could be adequately addressed by putting in place suitable transitional arrangements 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.

59. Ms LAU also expressed the following views –

- (a) The registration / renewal fee of between \$500 to \$900, as initially suggested by the Administration, was too high.
- (b) It was more appropriate for each registration and renewal to be valid for 5 years, instead of 3 years as proposed by the Administration.
- (c) In the long term, the Administration might consider making the completion of relevant refresher course(s) a requirement for renewal of registration, in addition to the requirement of continual practice in the trade.

60. The Deputy Secretary for the Environment, Transport and Works (Transport) 3 (DS/ETW(T)3) said that it was the Administration’s intention to establish a mandatory registration scheme in the long term. The Administration however noted that there were diverse views within the trade as to whether the registration scheme should start off in the form of a voluntary or mandatory scheme. Some workshop operators and vehicle mechanics, especially those operating or working in small workshops, were concerned that their business / employment would be adversely affected by a mandatory scheme. Having regard to the trade’s concerns, the Administration considered it desirable to adopt an incremental approach by starting off with a voluntary registration scheme. The Administration would review the scheme in 2008 and decide how a mandatory scheme could be introduced taking into account the experience gained in the voluntary scheme. She added that the participation rate of a voluntary scheme could also be high, if the registration requirements were set at an appropriate level and there were suitable incentive measures, such as the award of a certificate to registered persons for retention and display, to encourage practitioners to participate in the scheme.

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61. As regards the registration/renewal fee, DS/ETW(T)3 advised that the Administration had noted the trade's concern that the proposed fee level was too high. In view of the concern and the voluntary nature of the proposed scheme, the Administration would re-examine the fee issue and consider the feasibility of setting it at a much lower level in the initial years.

62. Regarding the validity duration of each registration and renewal, DS/ETW(T)3 took note of Ms LAU's view and advised that this and other detailed arrangements would be further considered at the Vehicle Maintenance Technical Advisory Committee (VMTAC) proposed to be established.

63. Mr WONG Kwok-hing said that he supported the adoption of an incremental approach to allow the voluntary scheme to evolve to a mandatory scheme. He concurred with Ms Miriam LAU that the validity duration of each registration and renewal should be five years, and that the registration / renewal fee should be as low as possible, say around \$100, to encourage practitioners to join the scheme. He suggested that there should be representatives from labour unions to sit on the future VMTAC. He also asked how the Administration would encourage practitioners in the trade to attend courses to update their knowledge and skills.

64. DS/ETW(T)3 advised that in formulating the present scheme, the Administration had maintained close dialogue with relevant trade unions. The Administration would enlist their representatives to sit on the VMTAC. As regards training courses for vehicle mechanics, the Administration reckoned the importance of continuous professional development to keep vehicle mechanics abreast of the latest techniques and developments. The Administration would discuss with the VMTAC and relevant institutes the detailed arrangements, including the timing, venues and content of the courses, as well as the availability of government subsidies for course fees.

65. Referring to the proposed registration requirements, Ms LI Fung-ying expressed concern that the requirements were too stringent and hence affecting the employment situation of some existing practitioners in the trade, in particular those who had been employed in small workshops.

66. DS/ETW(T)3 advised that the Administration understood that over 80% of practising vehicle mechanics would be qualified for registration under the proposed registration requirements. The majority of the remaining practising mechanics were new entrants under apprenticeship. In the survey conducted among members of the trade in late 2004, 70.8% of the workshop operators and 71.1% of the vehicle mechanics covered by the survey agreed to the proposed registration requirements. Hence, the Administration believed that the threshold for registration currently proposed was reasonable and would not give rise to substantial controversies.

67. Noting the proposal to put in place monitoring arrangements to ensure that the registered mechanics continued to provide quality services and that non-performers

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would be subject to some punitive measures, Mr CHEUNG Hok-ming enquired about the details of the monitoring arrangements.

68. Ms LI Fung-ying said that given that vehicle mechanics would be subject to punitive measures of their employer for inappropriate acts, making them subject to additional punitive measures under the proposed registration scheme might be too onerous for them. She sought explanation from the Administration.

69. DS/ETW(T)3 advised that the registration scheme was a mechanism for according recognition to practitioners in the trade that they possessed the required skills and knowledge to deliver relevant vehicle maintenance services. It was recognized that certain appropriate acts of a more serious nature, such as misrepresentation, negligence or unsafe acts, could be a reflection of the fact that the registered person concerned was no longer qualified for being accorded continued recognition. The trade generally agreed to this principle. The Administration would work out the details of the monitoring arrangements with the VMTAC.

70. Mr LAU Sau-sing expressed support for the scheme on consideration that the scheme would be conducive to enhancing the standard of the trade and road safety. In reply to his enquiry about the registration classification, DS/ETW(T)3 advised that it was proposed that initially vehicle repairs and servicing activities be categorized into mechanical services, electrical services and body repair services. For mechanical services, there would be further classifications based on vehicle size and engine type. The details would be determined in consultation with the VMTAC. Upon implementation of the scheme, the Administration would publicize the scheme to car owners.

71. DS/ETW(T)3 further advised that the proposed registration scheme had no direct relationship with the retailing of vehicle parts at workshops. The present intention was to introduce a code of practice for vehicle maintenance workshops to promote self-regulation and provide guidance on best practices.

VI Review of the existing system and arrangements for the issue of taxi driving licence

(LC Paper No. CB(1)1605/04-05(05) - Information paper provided by the Administration)

72. The Chairman informed members that Mr WONG Kwok-hing had notified in writing that he would like to move the following motion, which was seconded by Ms LI Fung-ying –

「本會促請運輸署及有關部門必須盡快修訂法例，以堵塞雙程證人士領取的士駕駛執照的漏洞，並定出修訂法例的時間表。」

English translation

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“That this Panel urges the Transport Department and other relevant departments to expeditiously amend the relevant legislation to plug the loophole whereby two-way permit holders can obtain a taxi driving licence, and to set the timetable for amending the legislation.”

73. Mr WONG Kwok-hing said that in late April 2005, he together with the Motor Transport Workers General Union had a meeting with the Administration to discuss the matter with a view to safeguarding the interest of local workers. The Administration had acknowledged that to address the problem fundamentally, it might be necessary to amend the relevant legislation. At that meeting, the Administration said that the review on the existing arrangements and legislation on the issue of taxi driving licences would be completed by the end of 2005. He however noticed that there was no indication on the timetable for the review in the Administration’s paper for this meeting. He therefore moved the motion to urge the Administration to expedite the work and set a definite timetable. Mr WONG asked the Administration to explain the anticipated difficulties in drawing up the relevant legislative proposal and how far the interim measures set out in the Administration’s paper could tackle the problem identified.

74. Mr CHENG Kar-foo also urged the Administration to speed up its work to plug the loopholes in the existing legislation. He considered that the problem was not complicated and could be tackled in a straight forward manner, i.e. by making it clear in the legislation that only Hong Kong residents would be eligible to apply for a taxi driving licence.

75. In response, DS/ETW(T)3 explained that some internal discussions within the Administration revealed that the required legislative amendments might have implications on the whole licensing regime as well as personal data privacy and human rights. The review was not as straightforward as it appeared and might need to take a longer time. Whilst she could not commit to a definite timetable at this stage, she said that it remained the Administration’s objective to complete the review by the end of 2005.

76. On the effectiveness of the interim measures, DS/ETW(T)3 said that as a taxi driving licence’s holder would need to hire a taxi for providing taxi service, the trade could play a frontline guarding role effectively by checking the Hong Kong identity cards of hirers.

77. In reply to Mr Jeffrey LAM’s enquiry, DS/ETW(T)3 advised that one of the requirements for issuance of a taxi driving licence was that the applicant should possess a valid Hong Kong driving licence for private cars or light goods vehicles for at least 3 years. In applying for a driving licence for any type of vehicles, including taxis, private cars or light goods vehicles, an applicant was required to produce a valid identity document, which included, inter alia, a Hong Kong identity card, a passport or other travel document such as a two-way permit. As the two licensing regimes were inter-related in this respect, the Administration might also need to consider if the

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tightening up of the requirements on the issue of driving licences for taxis would have implications for private cars or light goods vehicles.

78. Mr Jeffrey LAM highlighted that apart from taxi driving licences, the problem in question might also exist or occur in the case of the issue of driving licences for other types of commercial vehicles. DS/ETW(T)3 noted this point and said that the Administration would consider this issue in the review.

79. Mr Albert CHAN said he had requested the Administration to review the present arrangement for issuance of Closed Road Permits (CRPs) on a separate front. He understood that a number of Mainland residents had been issued with CRPs and he appreciated the need for so doing for some justified reasons. But there could be some loopholes in the arrangement, which might adversely affect the operation of the local transport trades.

80. Mr Albert CHAN referred to Mr WONG Kwok-hing's motion and commented that the actions to tackle the problem in question should not target only at visitors holding two-way permits, but should cover all visitors who sought to take up employment illegally.

81. Ms Miriam LAU pointed out that more precisely, the problem lied with any visitor who sought to operate a taxi or other commercial vehicles for employment or business without a valid employment visa. She opined that the problem should not be tackled by tightening the "identity" requirement for private car driving licences. As so doing would be a departure from the long standing practice adopted in Hong Kong and many other places of allowing non-local residents to obtain locally issued private car driving licences. Such departure would be highly undesirable. Instead, the problem should be tackled under the respective licensing arrangements for commercial vehicles.

82. Ms Miriam LAU also commented that the interim measures might have the effect of shifting the responsibility of the Administration to prevent the occurrence of the problem to the trade, which had to take up the burden of checking the Hong Kong identity card of hirers of taxis. She shared other members' view that the Administration should tackle the problem expeditiously and should set a timetable for the work.

83. Mrs Selina CHOW shared the views of Ms Miriam LAU. She pointed out that the existing requirement on an applicant for a private car driving licence to produce a valid identity document was for the purpose of proof of identity; the requirement had nothing to do with preventing visitors from taking up employment illegally in Hong Kong. She considered it appropriate to consider the issue from a wider perspective to cover all commercial vehicles and hence suggested that Mr WONG Kwok-hing revise his motion accordingly. She also asked the Administration to take a more active part in the interim and should not simply place the burden on the trade.

84. In response, DS/ETW(T)3 said that the Administration intended to review the arrangements for the issue of driving licence for commercial vehicles, and would need

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more time to examine the possible implications of the required legislative amendments. The Administration considered that the interim measures being taken were very effective, as they could tackle the problem at the frontline level. So far, the measures had worked well. That said, the Immigration Department would continue their vigorous enforcement actions against illegal employment in the transport trade in collaboration with the Transport Department (TD).

85. Ms LI Fung-ying opined that the Administration should indicate a definite timetable for the required legislative amendments and should make needed improvements to the various interim measures. In response to Ms LI comments on the impreciseness of the information in the notice to be issued by TD to applicants for taxi driving licences as set out in paragraph 8(c) of the Administration's paper, DS/ETW(T)3 clarified that the notice to be issued would set out clearly the relevant legislative provisions as mentioned in paragraph 4 of the Administration's paper.

86. Mr WONG Kwok-hing informed the meeting that taking into the views expressed by members at the meeting, he had revised his motion as follows –

「本會促請運輸署及有關部門必須盡快修訂法例，以堵塞沒有有效工作簽證的非本地居民領取的士等駕駛執照的漏洞，並定出修訂法例的時間表。」

English translation

“That this Panel urges the Transport Department and other relevant departments to expeditiously amend the relevant legislation to plug the loophole whereby non-local residents without a valid employment visa can obtain a taxi driving licence, and to set the timetable for amending the legislation.”

Members unanimously agreed to the motion. The Chairman declared that the motion was passed.

Admin 87. The Chairman requested the Administration to take note of the motion and take follow-up actions accordingly. Members agreed that the Panel would discuss the subject again in around December 2005.

VII Any other business

88. There being no other business, the meeting ended at 12:55 pm.

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Legislative Council Secretariat
21 June 2005