

立法會
Legislative Council

LC Paper No. CB(1)1516/12-13
(These minutes have been seen
by the Administration)

Ref : CB1/PL/TP/1

Panel on Transport

**Minutes of meeting held on
Friday, 15 March 2013, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon CHAN Kam-lam, SBS, JP (Chairman)
Hon Gary FAN Kwok-wai (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon WONG Kwok-hing, MH
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon CHAN Hak-kan, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon CHAN Han-pan
Dr Hon KWOK Ka-ki
Dr Hon Elizabeth QUAT, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members attending : Hon Charles Peter MOK
Dr Hon Helena WONG Pik-wan

Members absent : Hon Ronny TONG Ka-wah, SC
Hon Michael TIEN Puk-sun, BBS, JP
Hon NG Leung-sing, SBS, JP
Hon Tony TSE Wai-chuen

Public Officers attending : **Agenda item IV**

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Patrick CHAN, JP
Deputy Secretary for Transport and Housing
(Transport)³

Ms Cordelia LAM Wai-ki
Principal Assistant Secretary for Transport and
Housing (Transport)²

Ms Connie HO Kam-yin
Senior Treasury Accountant (Transport)¹
Transport and Housing Bureau

Mr TANG Wai-leung
Chief Engineer/Transport Planning
Transport Department

Agenda item V

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Patrick CHAN, JP
Deputy Secretary for Transport and Housing
(Transport)³

Ms Cordelia LAM Wai-ki
Principal Assistant Secretary for Transport and
Housing (Transport)²

Mr Albert SU Yau-on
Assistant Commissioner/Management &
Paratransit
Transport Department

Mr Michael NG Shi-hung
Principal Transport Officer/Management
Transport Department

Mr CHENG Shing-chuen
Chief Engineer/Project
Electrical & Mechanical Services Department

Agenda item VI

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Edward TO
Principal Assistant Secretary for Transport and
Housing (Transport)⁵

Mrs Joanna KWOK
Project Manager/Major Works
Highways Department

Mr TAO Kei-hung
Deputy Project Manager/Major Works (1)
Highways Department

Mr YIU Wai-keung
Chief Project Manager 203,
Architectural Services Department

Mr Anthony LOO, JP
Assistant Commissioner/Planning
Transport Department

Mrs Anissa LI CHIU Wai-yin
Acting Chief Superintendent/Planning and
Development Branch
Hong Kong Police Force

Mr YU Tat-chung
Yau Tsim District Commander
Hong Kong Police Force

Clerk in attendance : Ms Sophie LAU
Chief Council Secretary (1)2

Staff in attendance : Ms Macy NG
Senior Council Secretary (1)2

Ms Emily LIU
Legislative Assistant (1)2

Miss Ariel SHUM
Clerical Assistant (1)2

Action

I Confirmation of minutes of meeting

(LC Paper No. CB(1)689/12-13 - Minutes of meeting on
14 December 2012)

The minutes of the meeting held on 14 December 2012 were confirmed.

II Information papers issued since last meeting

(LC Papers Nos.	- Letter dated 15 February 2013 from Hon WONG Kwok-hing on the installation of water-tight doors on vessels carrying passengers; and the requirements of the Marine Department regarding safety measures on these vessels and Administration's response
CB(1)603/12-13(01) and (02)	
LC Papers Nos.	- Letter from Hon TANG Ka-piu and Hon Gary FAN Kwok-wai dated 12 March and 13 March 2013
CB(1)710/12-13(01) and (02)	

respectively on ventilation facilities for buses)

2. Members noted the above papers issued since the last meeting.
3. Mr WONG Kwok-hing referred to his letter dated 15 February 2013 on the installation of water-tight doors on vessels carrying passengers; and the requirements of safety measures on these vessels, and the Administration's response. He considered that the matters should be discussed at a future meeting of the Panel on Transport ("the Panel"). Members noted.
4. Referring to the letters from Mr TANG Ka-piu and the Deputy Chairman who requested to discuss the ventilation facilities for buses, Mr WONG Kwok-hing suggested that the matter should also be discussed at a future meeting. Mr TANG Ka-piu added that the matter had indeed been raised in the meetings of the Panel and the Panel on Manpower in November and December 2012 respectively. As the matter had been raised for some time, he requested that it should be discussed as soon as possible.
5. In view of the many issues scheduled to be discussed at future meetings, the Chairman proposed to invite the Administration's response to the letters from Mr TANG and the Deputy Chairman on ventilation facilities for buses first for his consideration before deciding on how and when the above matters should be handled. Members agreed.

III Items for discussion at the next meeting scheduled for 19 April 2013

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| (LC Paper No. CB(1)688/12-13(01) | - List of outstanding items for discussion |
| LC Paper No. CB(1)688/12-13(02) | - List of follow-up actions) |

6. Members agreed to discuss the following items at the next regular meeting on 19 April 2013 –
 - (a) Average Speed Camera System Trial Scheme;
 - (b) Tuen Mun-Chek Lap Kok Link – construction works;
 - (c) Widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling — Stage 2; and

- (d) Extension of the CITIC Tower Footbridge to the Legislative Council ("LegCo") Complex at Tamar.

7. To allow sufficient time for discussion of the above items, the Chairman decided and members agreed to advance the next regular meeting to start at 10:00 am.

8. Mr TANG Ka-piu referred to items 5 and 8 of the "List of outstanding items for discussion" and enquired when the Panel would revisit the matters on the review on the Fare Adjustment Mechanism of the MTR Corporation Limited and MTR fare adjustment for 2013. The Chairman noted the concern of Mr TANG and said that he would arrange to discuss the matters in due course.

9. The Chairman reminded that pursuant to the Panel's decision on 22 February 2013, a special meeting had been arranged on 22 April 2012 to receive public views on the proposed measures to improve the traffic distribution among the road harbour crossings. Members noted.

IV Toll adjustments of Western Harbour Crossing and Route 3 (Country Park Section)

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| (LC Paper No. CB(1)353/12-13(01) | - Information paper provided by the Administration on Route 3 (Country Park Section) Tolls |
| LC Paper No. CB(1)353/12-13(02) | - Letter dated 24 December 2012 from Route 3 (CPS) Company Limited on Route 3 Country Park Section (R3CPS) Toll Adjustment |
| LC Paper No. CB(1)361/12-13(01) | - Information paper provided by the Administration on Western Harbour Crossing Tolls |
| LC Paper No. CB(1)361/12-13(02) | - Paper provided by Western Harbour Tunnel Company Limited on the Company's background brief |
| LC Paper No. CB(1)544/12-13(06) | - Paper on toll adjustments of Western Harbour Crossing and Route 3 (Country Park Section) prepared by the |

Legislative
Secretariat (Background
brief))

10. Upon invitation, Under Secretary for Transport and Housing ("USTH") briefed members on the Administration's paper on the new concessionary tolls of the Route 3 (Country Park Section) ("Route 3") and the Western Harbour Crossing ("WHC") effective from 1 January 2013.

11. Mr TANG Ka-piu expressed dissatisfaction that the two tunnel companies had increased their tolls automatically and they had not sent representatives to attend the meeting. He pointed out that due to the heavy congestion of Cross Harbour Tunnel ("CHT"), many motorists had no choice but to use WHC. According to the figures, although WHC had been increasing tolls in the past five years, its traffic throughput had also increased by about 26%. In his view, the current toll increase of WHC would further increase the burden of tunnel users. Noting that the minimum estimated net revenue of operating WHC was as high as about \$2.9 billion and \$3.5 billion in 2016 and 2017 respectively, Mr TANG expressed concern that the tunnel company would continue to increase the tolls of WHC in the future to fill the gap between the actual and estimated net revenue. He asked whether the Administration would buy back WHC and how the interest of the public could be protected.

12. USTH replied that the toll adjustment mechanism in respect of WHC was stipulated in the WHC Ordinance (Cap. 436) ("the Ordinance") and the agreement made between the tunnel company and the Government. The Ordinance stipulated that the franchisee might effect toll increases on certain specified dates. However, if the franchisee's actual net revenue in any year fell short of the minimum estimated net revenue specified in the Ordinance for that year, the franchisee might advance the toll increase and might implement an additional toll increase if all the anticipated toll increases had been effected. The Ordinance also stipulated the magnitude of each toll increase. Tolls adjusted according to the mechanism were called "statutory tolls", which did not require the Administration's approval. The Administration had no authority to disallow such toll increase or adjust the magnitude of the toll increase.

13. USTH added that the traffic congestion at CHT was due to the uneven distribution of traffic flow among RHCs. In fact, the overall capacity of the three road harbour crossings ("RHCs") would be able to cope with their actual total throughput. As such, the Administration had recently proposed measures to improve the traffic distribution among RHCs. Since the

buy-back of WHC would involve huge capital outlay and that such a move by itself would not provide a timely solution to the problem of uneven distribution among RHCs, the Administration had no plan to buy back WHC at this stage.

14. The Deputy Chairman noted that the estimated net revenue stipulated in the Ordinance had been calculated based on the assumption that Route 4 (section between Kennedy Town and Aberdeen) and Central-Wanchai Bypass ("CWB") were already commissioned as scheduled. He commented that the Administration had grossly over-estimated the traffic throughput of WHC so that the minimum estimated net revenue had been set as high as about \$5.8 billion in 2022. As a result, there was huge room for the tunnel company to increase the tolls annually and legitimately before the expiry of the franchise in August 2023. He also asked if the Administration had any measures to safeguard the interests of the public and those of the public transport operators.

15. USTH explained that the estimation of the net revenue of WHC had not catered for the situation that the traffic volume had dropped due to the economic downturn after 1997. The Administration was aware of the public opinions towards the toll level of WHC. Since the toll adjustment mechanism of WHC was governed by the relevant legislation, the Government had to respect the law. He added that to improve the traffic distribution among RHCs, the Administration had proposed to increase the toll fees for CHT and reduce those for Eastern Harbour Crossing ("EHC") through providing reimbursement to EHC tunnel users. He said that the Administration expected to conduct a 12-month trial of the preferred option in the second half of 2014 to test its effectiveness.

16. USTH added that the Administration had considered reducing tolls at WHC to divert traffic from CHT, but dropped the option because although WHC itself had spare capacity, its connecting roads, in particular those in Central, were already congested. These roads would not be able to cope with additional traffic during the morning and evening rush hours. This constraint might only be overcome when CWB came into operation in 2017.

17. The Deputy Chairman considered that the commissioning of CWB in 2017 was too late and this reflected that the Administration lacked a thorough planning of the ancillary facilities of WHC when it was constructed. He said that the public generally considered the Administration's proposed measures of increasing the toll fees for CHT and reducing those for EHC, without adjusting the tolls of WHC, could not effectively solve the congestion problem of CHT.

18. USTH explained that CWB had been designed to be the main connecting road of WHC when WHC was constructed. However, the CWB project had been delayed due to a judicial review case on reclamation. As a result, the traffic congestion problem in Central had yet to be solved.

19. Mr LEE Cheuk-yan opined that the Administration was incompetent to prevent the two tunnel companies from increasing tolls automatically. He commented the Administration's proposed measures of adjusting the tolls of CHT and EHC only sought to improve the traffic distribution of two RHCs. In addition, he expressed dissatisfaction that the Administration had failed to implement measures to improve the traffic distribution between Route 3 and Tuen Mun Road ("TMR"). He envisaged that the toll increase of Route 3 would divert additional traffic to TMR and further aggravate the existing traffic congestion problem of TMR. Although a large sum of public money had been allocated to carry out widening works of TMR, the widened TMR, after completion would still be unable to meet the traffic demand of Tuen Mun residents. To address the problem, he urged the Administration to buy back Route 3.

20. USTH said that to address the aforesaid traffic congestion problem, the Administration had been carrying out the widening works at TMR. The Administration suggested that the provision of two main roads, i.e. tolled Route 3 and non-tolled TMR, would provide adequate choices for Tuen Mun residents.

21. Mr CHAN Han-pan noted that a certain number of development projects had been planned for implementation in New Territories West in the coming years, such as the development of logistics facilities in Tuen Mun West and major development project in Hung Shui Kiu area. He considered that although the Administration was carrying out the widening works of TMR, the increased capacity would not be able to cope with the increasing traffic demand of Tuen Mun residents due to natural growth in population and that generated by the said projects. Mr CHAN said that the toll increase of Route 3 would possibly divert additional traffic to TMR and aggravate the congestion problem there during peak hours. As such, he requested the Administration to seriously consider the buy-back of Route 3.

22. Acknowledging that the Administration would not consider buying back WHC, Mr CHAN enquired whether the Administration had considered any measures to divert the traffic from CHT to WHC during non-peak hours.

23. USTH said that the feasibility of charging different toll levels at WHC at different times of a day to ease traffic congestion had been explored in the

consultancy study. The consultant had concluded that this proposal might affect the driving habits of drivers and pose risks to road safety. He remarked that any toll adjustments at WHC would require negotiation with Western Harbour Tunnel Company Limited ("WHTCL"), the franchisee concerned. In view of the constraints of the connecting roads of WHC, the Administration had no plan to discuss with WHTCL on toll adjustment at this stage.

24. Mr WONG Kwok-hing recapitulated that when the matter on "Proposed measures to improve the traffic distribution among RHCs" was discussed at the previous Panel meeting, he had called on the Administration to discuss with WHTCL the request made by the Motor Transport Workers General Union Taxi Driver Branch ("MTWGU(TDB)") for offering taxis a concessionary toll of \$10-\$15 for their return trip without any passenger during peak hours. He considered that such measure would help relieve the traffic congestion at CHT and EHC. He asked whether the Administration would follow up the matter with WHTCL.

25. USTH said the Administration would follow up the request made by MTWGU(TDB). Since the Government was conducting a public consultation on measures to improve the traffic distribution among RHCs, the Government would consolidate all the views collected and devise appropriate measures to address the problem in one go.

26. Mr CHUNG Kwok-pan noted that there was a great disparity between the statutory tolls and concessionary tolls of WHC, for example, the statutory tolls of private cars and public light buses were \$150 and \$170 respectively, whereas the concessionary tolls were \$55 and \$65 respectively. He was concerned whether the tunnel company was entitled to charge the statutory tolls. Taking EHC as an example, he noted that the franchisee of EHC had legitimately and repeatedly increased the tolls in the years prior to the expiry of the franchise.

27. USTH replied that although the toll adjustment mechanism of WHC was laid down in the legislation, every time the tunnel company decided to increase the tolls, the Administration would urge the franchisee to have due regard to public affordability and acceptability in devising its tolling strategy. As a result, the level of actual tolls was below that of the statutory tolls. He added that the toll adjustment mechanism for EHC was somewhat different. The EHC Ordinance (Cap. 215) provided that the tolls specified in the Schedule to the EHC Ordinance might be varied by agreement between the Chief Executive in Council and the tunnel company. If an agreement on variation of tolls could not be reached, either party might resort to arbitration.

The EHC Ordinance stipulated that if the matter was submitted for arbitration, the arbitrators should be guided by the need to ensure that the carrying out by the tunnel company of its obligations, or the exercise of its rights, under the EHC Ordinance was reasonably but not excessively remunerative to the tunnel company, having regard to a number of factors set out in the EHC Ordinance.

28. Mr POON Siu-ping acknowledged that the Administration could do very little in respect of the toll increases of WHC and Route 3 as the relevant toll adjustments were bound by the mechanisms specified in the relevant legislations. In his opinion, the Administration could consider amending the legislations concerned. He further said that although the Administration had all along urged the franchisees of WHC and Route 3 to have due regard to public affordability and acceptability in devising its tolling strategy, he noted that some red minibuses had already raised their fares after the relevant toll increases. He asked if the Administration had any measures to ensure that the public bus companies would not increase the fares on the pretext of the increase in tunnel tolls.

29. USTH said that there was no legislation governing the fares of red minibuses. However, the fares of franchised buses and green minibuses were regulated and monitored by the Transport Department ("TD"). Since there were in place established mechanisms for TD to assess the fare increase applications submitted by franchised bus and green minibus operators, their fares would not be adjusted immediately after the relevant toll increases.

30. Mr Albert CHAN expressed regret that the Secretary for Transport and Housing ("STH") did not attend the meeting. He considered that to manage tunnel toll increase, there were only three effective measures, i.e. by legislation/agreement, competition, or buying back of the right of ownership. In respect of the toll increase at Route 3, he considered that the present problem would not have arisen if Route 10 had been provided as an alternative route to compete with it. He criticized that the proposal to construct Route 10 was not supported by the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") and the project was ultimately turned down. As a result, Tuen Mun residents had to bear with the high tolls of Route 3. For the sake of public interest, Mr CHAN considered that the Administration should buy back the two tunnels concerned. Mr LEUNG Kwok-hung concurred with Mr Albert CHAN. He further commented that the Administration had not devised any measures in respect of WHC to solve the problem of uneven distribution of traffic among RHCs, and requested information on the major shareholder(s) of WHTCL.

Admin 31. USTH reiterated that the Administration had no plan to buy back the two tunnels at the present stage. He further said that one of the major shareholders of WHTCL was The Cross-Harbour (Holdings) Limited. As he had no information on the composition of the shareholders of The Cross-Harbour (Holdings) Limited, he agreed to provide supplementary information after the meeting.

32. Mr CHAN Han-pan said that DAB had noted the fact that Route 3 would serve a similar function of Route 10 and considered that there was no urgency to proceed with the Route 10 project having regard to the capacity of Route 3, and the land resumption and environmental concerns entailed by the implementation of the project. He added that the current utilization rate of Route 3 had reflected that DAB had made a right decision.

33. Referring to the papers provided by WHTCL and Route 3 Company, Dr LO Wai-kwok appreciated that the advertising income of both companies had been included in their franchise accounts. He asked whether such practice was applied to all other tunnel companies, and whether there was any limit on the number of advertising panels erected near the toll plaza.

Admin 34. USTH confirmed that advertising revenue would form part of the income of tunnel companies but it only constituted a very small proportion. He added that the Administration would take into account the safety issues in approving the number of advertising panels to be erected at toll plaza. He agreed to provide supplementary information about the amount of revenues generated from advertising by WHTCL and Route 3 Company after the meeting.

V Installation of "stop-and-go" e-payment facilities at Government tolled roads and tunnels

(LC Paper No. CB(1)688/12-13(03) - Administration's paper on installation of "stop-and-go" e-payment facilities at manual toll booths of Government tolled tunnels and roads

LC Paper No. CB(1)688/12-13(04) - Paper on installation of "stop-and-go" e-payment facilities at Government tolled roads and tunnels prepared by the Legislative Council Secretariat

(background brief))

35. Upon invitation, USTH briefed members on the Administration's proposal to install "stop-and-go" e-payment facilities at all manual toll booths of the seven government tolled tunnels and roads at an estimated cost of \$45,530,000 ("the Proposal"). Under the Proposal, motorists using e-payment facilities had to stop their vehicles at the manual toll booths to pay the tolls by placing their contactless smart cards over the card reader. After installation of the new system at all manual toll booths, motorists might choose to pay by contactless smart cards, cash or pre-paid toll tickets.

Justifications

36. Dr Elizabeth QUAT welcomed the Proposal as it had addressed the motorists' request for an additional payment method apart from Autotoll. She asked whether the adoption of new e-payment facilities would improve the traffic congestion at government tolled tunnels and roads, and wished to know the actual transaction time which would be saved. Similarly, Mr POON Siu-ping also asked if the Proposal would have any positive impact on relieving traffic congestion.

37. USTH advised that transaction involving change for cash payment took about 10 to 12 seconds as compared to 5 to 6 seconds by using contactless smart cards. He further said that since the congestion problem at tunnels was not due to the payment method at the toll plaza but the busy traffic at the approach roads and inside the tunnels, adoption of e-payment facilities would enhance toll collection efficiency and achieve a smoother traffic flow at the tunnel portals but would not bring about significant relief of the traffic congestion at tunnels. He stressed that the aim of the Proposal was to provide an additional means of payment for motorists, not to solve traffic congestion.

38. Dr KWOK Ka-ki said that he was supportive of providing convenience to motorists by installing e-payment facilities. He, however, commented that the Proposal, which would incur an installation cost of \$45,530,000 and an annual recurrent cost of \$15,000,000, was short of a clear goal. He expressed concern that the Proposal would only provide convenience to motorists but not improve the traffic congestion problem at tunnels and roads.

39. Mr TANG Ka-piu also queried whether it was worthy to spend a significant recurrent cost of \$15,000,000 per year for the Proposal, given that it would not improve the traffic congestion problem at tunnels. He

requested the Administration to consider carrying out a pilot scheme for the Proposal at the seriously congested tunnels to test its effectiveness before installing the e-payment facilities at all manual toll booths of government tolled tunnels and roads in one go.

40. Mr Frankie YICK expressed reservation on the Proposal and raised the following points –

- (a) As there were already three payment methods in place, namely cash, pre-paid toll tickets and Autotoll, whether there was a need to further introduce an additional means of payment for motorists was questionable.
- (b) The Government's act to bear the relevant recurrent cost of using the e-payment facilities would be against its established policy of adopting user-pay principle. Since such recurrent cost would be taken into account by the Government in setting the toll charges in future, such an arrangement would be unfair to all other motorists as they would have to subsidize those e-payment users.
- (c) The Proposal might not save time of motorists in case the Octopus cards had insufficient remaining values or were invalid, and in those circumstances, vehicles would be stuck on those lanes. It would also give rise to the consideration of whether Octopus card users would be required to subscribe to automatic add-value service.
- (d) The Proposal would not bring much benefit to motorists because they still had to stop and pay tolls; toll would not be decreased; and traffic flow and air quality of tunnels would not be improved.

41. USTH responded that the transaction time would be shortened under the Proposal as there was no need to prepare cash for payment and change. In addition, the Proposal would provide an additional means of payment for motorists, and that it had been very common for retail and transport trades to accept smart card payment. The Proposal was to address the requests from LegCo, District Councils ("DCs") and the general public for providing convenience to motorists.

42. In regard of Mr YICK's concern about insufficient value of Octopus cards, USTH said that since the proposed e-payment facilities would be

installed at all manual toll lanes, motorists could switch to pay by cash in case the remaining value of Octopus cards was insufficient.

43. Dr LO Wai-kwok expressed support for the Proposal for it would provide an additional means of payment for motorists. Pointing out that Hong Kong was well-known of its prevailing use of smart cards and had become a model for reference by overseas countries, he considered that it would be on the right track to further promote the use of smart cards in Hong Kong. While agreeing that the Proposal would not help relieve the traffic congestion of those congested tunnels, he was concerned that the relevant installation and recurrent costs incurred under the Proposal would become a reason for increasing tolls in future. He asked whether the Administration had examined the cost-effectiveness of the Proposal.

44. In response, USTH reiterated that the Administration's proposal would provide convenience to motorists and save transaction time, albeit it might not be possible to speed up the traffic flow significantly. Given that the Proposal was strongly requested by motorists and it would provide convenience to them, the Administration considered that it was worth pursuing. In respect of Mr TANG's suggestion of conducting a pilot scheme of the Proposal, USTH said that the Administration was of the view that it would be more appropriate to provide e-payment facilities at all manual toll booths of the government tolled tunnels and roads in one go to achieve the goal of providing convenience to motorists.

45. The Chairman considered that the annual recurrent cost of \$15,000,000 was limited if compared to the volume of traffic of government tolled tunnels and roads. Owing to economy of scale, the recurrent cost for each transaction would be very low if there was a considerable number of e-payment users. He requested the Administration to clearly explain to the public in future the impact of the relevant installation on the toll levels. The Administration noted.

Fees charged by providers of e-payment facilities and Autotoll Limited

46. Mr Charles Peter MOK welcomed the Proposal. He enquired how the transaction fees of using e-payment facilities would be charged by the card issuing companies or clearing companies, for example, whether users of e-payment facilities would be charged an extra cost for each transaction on top of the specified tolls.

47. USTH advised that after the e-payment facilities had been installed, motorists using government tolled tunnels and roads would still be charged

the current specified tolls. The relevant transaction fees would be regarded as part of the operating costs of the tolled tunnels and roads in the long term and such would be taken into account in setting the toll charges in future according to the "user pays" principle.

48. Mr Charles Peter MOK noted that this charging mechanism was somewhat different from that of Autotoll, the users of which would be charged a monthly administration fee. He asked whether the Administration would consider aligning the two charging mechanisms. He opined that since Autotoll was more effective to ease the traffic flow because the motorists did not need to stop at the booth and pay, more motorists would use Autotoll if they were exempted from paying the relevant administration fee.

49. USTH responded that the subscription of Autotoll service was solely a private agreement made between Autotoll Limited and its subscribers. The company concerned charged its users the relevant administration fee to maintain the operation of the system.

50. Notwithstanding, Dr KWOK Ka-ki and Mr LEUNG Kwok-hung considered that the Administration should provide equal treatment to users of Autotoll and e-payment facilities as both Autotoll and e-payment would achieve the aim of providing convenience to motorists. Dr KWOK was dissatisfied that the Government only planned to subsidize e-payment users at the expense of all tunnel/road users, including those who paid by cash or other means of payment. For fairness, he considered that the Government should also subsidize part of the administration fee of Autotoll users.

51. USTH said that the proposed e-payment service should not be compared to Autotoll system. He explained that vehicles using the Autotoll system would not need to stop at the booth for payment while that of e-payment would need to and drivers had to place their contactless smart cards at the card readers to effect payment. In other words, adoption of Autotoll system could save more time. He reiterated that the Administration would uphold the principles of "user pays" and "cost recovery" and take into account the relevant costs of installing e-payment facilities in setting the toll charges for those tunnels and roads in future.

Factors to be considered in selection of suitable providers

52. Noting that the Administration would select suitable providers having regard to factors such as popularity of their smart cards, equipment cost and transaction fees, Mr WONG Kwok-hing considered that the factor of "popularity" would provide an advantage to Octopus Cards Limited ("OCL"),

which had more than 20 million Octopus cards in circulation in Hong Kong, and hence disadvantage other smart card operators. Pointing out that there was an incident where the OCL had misused the personal data of its clients for profit-making, Mr WONG asked whether privacy protection would be one of the factors to be considered in selecting suitable providers and how the Administration would ensure that the incident would not happen again.

53. USTH stressed that the Administration welcomed all smart card operators to participate in the project. The selection criteria were determined in an impartial manner and were based on the premise of providing convenience to users. He said that there were indeed several card providers who had expressed their interests to provide e-payment facilities and service at government tolled tunnels/roads. USTH added that the Administration would invite Expression of Interest ("EOI") from prospective providers after which an open tender exercise would be conducted to select suitable providers. He said that to accommodate different contactless smart cards, the Administration was prepared to use either a common card reader or to install different card readers.

54. On the protection of personal privacy, USTH advised that following the incident concerned, the protection under the law had been enhanced and there was an improvement on the collection and handling of personal data thereafter. The Administration, in selecting providers of e-payment facilities, would consider the personal data protection policy of the companies concerned.

55. Mr LEUNG Kwok-hung said that he did not object to using public money to subsidize the cost of providing convenience to tunnel/road users, but the Government should be fair to all smart card providers. He opined that in terms of popularity, it was quite certain that Octopus cards would be adopted. Considering that the Government was tilted in favour of OCL, he asked whom the majority shareholder of OCL was.

56. USTH replied that OCL was a joint venture established by various major public transport operators. At this stage, it was pre-mature to say that OCL would be selected as the provider of the relevant service. He added that any establishments that used contactless smart card service, including the Government, were required to pay the transaction fees charged by the card issuing companies or clearing companies, though the relevant costs would vary.

Manpower and safety implications

Manpower implications

57. Mr POON Siu-ping expressed concern over the manpower implication of the Proposal, in particular, whether the introduction of an additional payment method would increase the workload of toll collectors. He considered that if it would, the remuneration of the toll collectors should be improved accordingly.

58. USTH said that after installation of e-payment facilities at manual toll booths, those booths would still accept cash and pre-paid toll tickets. As such, toll collectors would still have to be stationed at the toll booths and the number of manpower required would be maintained. He further said that although toll collectors had to select the vehicle type and applicable toll before motorists could place their cards on the card reader under the Proposal, such operation was simple and should not significantly increase the workload of toll collectors. In addition, training on the operation of the new system would be provided to toll collectors.

Safety implications

59. Mr Jeffrey LAM agreed to providing e-payment facilities at toll booths for motorists. He, however, expressed concern that if too many payment methods were available, motorists might be distracted by having to make choice of which payment method to be used when they were heading for the toll booths. In his view, this might pose safety risk and affect the efficiency of toll collection. The Administration noted his view.

Implementation schedule

60. The Chairman remarked that the usage of contactless smart cards had become increasingly popular and was widely used for purchasing and settlement of transport fees. As such, he considered that the Proposal kept up with the trend and would help promote e-purse. Noting that the Administration expected to put into use the e-payment facilities by 2016, the Chairman considered the lead time too long as the relevant technology had been well-developed in Hong Kong. He urged the Administration to commence the Project as soon as possible after funding had been approved by the Finance Committee ("FC"), with a view to completing the project by end 2014 or early 2015. He also suggested the Administration to extend the Proposal to other tunnels should the relevant project was proved to be successful.

61. USTH said that the Administration would strive to complete the relevant installation as soon as possible. He advised that about 15 months would be required for EOI invitation and the two tendering exercises, and 21 months would be required for the installation works. He explained that as the relevant tunnels/roads were in operation 24 hours a day, installation works could only be carried out during night time when there was less traffic. Hence, a longer time was required for the installation.

Other views

Automatic toll collection service

62. Dr Elizabeth QUAT asked whether the Government had entered into any agreement with Autotoll Limited for provision of Autotoll system at designated lanes of tunnels/roads. She opined that the provision of automatic toll collection service could be opened for tender so that new payment techniques could be introduced and better services be provided. In addition, there might also be room for reduction of the administration fee, which would provide an incentive for more usage.

63. USTH replied that the Government had not entered into any exclusive agreement with Autotoll Limited on the provision of automatic toll collection system at Government tolled tunnels and roads. He added that the Administration was open-minded in respect of opening the provision of automatic toll collection service to other providers, taking into account the availability of such providers, effectiveness of the relevant system, and traffic and safety issues.

64. Mr Frankie YICK considered that there was insufficient provision of Autotoll lanes at CHT. He explained that among the eight toll collection lanes provided at Hung Hom entrance of CHT, three of them were automatic toll collection lanes, but the first left Autotoll lane was designated for franchised buses. Due to the long queues at the rest two Autotoll lanes, many motorists who had installed Autotoll device unwillingly shifted to use the non-Autotoll lanes.

65. Mr Jeffrey LAM considered that the Administration should study the feasibility of accepting Autotoll payment at all lanes. The Chairman echoed with Mr LAM, saying that such arrangement would be practicable if Autotoll Limited agreed to provide such services and relevant equipment at all lanes.

66. USTH replied that the utilization of Autotoll lanes and manual toll lanes were similar. He said that because of different driving habits between

Autotoll users and other users, in particular the driving speed, the Administration had to carefully consider the suggestion of allowing all lanes to accept Autotoll payment, taking into account the utilization rate and safety issues.

Electronic identification of vehicles

67. The Chairman commented that the technology of requiring toll collectors to select the vehicle type and applicable toll before motorists could make their payment in Hong Kong had lagged behind that of overseas countries. Pointing out that vehicle identification technology was well-developed and widely adopted in overseas countries to facilitate toll collection, he suggested the Administration to consider the use of electronic identification of vehicles in Hong Kong. He elaborated that this would further reduce the transaction time and relieve the workload of toll collectors.

68. USTH responded that adoption of vehicle identification technology for toll collection might arouse privacy concerns. The Administration would study the proposal when there was a strong request from the community.

Summing up

69. The Chairman concluded that the Panel supported in principle the funding proposal and submission of it to FC for further consideration.

VI Reprovisioning of Yaumatei Police Station [advance project for Central Kowloon Route]

- (LC Paper No. CB(1)688/12-13(05) - Administration's paper on 3277LP - Reprovisioning of Yau Ma Tei Police Station [Advance project for Central Kowloon Route]
- LC Paper No. CB(1)688/12-13(06) - Paper on Central Kowloon Route prepared by the Legislative Council Secretariat (background brief))

70. Upon invitation, Deputy Project Manager/Major Works(1) ("DPM/MW(1)") of Highways Department ("HyD") and Chief Project Manager 203, Architectural Services Department briefed members with the

aid of a power-point presentation (LC Paper No. CB(1)719/12-13(01)) on the Administration's funding proposal for the reprovisioning of Yau Ma Tei Police Station ("YMTPS"), advance works for the Central Kowloon Route ("CKR"), at an estimated cost of \$980 million in money-of-the-day prices. DPM/MW(1) also updated members on the work progress of CKR per se.

71. Members noted that subject to the funding approval of FC, the Administration planned to commence the reprovisioning works of YMTPS in June 2013, and expected to complete the works by the first quarter of 2016.

(To allow sufficient time for discussion, the Chairman extended the meeting by 15 minutes.)

The construction of CKR

72. Dr Helena WONG commented that the Administration's paper seemed to have presented a picture that the public generally supported the construction of CKR and had hidden objection views. She pointed out that at the focus group meeting held on 22 February 2013 between the Administration and local residents, over 200 attendees had expressed objection to the CKR project. They were dissatisfied that they had not been properly consulted on the project and were not sufficiently informed of the impact of the project. She said that local residents were gravely concerned about the depth of the tunnel section of CKR to be constructed underneath the buildings in To Kwa Wan, and whether there would be any impact of its construction on the structural safety and valuation of the aged buildings along the tunnel alignment. She said that those residents hoped that a written assurance from the Administration could be provided to them.

73. Dr WONG asked whether the Administration would conduct an independent consultancy study to assess the abovesaid impact, if any, on the structural safety and valuation of those aged buildings, and whether owners/residents of affected buildings would be compensated. She also asked whether the Administration would partner with the Urban Renewal Authority to expedite the pace of renewal of To Kwa Wan as a whole. In regard of the reprovisioning works, she commented that whilst the Administration would reprovision some community facilities affected by the CKR construction, the Administration had not provided any reprovisioning plan for the existing Yau Ma Tei Multi-storey Carpark Building ("YMTMCB"). She asked whether there would be any reprovisioning of YMTMCB because if not, there would be a loss of 300-plus parking space in Yau Ma Tei.

Admin 74. Due to insufficient time, the Chairman directed that the Administration should provide written response to Dr WONG's concerns and enquiries after the meeting.

75. Ir Dr LO Wai-kwok also noted the concerns and objection views of local residents and said that he had submitted a set of submissions as well as signatures from local residents to the Administration. He said that as an engineer, he was most concerned about the structural safety of buildings affected by the relevant construction works. He asked about the Administration's approach in this regard.

76. USTH said that the Administration was fully aware of the concerns of local residents. In fact, similar concerns had been raised when the Administration implemented some railway and road projects in the past. He said that the Administration would allow sufficient time to discuss with local residents along the alignment and explain to them the details of the works projects.

77. Project Manager/Major Works of HyD ("PM/MW") supplemented that the construction of CKR, including the design of alignment, were premised on the structural safety of buildings. She advised that under the latest proposed alignment, the underground tunnels would be constructed deep in rock stratum, thus the foundations of the buildings along the tunnel alignment would not be affected. She further advised that drill-and-blast method would be adopted for the relevant construction works, and stringent risk control and safety measures were in place for the adoption of such method. She elaborated that before the commencement of the relevant drilling and blasting works, the Administration would undertake pre-construction surveys for the buildings and structures along the tunnel alignment. Monitoring points would also be installed at the buildings and structures nearby, so that if any adverse impact on the structures was observed during construction, remedial measures could be taken immediately. HyD would also prepare blasting assessment reports for approval by the Mines Division of Civil Engineering Development Department.

78. Dr Elizabeth QUAT considered that apart from providing sufficient information to local residents about the impact of the CKR project, the Administration should also maintain a close dialogue with the relevant DCs and local residents to allay their worries.

The reprovisioning of YMTPS

Preservation of the existing YMTPS

79. Mr WONG Kwok-hing expressed support for the Administration's funding proposal. Referring to the Administration's paper which mentioned that the construction of CKR would occupy the existing YMTPS, he expressed concern over how this historic building would be duly preserved. Mr POON Siu-ping also asked whether the new wing of YMTPS would be kept intact or not.

80. USTH and PM/MW clarified that both the new wing and old wing of the existing YMTPS would be preserved. The construction of CKR would only entail the need to demolish some ancillary facilities, which included the kitchen, laundry and carpark. In addition, since CKR would pass through a portion of the new wing underneath, underpinning works would be carried out at the new wing to ensure its structural safety but those works would not affect the integrity of the building. PM/MW confirmed that no works would be carried out at the old wing of YMTPS.

Security concerns

81. Noting that the new YMTPS would be located farther away from residential area, Dr Elizabeth QUAT said that local residents were concerned about the law and order issue after the reprovisioning works. She was aware that the Administration was considering to provide a temporary report room near the existing YMTPS to address residents' concern and asked about the details like location. Pointing out that local residents had been requesting for a permanent, instead of a temporary, report room with Patrol Sub-units to maintain the order of the district, she asked if the Administration would consider such request.

82. USTH said that the Administration was aware of the concerns of local residents and assured members that measures would be worked out to address residents' concerns before the commissioning of the new YMTPS. As it was still at the preliminary stage of mapping out those measures, details of them were not available at present. Dr Elizabeth QUAT requested that the Administration should discuss with the relevant DC as soon as possible once those measures had been worked out. USTH agreed.

Timing of taking forward the reprovisioning works

83. In response to Mr WU Chi-wai's enquiries, USTH and PM/MW confirmed that the need for reprovisioning YMTPS was mainly due to the implementation of the CKR project, which would occupy and involve construction works underneath the existing YMTPS. In addition, the phase 2 public engagement exercise of the CKR project was launched in early December 2012 to collect public views on the detailed design and construction arrangements of CKR. After consolidation of the views collected, the Administration would report the results to the relevant DC in the third quarter of 2013.

84. Mr WU Chi-wai considered that the Administration's current arrangement of first commencing the advance works of the CKR project would pre-empt the result of the public engagement exercise. In his opinion, it would be more appropriate to take forward the reprovisioning works after the completion of the phase 2 public engagement exercise and finalization of the alignment of CKR. He expressed concern that once the reprovisioning works of YMTPS had commenced, the construction of CKR would nevertheless be carried out. Dr Helena WONG shared with Mr WU, adding that the Administration should also provide sufficient information of the CKR project to local residents before commencing the relevant reprovisioning works.

85. USTH and PM/MW explained that the construction of CKR had been discussed for years since 1998 and various alignment options had been considered. When the Administration sought funding from FC in 2007 for carrying out the investigation and preliminary design of CKR, the matter had already been widely discussed in LegCo. In 2008, the Administration reported to the Panel on the progress of the CKR project, members generally supported the recommended alignment and noted that the Administration would proceed with the preliminary design of CKR and impact studies under the consultancy study, followed by detailed design.

86. As for the public engagement exercises, USTH and PM/MW said that the Administration conducted the phase 1 public engagement exercise for CKR between 2007 and 2009. It had organized public forums, focus group meetings, outreach events and so on to collect public views. According to the feedback collected from DCs and the public during the phase 1 exercise, the public generally supported the construction of CKR and its recommended alignment, as well as the need for early construction of CKR. Although there were some concerns over the noise impacts and the reprovisioning of YMTMCB, such concerns did not affect the overall direction of the CKR

project. Since the CKR project was a large-scale infrastructure project and required a long time to take forward, the Administration considered it appropriate to take forward the advance works of CKR project first and on the other hand work out measures to address the concerns of the public.

87. The Chairman believed that the Administration would further brief members on the progress of the construction of CKR as well as the result of the public engagement exercise in future. In response to Mr POON Siu-ping's enquiry, USTH advised that the reprovisioning works of YMTPS was expected to complete by the first quarter of 2016.

Summing up

88. The Chairman concluded that the Panel supported the funding proposal of the reprovisioning of YMTPS to be submitted to PWSC and FC for further consideration.

VII Any other business

89. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 1
Legislative Council Secretariat
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