

**立法會**  
***Legislative Council***

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**Paper for the House Committee meeting on 24 June 2016**

**Report of the Subcommittee on Road Traffic (Parking)  
(Approved Cards) (Amendment) Notice 2016**

**Purpose**

This paper reports on the deliberations of the Subcommittee on Road Traffic (Parking) (Approved Cards) (Amendment) Notice 2016 (L.N. 63 of 2016) ("the Subcommittee").

**Background**

2. On-street parking spaces are provided to cater for short-term parking needs. As at end March 2016, there are some 9 800 parking meters installed at about 18 000 on-street parking spaces (one parking meter covers one or more parking spaces) across Hong Kong.

3. By virtue of regulation 12A(a) of the Road Traffic (Parking) Regulations (Cap. 374C), the Commissioner for Transport ("Commissioner") may, by legal notice published in the Gazette, approve any card or other similar device -

- (a) not being a card or other device issued by him or on his behalf or authorized or arranged to be issued by him; and
- (b) which he considers appropriate,

for use in payment of a parking fee in conjunction with a parking meter or a pay and display machine<sup>1</sup> ("PDM"), specified under regulation 12A(b) of Cap. 374C.

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<sup>1</sup> A pay and display machine is a type of payment method for parking fees by means of a display ticket, and is provided for under Cap. 374C.

4. At present, the "Octopus" is a multi-purpose card issued pursuant to section 16(3A)(a) of the Banking Ordinance (Cap. 155). It is at present approved by the Commissioner under the Road Traffic (Parking) (Approved Cards) Notice (Cap. 374V) as a means of payment for the card operated parking meters or PDMs provided for under Cap. 374C.

#### Payment Systems and Stored Value Facilities Ordinance (Cap. 584)

5. Since the provisions in the Clearing and Settlement Systems (Amendment) Ordinance 2015 (Ord. 18 of 2015) relating to the issue of stored value facilities will come into operation on 13 November 2016, relevant sections concerning the multi-purpose card regime under Cap. 155 (including section 16(3A)(a)) will be repealed on the same day.

#### New Parking Meter System Trial Scheme

6. The Transport Department ("TD") commenced a New Parking Meter System Trial Scheme ("Trial Scheme") in 2015 to introduce a new generation of parking meters with new features and functions. Under the Trial Scheme, new parking meters will accept "Octopus" and various cards/devices enabled with the Visa payWave, MasterCard Contactless and UnionPay QuickPass payment functions and support offline payment transaction ("three types of contactless e-payment function").

7. Under the Trial Scheme, about 40 parking meters, covering around 120 parking spaces in total, will support the use of "Octopus" and the three types of contactless e-payment function. A trial of these new parking meters will be held starting from fourth quarter 2016.

#### **The Notice**

8. The Commissioner published the Road Traffic (Parking) (Approved Cards) (Amendment) Notice 2016 ("the Notice") in the Gazette on 13 May 2016 to amend Cap. 374V to -

- (a) provide the legal basis for the continuous use of "Octopus" as a payment means of parking meter fee; and
- (b) enable the Trial Scheme which allows new types of cards/devices with the three types of contactless e-payment function to be used for payment of parking meter fee.

9. The Notice was tabled before the Legislative Council ("LegCo") at its meeting of 18 May 2016 and was subject to the negative vetting procedure.

Under section 1 of the Notice, the Notice will come into operation on 5 July 2016.

### **The Subcommittee**

10. At the House Committee meeting held on 20 May 2016, Members agreed that a subcommittee should be formed to study the Notice. The membership list of the Subcommittee is in **Appendix I**.

11. Under the chairmanship of Hon CHAN Kam-lam, the Subcommittee held two meetings, one of which was with the Administration.

12. To allow more time for the Subcommittee to scrutinize the Notice and prepare its report for the House Committee, Hon CHAN Kam-lam, on behalf of the Subcommittee, was to move a motion at the Council meeting of 15 June 2016 to extend the scrutiny period of the Notice to the Council meeting of 6 July 2016. However, the motion was not dealt with at the Council meeting of 15 June 2016, and the period for amending the Notice also expired on 15 June 2016.

### **Deliberations of the Subcommittee**

13. The Subcommittee does not object to the Notice. The Subcommittee has deliberated on various aspects of the Trial Scheme, including the features and functions of new parking meters; the use of payment by phone platform ("PPP") for payment of parking meter fees, and the use of PDMs. Details of the deliberations are set out in the ensuing paragraphs. The Subcommittee has also invited Octopus Cards Limited, the operators of the three types of contactless e-payment function, and other relevant organizations for their written views on the Notice. The organizations which have submitted views to the Subcommittee are referred to in **Appendix II**.

### Trial Scheme

#### *Scope and justifications*

14. The Subcommittee has noted that the existing parking meters which accept "Octopus" for payment of parking fees have been put in use since 2003/2004. These parking meters have been in use for more than 10 years, and are reaching the end of their serviceable life. TD commenced the Trial Scheme to examine the scope for introducing a new generation of parking meters with new features and functions. Members have enquired about details of the Trial Scheme.

15. The Administration has advised that under the Trial Scheme, about 40 parking meters covering 120 parking spaces distributed more or less evenly at selected locations in four districts, namely, Wan Chai, Mong Kok, Sai Kung and Yuen Long, will support the use of “Octopus” and the three types of contactless e-payment function. Subject to the commencement of the Notice, a trial of the new parking meters will be held for around one year from the fourth quarter of 2016 until end of 2017. Evaluation will be conducted in parallel with the trial. Upon completion of the trial, TD will proceed with the preparation of tender and bidding of resource for a new generation of parking meters to replace the existing ones. The Administration will brief the relevant LegCo Panel on the replacement of parking meters exercise in due course.

16. On some members' enquiry about the necessity of the Trial Scheme, as contactless payment methods have been commonly used in Hong Kong and overseas, the Administration has advised that, before the replacement of existing parking meters, it is prudent to conduct an on-site trial of the new parking meters given that these parking meters are located outdoor and have to withstand adverse weather and possible tampering. Also, it will be useful to collect public feedback on users' experience of operating the new parking meters. Based on the evaluations of the trial and public views, the design, payment methods, new functions and features of the new parking meters would be finalized and set out in the tender document for the replacement exercise.

*Features and functions of the new parking meters*

17. Members have noted that there are different kinds of contactless payment methods in the market and enquired whether the Administration would consider other contactless payment functions for the new parking meters after the Trial Scheme.

18. The Administration has advised that the three types of contactless e-payment function are accepted under the Trial Scheme because they were the only contactless payment cards/devices issued in the Hong Kong market when TD finalized the details of the Trial Scheme. The Administration has adopted an open-minded approach and is prepared to consider other suitable and practicable contactless payment functions after the Trial Scheme. In reply to members' enquiry on whether a common standard will be adopted for the contactless payment methods, the Administration advised that the industry has developed an internationally accepted set of technical standard for contactless payment cards/devices known as EMV. The Administration will consider adopting such standard or any international standard for the contactless payment methods to be accepted by the new generation parking meters.

19. With reference to submissions from the members of the trade, Hon Charles Peter MOK has enquired whether the Administration has already decided that all contactless cards/devices for the new parking meters should only support offline transactions as there might be limitation on the number of offline transactions that could be made, thus causing inconvenience to cardholders when using the meters. Also, emerging contactless payment methods, such as third-party mobile wallet solutions, require online transaction support. Therefore offline transactions might preclude these payment methods in future.

20. The Administration has advised that it is open on whether the future new parking meters should allow offline or online transactions or both. However, all existing meters are battery-operated and online authentication will consume more power resulting in the need for more frequent replacement of the battery sets in the parking meters and lengthen the processing time of each transaction. As such, only "Octopus" and cards/devices enabled with the three types of contactless e-payment function and support offline payment transaction will be specified as approved cards/device under the Notice for the purpose of the Trial Scheme.

21. Some members, including Hon POON Siu-ping and Hon Frankie YICK, expressed concern on how personal data obtained from the payment of parking fees and stored in the parking meters would be protected.

22. The Administration has stressed that the new meters will be robust enough to prevent the public from tampering. In addition, only the card number and the transaction details, such as amounts deducted are stored in the meters. The information will be transmitted under encryption to the clearing institutions for further processing.

#### Payment by phone platform

23. Members have noted paragraph 11 of the LegCo Brief on the Notice mentioned that the Administration is exploring the use of PPP for payment of parking meter fees and enquired about the progress.

24. The Administration has advised that according to the contract provisions of the Trial Scheme, the use of PPP is one of the new features to be tested. While TD is working closely with contractors in handling the technical details of PPP, an on-site trial on PPP will necessitate legislative amendments. According to legal advice, the required amendment for PPP is rather complex, and may involve amendments to the main ordinance (i.e. the Road Traffic Ordinance (Cap. 374)) and its subsidiary legislation, including Cap. 374C and Cap. 374V. The Administration is now working on the legislative amendments required. Since the Notice will commence on 5 July 2016 and in order to, among others, provide the legal basis for the continuous use of "Octopus" for payment of

parking meters fees starting from 13 November 2016 when section 16(3A)(a) of Cap. 155 will be repealed, the Trial Scheme will be commenced without including the use of PPP.

25. On how to ensure that PPP would not be abused so that subsequent payment(s) for additional parking time could be limited up to the longest parking period of the parking meters, the Administration has advised that since PPP is an electronic platform, clear specifications and requirements in the design of the system will be stipulated to restrict the additional parking time that could be purchased via PPP. The Administration's preliminary thinking is to restrict payment for additional parking time via PPP to the longest parking period of a parking meter.

#### Use of pay-and-display machines

26. Some members, including Hon Alan LEONG and Hon Frankie YICK, have noted that under the Trial Scheme, for some parking meters, each parking meter will cover up to four parking spaces. They suggested that the Administration should consider using PDMs if they are found to be more cost-effective.

27. The Administration has advised that the legal basis for use of PDMs is stipulated under Cap. 374C. TD had earlier conducted a trial scheme for PDMs but they have not been put in use after the trial as according to users' feedback, parking meters were generally preferred to PDMs from an operation point of view. Nonetheless, TD does not preclude the possibility of using PDMs in future.

#### **Recommendation**

28. The Subcommittee has no objection to the Notice and will not propose any amendment.

#### **Advice sought**

29. Members are invited to note the deliberations of the Subcommittee.

**Subcommittee on Road Traffic (Parking) (Approved Cards)  
(Amendment) Notice 2016**

**Membership list**

**Chairman** Hon CHAN Kam-lam, SBS, JP

**Members** Hon James TO Kun-sun  
Hon Alan LEONG Kah-kit, SC  
Hon Frankie YICK Chi-ming, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Han-pan, JP  
Dr Hon Elizabeth QUAT, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu, JP

(Total : 9 members)

**Clerk** Mr Anthony CHU

**Legal adviser** Miss Carrie WONG

**Subcommittee on Road Traffic (Parking) (Approved Cards)  
(Amendment) Notice 2016**

**List of organizations which have given views to the Subcommittee**

1. Hong Kong Retail Technology Industry Association
2. Visa Hong Kong Limited
3. Intelligent Transportation Systems - Hong Kong
4. MasterCard Asia/Pacific (Hong Kong) Ltd.
5. HKT Limited
6. TNG
7. Octopus Cards Limited