

CHAPTER 1

**THE GOVERNMENT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION**

GENERAL REVENUE ACCOUNT

GOVERNMENT DEPARTMENT

Hong Kong Police Force

**The provision of vehicle removal service
and permanent vehicle pounds**

**Audit Commission
Hong Kong
29 February 2000**

THE PROVISION OF VEHICLE REMOVAL SERVICE AND PERMANENT VEHICLE POUNDS

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THE PROVISION OF VEHICLE REMOVAL SERVICE AND PERMANENT VEHICLE POUNDS

Summary and key findings

A. **Introduction.** Under the Road Traffic Ordinance (Cap. 374), the Hong Kong Police Force (HKPF) is responsible for the policing of road traffic in Hong Kong. The Traffic Branch of the HKPF's Operations Department comprises the Traffic Branch Headquarters and five traffic regions. Each traffic region has an Enforcement and Control Division (E&CD). Each E&CD is equipped with light and medium tow trucks which operate during daylight hours for the enforcement and emergency towing of vehicles causing obstruction to the flow of traffic. In 1998-99, the HKPF incurred estimated recurrent expenditure of \$17.8 million for the vehicle towing operation. In addition to its own vehicle towing operations, each traffic region appoints a vehicle towing agent who is on call 24 hours a day. In 1998-99, the HKPF spent \$1.6 million for such contractual towing operations (paras. 1.1 to 1.6).

B. The HKPF manages vehicle pounds for the detention of vehicles either removed from roads or held in connection with criminal offences for case enquiries. In August 1985, a value for money study completed by the then Finance Branch (FB) of the Government Secretariat recommended that suitable sites in the urban areas should be made available for the construction of permanent police vehicle pounds which would be provided with standardised facilities for conducting vehicle examinations and that each traffic region should have one permanent vehicle pound located in a geographically desirable area. However, the progress of implementing these recommendations has been slow. To date, the HKPF has not yet established a permanent vehicle pound in each traffic region in accordance with the FB's recommendations (paras. 1.7 and 1.8).

C. **Audit review.** Audit has conducted a review: (a) to ascertain whether the HKPF's vehicle removal service is being provided economically, efficiently and effectively; (b) to ascertain whether there is room for improvement in the provision of the vehicle removal service; and (c) to examine the reasons for the slow progress in the provision of, and the need for, permanent vehicle pounds (para. 1.9).

D. **E&CDs' vehicle towing operation.** Generally speaking, towing of vehicles is a simple task which can be performed by private towing agents. Since 1982, contracted towing agents have been appointed to assist in the E&CDs' towing work. Because of the limited capability, the light workload and the high cost of the E&CDs' vehicle towing operation, Audit considers that the entire E&CDs' vehicle towing operation can be contracted out to private towing agents. In 1998-99, the HKPF could have achieved an annual saving of \$16 million if the E&CDs' vehicle towing operation had been fully contracted out to private towing agents (paras. 2.7 to 2.13).

E. **Removal and disposal of abandoned vehicles.** The HKPF is the statutory authority for handling abandoned vehicles. There is presently no law which holds the registered owner of a vehicle responsible for the proper disposal of his vehicle. Without such a law, the HKPF has been deploying its costly resources to handle abandoned vehicles. In Audit's view, registered owners of vehicles should be held responsible for the proper disposal of their vehicles (paras. 3.1 and 3.6).

F. **Vehicle recovery service for the North Lantau Highway.** Since the opening of the International Airport at Chek Lap Kok in July 1998, the HKPF has incurred monthly expenditure of \$1 million in providing a high-quality vehicle recovery service for the North Lantau Highway (NLH) because it is a critical road link to the airport. However, owing to the late recognition of the need for the service and the unsatisfactory tender negotiation to obtain a fair contract price, Audit considers that the cost of providing the vehicle recovery service is high (paras. 4.11 to 4.14).

G. **Provision of permanent vehicle pounds.** Audit noted that the slow progress in establishing a permanent vehicle pound in each traffic region was mainly due to the difficulties in securing a suitable site. Although the HKPF considered that it had a pressing need for a permanent vehicle pound to be located in a geographically desirable area, the Government Property Agency considered that permanent allocation of developable land for establishing a vehicle pound did not optimise the use of the scarce and valuable land resources. In addition, with the changes in circumstances over the past years, Audit considers that the Ho Man Tin site with an area of 9,000 square metres situated at a prime location, which currently accommodates a vehicle pound, has not been fully utilised. Its current use for vehicle detention does not realise the full development potential of the site (paras. 5.22 to 5.24).

H. **Audit recommendations.** Audit has made the following main recommendations:

- (a) the HKPF should consider disbanding the existing E&CDs' vehicle towing teams and contract out the entire vehicle towing operation to private towing agents (sub-para. (a) and (b) of para. 2.16);
- (b) the Administration should consider amending the existing legislation to impose legal responsibility for the proper disposal of vehicles on registered owners and, where necessary, introducing penalty clauses in order to have a deterrent effect on irresponsible owners who dispose of their unwanted vehicles improperly (sub-para. (c) of para. 3.7);
- (c) the Administration should, before the tendering of the next vehicle recovery service contract for the NLH, critically assess the level and standard of service required, determine what resources would be required and ensure that adequate time is allowed for tender negotiation (para. 4.15);
- (d) the Administration should, before tender negotiation, ensure that a tender negotiating team including members from all relevant user and service departments is formed in advance of the negotiation process and that the tender negotiating team formulates a clear strategy and draws up an action plan for tender negotiation (para. 4.16);
- (e) the Administration should conduct an overall strategic review to re-examine whether, under the present circumstances, there is a genuine need for establishing a permanent vehicle pound in each HKPF traffic region and formulate a strategy for optimising the cost-effectiveness of establishing permanent vehicle pounds in the territory (para. 5.25); and
- (f) the Administration should expedite action to re-provision the existing vehicle pound in Ho Man Tin so as to release this site for other beneficial use and reconsider the future use of this prime site so as to realise its full development potential (para. 5.26).

I. **Response from the Administration.** The Administration has agreed with most of the audit recommendations.

PART 1: INTRODUCTION

Background

1.1 Under the Road Traffic Ordinance (Cap. 374 –hereinafter referred to as the Ordinance), the Hong Kong Police Force (HKPF) is responsible for the policing of road traffic in Hong Kong. The aims of road traffic policing are:

- (a) to reduce the toll of deaths and injuries, and damage to property arising from traffic accidents on the roads;
- (b) to keep traffic flowing as quickly and smoothly as possible; and
- (c) to prevent and detect traffic offences.

Functions of traffic regions

1.2 The Traffic Branch of the HKPF's Operations Department is responsible for the day-to-day road traffic policing in the territory. It comprises the Traffic Branch Headquarters and five traffic regions, namely Hong Kong Island (T HKI), Kowloon East (T KE), Kowloon West (T KW), New Territories South (T NTS) and New Territories North (T NTN). The Traffic Branch Headquarters deals with policies and issues which have territory and force-wide implications, such as formulation and dissemination of traffic enforcement policies, and development and evaluation of traffic management schemes. Traffic regions take enforcement action in respect of traffic offences, investigate causes of traffic accidents, and inspect alleged defective and damaged vehicles.

1.3 Each traffic region has an Enforcement and Control Division (E&CD). E&CDs perform both moving traffic and static point control duties, as well as routine enforcement duties at pre-selected and targeted locations, so as to maintain control of traffic on major roads.

Vehicle removal service

1.4 The Ordinance provides that a police officer in uniform of the rank of Sergeant or above may remove or cause to be removed from a road vehicles which are:

- (a) broken down;

- (b) abandoned;
- (c) involved in an accident; or
- (d) involved in traffic enforcement action.

1.5 Each E&CD is equipped with light and medium tow trucks which operate during daylight hours for the enforcement and emergency towing of vehicles causing obstruction to the flow of traffic. These tow trucks are suitable for removing relatively small and undamaged vehicles. In 1998-99, the HKPF incurred an estimated amount of recurrent expenditure of \$17.8 million for the vehicle towing operation.

1.6 In addition to its own vehicle towing operations, each traffic region appoints a vehicle towing agent who is on call 24 hours a day. The appointment contract specifies the response time within which the towing agent is expected to be present at the scene of traffic incident. In 1998-99, the HKPF spent \$1.6 million for such contractual towing operations. Due to the strategic locations of the Tolo Highway and the Tuen Mun Road, the appointed towing agent is also required to keep tow trucks on standby duty next to these roads at an annual cost of \$1 million. In addition, a towing agent is appointed to provide a high-quality vehicle recovery service (Note 1) for the North Lantau Highway (NLH –see paragraph 4.10 below).

Vehicle pounds

1.7 The HKPF manages vehicle pounds. Currently, vehicle pounds are used to detain vehicles which are either removed from roads under the Ordinance or held in connection with criminal offences for case enquiries. Except for the vehicle pound in Siu Ho Wan of the Lantau Island, all other vehicle pounds are temporary. The Government was reluctant to establish permanent vehicle pounds because the facilities, involving large capital outlay, would need to be removed when the land which the facilities occupied would be required for future development. In December 1984, the Transport Advisory Committee (Note 2) expressed concern that the HKPF, as the authority responsible for investigating traffic accidents, did not possess permanent facilities to

Note 1: *The contract of the vehicle recovery service for the North Lantau Highway requires the contractor to respond to traffic accidents and to reopen the part of the affected road within a short period of time.*

Note 2: *The function of the Transport Advisory Committee is to advise the Chief Executive on broad issues of transport policy with a view to improving the movement of both people and freight.*

conduct vehicle examinations (Note 3). The Committee recommended that the provision of fully equipped permanent vehicle pounds should be accorded a high priority.

1.8 In August 1985, the then Finance Branch (FB) of the Government Secretariat completed a value for money (VFM) study on the “Hong Kong Police Force Vehicle Pounds and Transport Department Vehicle Examination Centres”. The study concluded that vehicle pounds were essential for the HKPF to fully enforce the Ordinance. The study recommended that suitable sites in the urban areas should be made available for the construction of permanent police vehicle pounds which would be provided with standardised facilities to ensure that the HKPF would have the capabilities to conduct vehicle examinations. The study also recommended that each police traffic region should have one permanent vehicle pound located in a geographically desirable area. However, the progress of implementing these recommendations has been slow. To date, the HKPF has not yet established a permanent vehicle pound in each traffic region in accordance with the FB’s recommendations.

Audit review

1.9 Against the above background, Audit has conducted a review of the HKPF’s vehicle removal service and permanent vehicle pounds. The audit objectives are:

- (a) to ascertain whether the vehicle removal service is being provided economically, efficiently and effectively;
- (b) to ascertain whether there is room for improvement in the provision of the vehicle removal service; and
- (c) to examine the reasons for the slow progress in the provision of, and the need for, permanent vehicle pounds.

Note 3: *Following a serious traffic accident in Wong Nai Chung Road, Happy Valley on 28 January 1984 (in which a double-decker bus crashed into a queue of pedestrians on the pavement, killing six people and injuring eight people), a working group of the Transport Advisory Committee was formed in August 1984 to examine the practices, methods and procedures for roadworthiness and fitness inspections of omnibuses.*

PART 2: VEHICLE REMOVAL SERVICE

Guidelines for removal of vehicles

2.1 The Commissioner of Police has issued guidelines to assist police officers in exercising their powers to remove vehicles. The guidelines specify the areas from which, and the circumstances in which, vehicles may be removed. In general, police officers do not take action to remove vehicles on parking or obstruction offences unless:

- (a) a vehicle causes an obstruction, or is parked illegally, on a “Red Road” (Note 4);
- (b) serious obstruction is caused and removal of the vehicle is a matter of necessity, such as a vehicle parking on a pavement;
- (c) a verifiable complaint of serious obstruction is received from a member of the public; or
- (d) a vehicle is parked in a designated parking space which has been suspended for traffic management reasons.

In addition, abandoned vehicles, defective vehicles, broken-down vehicles and vehicles involved in an accident may be removed, where necessary.

Vehicle towing operation

2.2 According to the HKPF’s internal guidelines, police tow trucks should be used for towing vehicles, wherever practicable. Towing agents are used only when a police tow truck is not readily available or is not equipped to carry out the specific tow. When a vehicle has to be towed away, the police officer at the scene provides the Regional Command and Control Centre with information of the vehicle to be towed, including its estimated weight and, if any, the extent of its damage. Based on this information, the Regional Command and Control Centre may request a police tow truck to carry out the tow. If a police tow truck is either unavailable or unsuitable, an officer not below the rank of Sergeant at the Regional Command and Control Centre calls for the service of a towing agent.

2.3 If a tow cannot be carried out by a towing agent, and the vehicle is causing an obstruction to the flow of traffic, the HKPF may request the Electrical and Mechanical Services Department (EMSD) to carry out the tow. If the EMSD has no available tow trucks, the HKPF may request the tunnel operators, the bus companies or the Fire Services Department to render necessary assistance.

Note 4: *The HKPF’s procedures manual defines a “Red Road” as a road, with or without metered parking spaces, which, if it becomes congested, would inhibit the free flow of traffic on the primary, district and local distributors.*

E&CDs' vehicle towing operation

2.4 Each police tow truck is manned by a Police Sergeant, a Police Constable (who works as the driver) and two Artisans. Operationally, the police tow trucks are predominately occupied with the vehicle removal service under the Ordinance. During daylight hours, these tow trucks are deployed to standby or patrol at vehicle breakdown black spots so that broken-down vehicles can be promptly removed from these spots to avoid traffic congestion. Table 1 below shows the number of police tow trucks in the traffic regions in 1998-99.

Table 1

Number of police tow trucks in 1998-99

Traffic region	Number of police tow trucks		
	Light	Medium	Total
T HKI	1	1	2
T KE	1	2	3
T KW	2	2	4
T NTS	0	3	3
T NTN	1	2	3
Total	5	10	15

Source: HKPF's records

Towing operation by towing agents

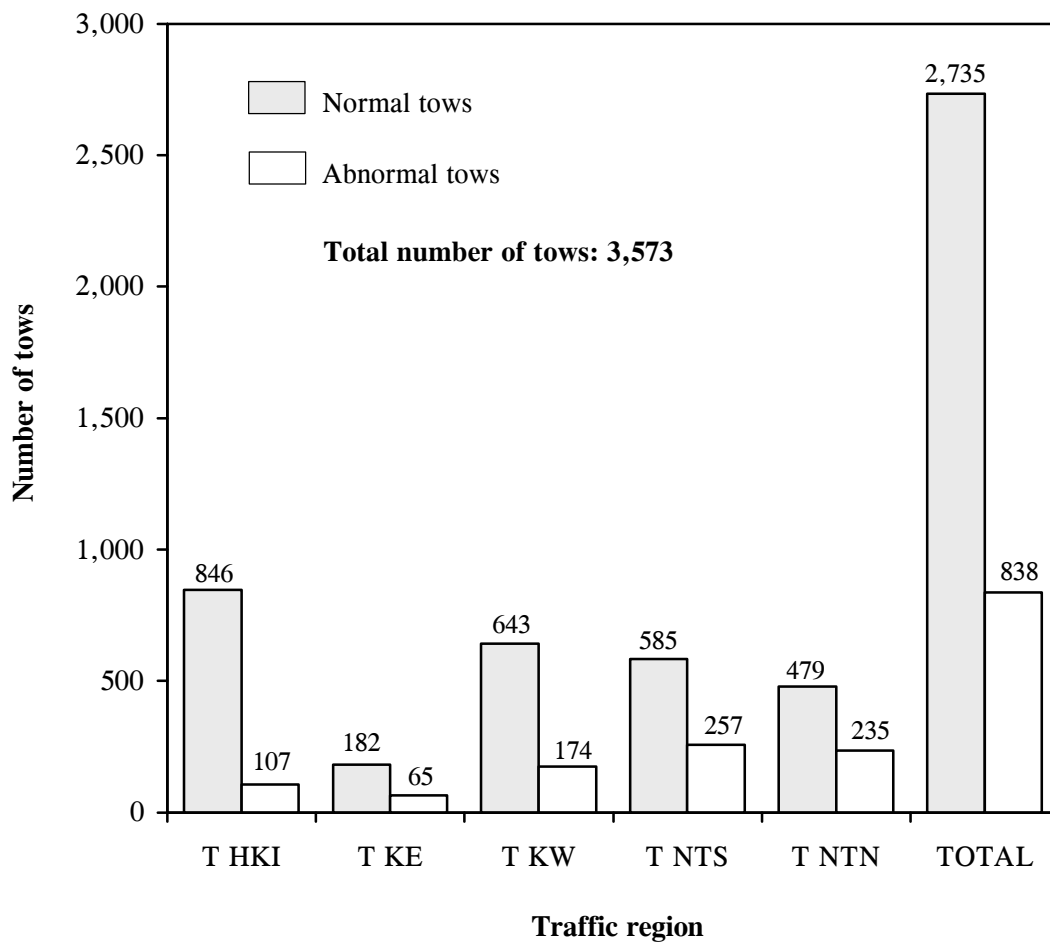
2.5 When the HKPF requires the service of a private towing agent, the contracted agent of the area in which the vehicle is located will be called first. If that contracted agent cannot carry out the tow within a reasonable period of time, the HKPF will consider calling another towing agent. Tows are categorised as follows:

- (a) **normal tows** which refer to tows where the vehicle to be towed is at least partly mobile; and
- (b) **abnormal tows** which refer to difficult tows, including removal of vehicles from hillsides, removal of immobile vehicles, and removal of vehicles requiring special equipment or methods.

2.6 For every tow, the contracted towing agent is paid a towing fee according to the gross vehicle weight of the vehicle and the tow category. Towing fees vary among traffic regions as they are affected by factors such as towing distance and density of traffic. In 1998-99, the contracted towing agents carried out 3,573 tows (2,735 normal tows and 838 abnormal tows) at a total cost of \$1.6 million. Figure 1 below is an analysis of the tows carried out by contracted towing agents in different traffic regions in 1998-99.

Figure 1

Number of tows carried out by contracted towing agents in 1998-99



Source: HKPF's records

Audit observations

2.7 Generally speaking, towing of vehicles is a simple task which can be performed by private towing agents. Since 1982, contracted towing agents have been appointed to assist in the E&CDs' towing work. Audit noted that in 1998-99, the contracted towing agents' performance in terms of their response time to the scenes of traffic incidents was satisfactory. **As shown in paragraphs 2.8 to 2.13 below, Audit has reservations about the cost-effectiveness of, and hence the need for maintaining, the E&CDs' vehicle towing operation.**

Limited capability of E&CDs' vehicle towing operation

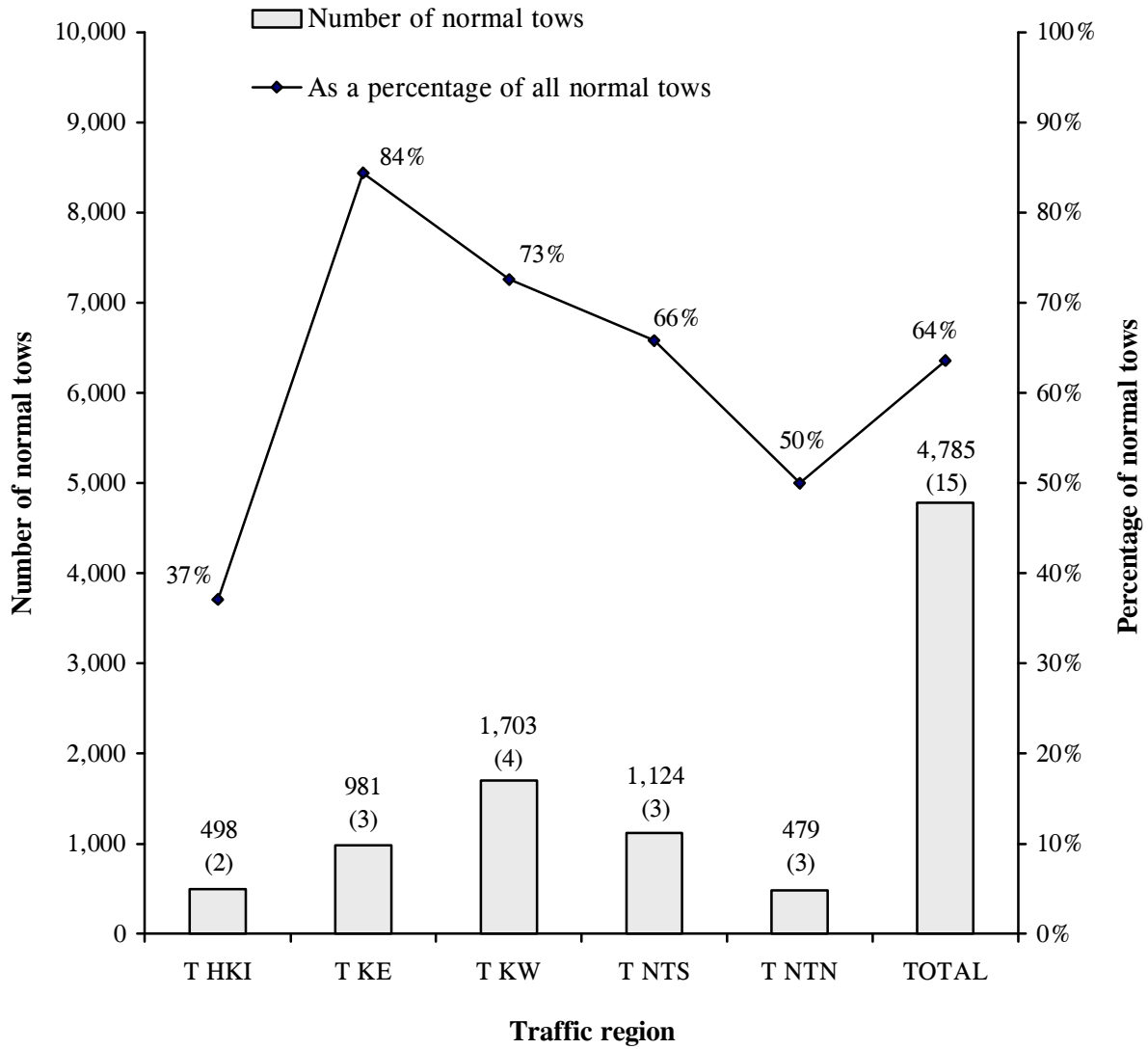
2.8 In 1986, the FB carried out a VFM study on the utilisation of police tow trucks. The study concluded that police tow trucks were underutilised. As a result, the number of tow trucks allocated to the five traffic regions was reduced to minimise operating costs. Presently, the E&CDs have no heavy tow trucks which are capable of carrying out abnormal tows.

Light workload of E&CDs' vehicle towing operation

2.9 In 1998-99, a total of 8,358 tows were carried out in the territory which included 7,520 normal tows (4,785 tows carried out by the E&CDs and 2,735 tows carried out by contracted towing agents) and 838 abnormal tows. All the abnormal tows were carried out by the contracted towing agents. Figure 2 below shows the number and percentage of normal tows carried out by police tow trucks in 1998-99.

Figure 2

Number and percentage of normal tows carried out by police tow trucks in 1998-99



Source: HKPF's records

Note: The figures in brackets denote the number of police tow trucks.

2.10 As can be seen from Figure 2 above, the percentage of normal tows carried out by the E&CDs in 1998-99 varied considerably among traffic regions. For example, with its available resources, the T HKI was able to handle only 37% of the normal towing service, whereas the T KE could handle 84%. The workload statistics also reveal that the overall workload of the police tow trucks was light. For the five traffic regions as a whole, in 1998-99, each police tow truck carried out on average only 0.87 tow per day (Note 5). This indicates that the police tow trucks and their crew were, to a large extent, engaged in standby or patrol duties rather than actual towing duties. **Audit considers that it is not cost-effective to deploy 30 Artisans to the towing teams because the Artisans, being civilian staff responsible for assisting in the removal of vehicles, do not perform any traffic policing functions (see paragraph 2.11 below).**

High cost of maintaining E&CDs' vehicle towing operation

2.11 In 1998-99, the E&CDs employed 14 Sergeants, 8 Senior Police Constables/Police Constables and 30 Artisans in vehicle towing operations in the five traffic regions. Based on the Staff Cost Ready Reckoner No. 98/1 published by the Treasury in September 1998, Audit estimated that in 1998-99, the recurrent cost of the E&CDs' vehicle towing operation was **\$17.8 million**.

2.12 When compared with the towing cost of the contracted agents, the cost of maintaining the E&CDs' vehicle towing operation was relatively high. Audit estimated that, in 1998-99, if the contracted agents had carried out all the E&CDs' 4,785 normal tows, the cost would have been **\$1.7 million**, which was only 10% of the recurrent cost of maintaining the E&CDs' towing operation.

2.13 **Audit considers that the E&CDs' vehicle towing operation can be contracted out to private towing agents. In 1998-99, the HKPF could have achieved an annual saving of \$16 million if the E&CDs' vehicle towing operation had been fully contracted out to private towing agents. As the traffic police has a duty to keep traffic flowing quickly and smoothly, Audit considers that, after contracting out the E&CDs' vehicle towing operation, the HKPF needs to closely monitor the performance of the contracted towing agents to ensure that they perform the vehicle removal function efficiently and effectively.**

2.14 The HKPF agrees in principle with Audit's observations that the entire vehicle towing operation can be contracted out to private towing agents. However, the HKPF considers that, in examining such feasibility, it is necessary to take into account the following duties performed by the E&CDs:

Note 5: *The average number of tows carried out daily by a police tow truck in 1998-99 was:*
 $4,785 \text{ tows} \div 15 \text{ tow trucks} \div 365 \text{ days} = \underline{0.87 \text{ tow}}$

- (a) “tow aside” duties which refer to towing of broken-down vehicles to a safe location nearby so as to clear an obstruction expeditiously. These tows were mainly performed by the HKPF, particularly in T KW, but were not included in the HKPF’s workload statistics; and
- (b) vehicle removal and road clearance services in inclement weather conditions and internal security situations.

2.15 Audit has noted the HKPF’s above concerns. Audit’s comments are as follows:

- (a) with regard to “tow aside” duties, Audit noted that the private towing agent also carried out such duties for the HKPF. In fact, as mentioned in paragraph 1.6 above, a towing agent has been appointed to keep towing vehicles on standby duty next to the Tolo Highway and the Tuen Mun Road. It seems that similar arrangements can be made for other major roads currently covered by the E&CDs, if deemed necessary; and
- (b) with regard to vehicle removal and road clearance services in inclement weather conditions, the existing towing contracts provide that, where necessary, the contracted towing agents can be deployed to carry out tows in inclement weather conditions when the Typhoon Signal No. 8 or above is hoisted or the Black Rainstorm Signal is issued. With regard to internal security situations, Audit considers that the HKPF should, together with other departments which have vehicle towing capabilities such as the EMSD and the Transport Department (TD), draw up a contingency plan for deploying their tow trucks and police officers to provide the necessary vehicle removal and road clearance services.

Audit recommendations

2.16 **In order to improve the cost-effectiveness of the vehicle towing operation, Audit has recommended that the Commissioner of Police should:**

- (a) **consider disbanding the existing E&CDs’ vehicle towing teams;**
- (b) **contract out the entire vehicle towing operation to private towing agents;**
- (c) **closely monitor the performance of the contracted towing agents so as to ensure that their vehicle removal service is kept up to standard; and**

- (d) **together with other departments which have vehicle towing capabilities (such as the EMSD and the TD), draw up a contingency plan for deploying their tow trucks and police officers to provide vehicle removal and road clearance services in order to tackle internal security situations.**

Response from the Administration

2.17 The **Commissioner of Police** has said that:

- (a) it is possible to disband the E&CDs' vehicle towing teams. In fact, this is one of the HKPF's projects of the Enhanced Productivity Programme. However, the proposal has to be considered carefully as special arrangements will be required to redeploy the Artisans who are presently fully engaged in the vehicle removal service. There will be difficulties in their redeployment as their job duties are unique within the Government;
- (b) he supports in principle the audit recommendation on contracting out the entire vehicle towing operation to private towing agents. The "tow aside" duties will have to be further examined as the inclusion of such duties in the towing contracts will have cost implications. Other matters to be considered relate to road clearances during typhoons or when the Black Rainstorm Signal is issued and possible civil liability for persons injured during such clearances;
- (c) he agrees to closely monitor the performance of the contracted towing agents so as to ensure that the standard of vehicle removal service provided by them is acceptable; and
- (d) he agrees in principle to draw up a contingency plan, together with other departments equipped with vehicle towing capabilities, for deploying their tow trucks and police officers to provide vehicle removal and road clearance services in order to tackle internal security situations. The areas requiring further examination are the possible formation of a specialist police team to be deployed during such circumstances and the utilisation of police tow trucks.

2.18 The **Secretary for the Treasury** has said that:

General

- (a) she welcomes audit reviews that improve the cost-effectiveness in the delivery of public service. This is in line with the spirit and implementation of the Enhanced Productivity

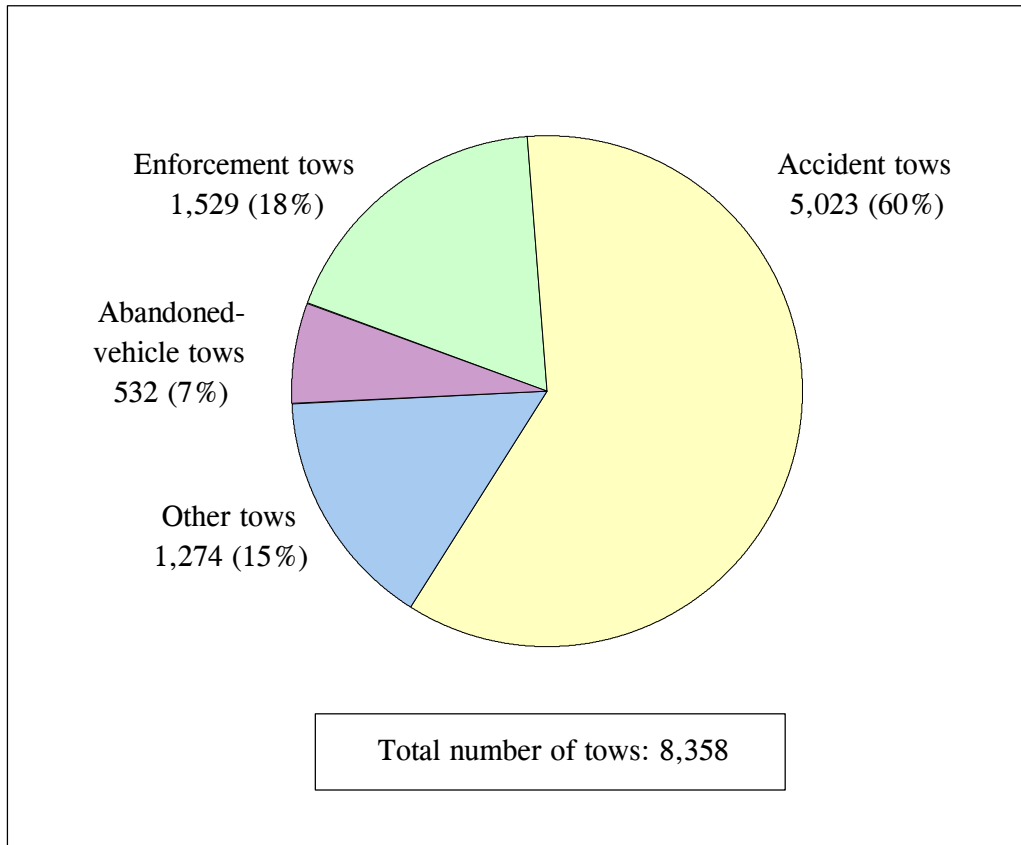
Programme. However, in pursuing more cost-effective options, normally in the form of contracting out, the Finance Bureau has to ensure that appropriate arrangements are in place to deal with surplus staff arising therefrom. In late 1999, the Finance Bureau has put in place a human resource management strategy, including in particular a central clearing house mechanism to facilitate redeployment of staff. The Finance Bureau will continue to assist departments in pursuing their efficiency measures; and

Vehicle towing operation

- (b) the Commissioner of Police has pointed out in his response that improving the cost-effectiveness of the vehicle towing operation is one of the projects of the HKPF's Enhanced Productivity Programme. The Finance Bureau will assist the HKPF in its implementation through appropriate arrangements mentioned in sub-paragraph (a) above.

Figure 3

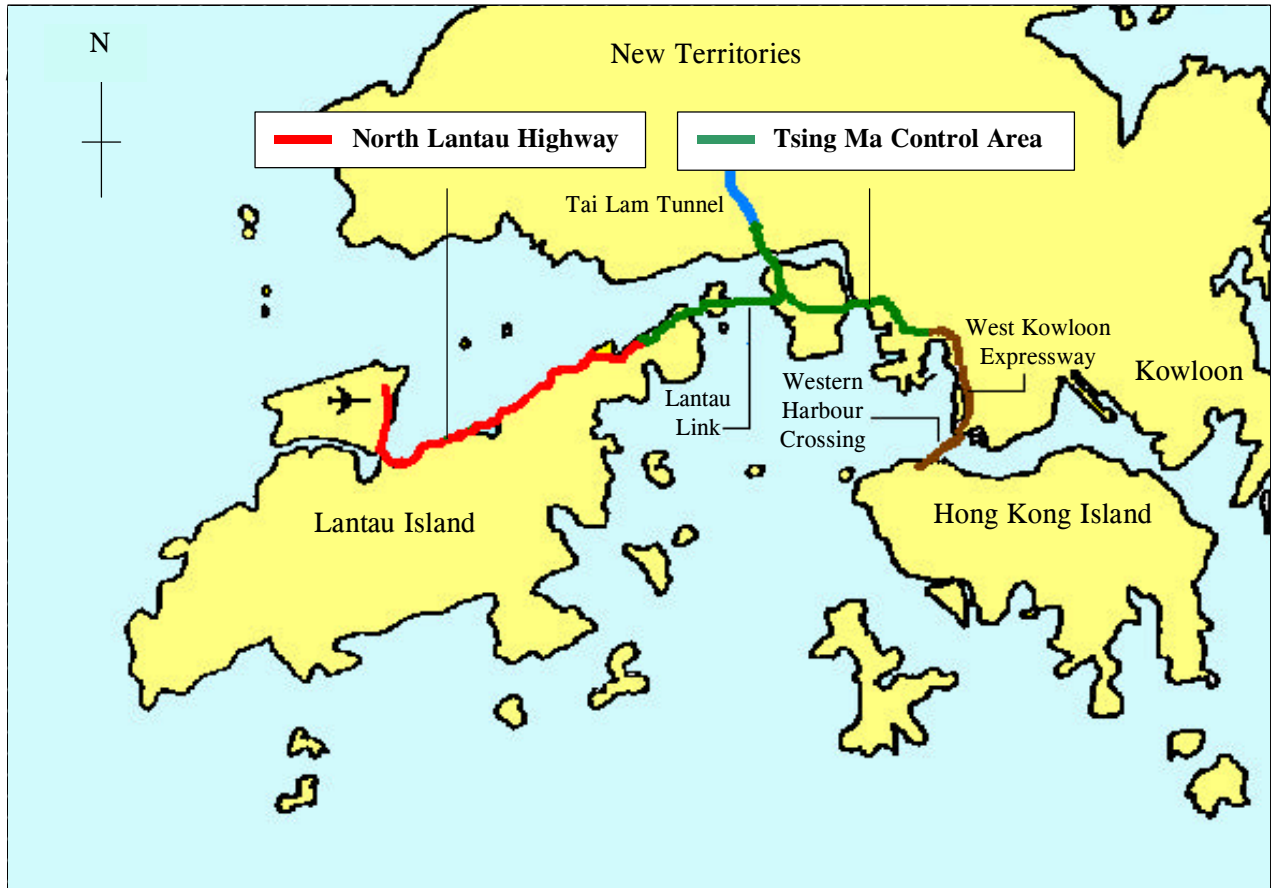
**Types of tows in 1998-99
(paragraph 3.3 refers)**



Source: HKPF's records

Figure 4

**The North Lantau Highway and
the Tsing Ma Control Area
(paragraph 4.1 refers)**



Source: Transport Department

Note: The above map shows the main road link from Hong Kong Island to the airport at Chek Lap Kok. It is not drawn to scale.

PART 3: REMOVAL AND DISPOSAL OF ABANDONED VEHICLES

Handling of abandoned vehicles

3.1 The HKPF is the statutory authority for handling abandoned vehicles. Under section 107 of the Ordinance, if there is reasonable cause to believe that a vehicle has been abandoned, a police officer may send a notice to the registered owner of the vehicle by registered post or may affix a notice to the vehicle, requiring the registered owner to remove the vehicle. If the vehicle is not removed within seven days, the Commissioner of Police will seize the vehicle and remove it to a vehicle pound. If the vehicle is not claimed within 14 days of its seizure, it will become the Government's property and may be sold or otherwise disposed of as the Commissioner of Police thinks fit.

3.2 Each month, a police officer, together with a motor vehicle examiner if necessary, inspects all vehicles which remain unclaimed in the vehicle pound after the statutory 14-day period. During the inspection, the police officer identifies those vehicles which cannot be sold by public auction because they have no appreciable value. A list of such vehicles is then sent to the Commissioner for Transport who will arrange for the vehicles to be scrapped. For those vehicles which can be sold by public auction, a list is forwarded to the Director of Government Supplies for necessary action.

Police resources for handling abandoned vehicles

3.3 Figure 3 on the centre pages shows the 8,358 tows in 1998-99 classified into the following categories: accident tows, enforcement tows, abandoned-vehicle tows and other tows (Note 6). It can be seen that in 1998-99, the HKPF carried out 532 abandoned-vehicle tows.

3.4 For many years, the HKPF has been concerned about the use of police resources for carrying out the statutory procedures for the removal and disposal of abandoned vehicles. In 1983, the HKPF sought legal advice as to whether a motor vehicle which was an immobile hulk (i.e. scrap metal) should be considered as rubbish for direct removal and disposal purposes. The legal advice was that abandoned motor vehicles might come within the meaning of "waste" under the then Public Health and Urban Services Ordinance (Cap. 132 –Note 7), and that the Administration might decide the proper authority for the removal of waste. Presently, the responsibility for the removal and disposal of abandoned vehicles still rests with the HKPF.

3.5 Based on HKPF's available records, the estimated total number of abandoned vehicles handled in the recent five-year period 1994 to 1998 was 4,400. Audit noted that the time and resources spent on handling an abandoned vehicle varied from case to case. On average, it took

Note 6: *Other tows include towing of vehicles involved in criminal cases, towing of vehicles carried out by contracted towing agents during standby duties, and towing of vehicles back to the traffic regions.*

Note 7: *According to section 2 of the current Public Health and Municipal Services Ordinance (Cap. 132), "waste" means any substance or article which is abandoned.*

two to three months to complete the process of disposing of an abandoned vehicle. Based upon the T HKI's records of the average time spent on handling an abandoned vehicle, Audit estimated that, in 1998-99, the average staff cost of handling an abandoned vehicle was \$5,700 and hence the total staff cost of handling the 532 abandoned vehicles was \$3 million.

Audit observations

3.6 There is presently no law which holds the registered owner of a vehicle responsible for the proper disposal of his vehicle. Without such a law, the HKPF has been deploying its costly resources to deal with abandoned vehicles. In Audit's view, registered owners of vehicles should be held responsible for the proper disposal of their vehicles. It is not cost-effective to deploy costly police resources to dispose of abandoned vehicles for irresponsible vehicle owners. Furthermore, the opportunity cost for the storage of abandoned vehicles and immobile hulks in vehicle pounds has to be taken into account. In this connection, Audit noted that the TD is currently operating two vehicle surrender centres for the public to surrender their unwanted vehicles for scrapping, and that members of the public may also approach commercial car wrecking companies for the proper disposal of their unwanted vehicles.

Audit recommendations

3.7 In order to reduce the cost of handling abandoned vehicles and immobile hulks, Audit has recommended that the Commissioner of Police, in conjunction with the Commissioner for Transport, should:

- (a) promote the principle that registered owners of vehicles are responsible for the proper disposal of their unwanted vehicles;**
- (b) examine the feasibility of transferring the HKPF's responsibility for the removal and disposal of abandoned vehicles and immobile hulks to the department responsible for the refuse collection service, having regard to the legal advice that abandoned motor vehicles may come within the meaning of "waste" under the Public Health and Municipal Services Ordinance; and**
- (c) consider amending the existing legislation to impose legal responsibility for the proper disposal of vehicles on registered owners and, where necessary, introducing penalty clauses in order to have a deterrent effect on irresponsible owners who dispose of their unwanted vehicles improperly.**

Response from the Administration

3.8 The Commissioner of Police fully supports all the audit recommendations in paragraph 3.7 above. He considers that much greater publicity for the proper disposal of unwanted vehicles is required and that it is essential to introduce penalties for owners of registered vehicles who have not properly disposed of their vehicles.

PART 4: VEHICLE RECOVERY SERVICE FOR THE NORTH LANTAU HIGHWAY

The North Lantau Highway and the Tsing Ma Control Area

4.1 The Hong Kong International Airport at Chek Lap Kok, Lantau Island (hereinafter referred to as the airport) is accessible on land by rail and road links connecting the northeast coast of Lantau Island, Ma Wan, Tsing Yi and the main urban traffic network. Currently, the North Lantau Highway (NLH) and the Tsing Ma Control Area (TMCA) combine to form the only road link to the airport. The NLH is a 12-kilometre section of this road link on the Lantau side of the Tsing Ma Bridge. The TMCA, established in January 1997, consists of major transport projects undertaken in the Tsing Ma area. Among these projects, the main one is the Lantau Link, which spans 3.5 kilometres between Tsing Yi and Lantau Island. Figure 4 on the centre pages shows the location of the NLH and the TMCA.

4.2 Under a four-year contract entered into in December 1996, a private contractor is responsible for the management, operation and maintenance of the TMCA for the period 19 May 1997 to 18 May 2001 (hereinafter referred to as the Management Contract). According to the Management Contract, the TMCA operator is required to promptly respond to traffic accidents and to remove vehicles causing traffic obstruction within the TMCA.

Need for a high-quality vehicle recovery service for NLH

4.3 As the NLH and the TMCA form the only road link to the airport, the Administration considered that it was essential to provide a fast and efficient response to any incident which occurred there. Under the Management Contract, the TMCA operator is required to maintain a fleet of recovery vehicles and standby crew so as to provide a high road clearance capability in the TMCA. In view of the strategic importance of both the NLH and the TMCA, the vehicle recovery service provided for the NLH should be compatible with that provided for the TMCA in order to maintain a clear access to the airport after its opening in July 1998.

Agreement for a separate vehicle recovery service contract for NLH

4.4 In August 1996, the Steering Group on Contingency Arrangements for the Closure of the Lantau Link and the NLH (Note 8) first met to make provisions for contingency arrangements in the event of disruptions to the transport links to the airport. The Steering Group noted that, although different closure scenarios relating to disruptions on the Lantau Link and the Airport

Note 8: *The membership of the Steering Group, formed in August 1996, included officers from the Security Bureau, the Civil Aviation Department, the Highways Department, the HKPF and the TD.*

Railway were examined, little emphasis was placed on the contingency arrangements for handling traffic disruptions to the NLH. Regarding the responsibility for the vehicle recovery service for the NLH, the HKPF had initially intended to take up this responsibility but its bid for funding of the service was rejected by the FB on cost-effectiveness grounds.

4.5 In response to the HKPF's enquiry about the possibility of incorporating the vehicle recovery service for the NLH into the Management Contract, in September 1996, the Commissioner for Transport said that the tender exercise for the Management Contract had already been completed in mid-1996. Due to the proximity of the TMCA to the NLH, the Government still considered that the future TMCA operator would be the most suitable contractor with the necessary capability to provide the vehicle recovery service for the NLH.

4.6 At its meeting held in October 1996, the Steering Group agreed that a separate contract for the vehicle recovery service for the NLH should be negotiated with the future TMCA operator so that he would also be responsible for providing the vehicle recovery service for the NLH. The Steering Group also agreed that the HKPF should seek the necessary funding approval for the vehicle recovery service.

Tender negotiation for the vehicle recovery service contract

4.7 In accordance with the Steering Group's decision, the TMCA operator was the only tenderer invited for providing the vehicle recovery service for the NLH. Although the HKPF had little experience in arranging a high-quality vehicle recovery service contract, it was given the responsibility for tender negotiation with the TMCA operator. The TD, which had experience in managing the TMCA operator and other tunnel operators under similar management contracts, offered technical advice (including the drawing up of operational standards and the estimation of resources requirement) to the HKPF. However, the TD did not directly participate in the tender negotiation.

4.8 In October 1996, based on a response time requirement of 15 minutes and a road distance of about 12 kilometres, the TD proposed that three recovery vehicles would be required for the NLH. Assuming that each recovery vehicle would require a crew of three to provide a 24-hour standby service, the TD estimated that, if 45 operational staff were employed, the annual cost would be \$16 million. In December 1996, based on the 1996-97 Staff Cost Ready Reckoner, the TD estimated that, if 40 operational staff were employed, the annual cost would be \$12.8 million. **In March 1997, the TMCA operator estimated that, if 40 operational staff were employed and the Government was to provide five (two heavy, one medium and two light) recovery vehicles, the total cost of providing the vehicle recovery service for the NLH would be \$13.1 million for the first year. At the HKPF's request, the TD estimated in October 1997 that, excluding the profit margin, the annual cost of providing the service with two heavy and one medium recovery vehicles and 40 operational staff, based on a response time of**

15 minutes, would be \$9.4 million (of which the cost of employing 40 operational staff would be \$7.9 million).

4.9 In December 1997, the HKPF sought the Secretary for the Treasury's approval for inviting a single tender to provide the vehicle recovery service. In January 1998, the HKPF said that five recovery vehicles would be required to provide a 24-hour standby service. In March 1998, the TMCA operator suggested that the level of service for the night shift could be reduced. In the meantime, the Secretary for the Treasury was still considering the HKPF's request for inviting the single tender for the period until 18 May 2001 to tie in with the completion date of the Management Contract. It was then anticipated that the future Management Contract would include the vehicle recovery service for the NLH.

4.10 In March 1998, in response to the Secretary for the Treasury's enquiry, the HKPF replied that, based on the TD's advice, the annual cost of the service in the region of \$13 million was reasonable. In April 1998, the TMCA operator provided the HKPF with revised financial estimates for the provision of different levels of vehicle recovery service. In late April 1998, when the Secretary for the Treasury gave approval for inviting a single tender, the HKPF requested the TD to examine and comment on the revised financial estimates so as to facilitate further tender negotiations. In late May 1998, the TD commented that many cost items of the financial estimates submitted by the tenderer, such as gearing-up costs, recurrent costs and manpower costs, were either too high or questionable. As there was only one month available for awarding the service contract before the opening of the airport in July 1998, the HKPF had no alternative but to continue with the tender exercise. On the recommendation made by the Central Tender Board at its meeting held in June 1998, the Secretary for the Treasury approved the award of the service contract to the tenderer. Finally, in June 1998, the contract covering the period 1 July 1998 to 18 May 2001 was awarded to the TMCA operator at a contract price of \$37 million. The contract specifies that the vehicle recovery service for the day shift should be provided with two heavy, one medium and two light recovery vehicles and a reduced service for the night shift should be provided with one heavy and one light recovery vehicles.

Audit observations

4.11 Since the opening of the airport in July 1998, the HKPF has incurred monthly expenditure of \$1 million (i.e. \$37 million over a contract period of about 36 months) in providing a high-quality vehicle recovery service for the NLH. **Because of the strategic importance of the road link to the airport, Audit appreciates the need to provide the vehicle recovery service for this critical road link. However, owing to the late recognition of the need for the service and the unsatisfactory tender negotiation to obtain a fair contract price, Audit considers that the cost of providing the vehicle recovery service is high (see paragraphs 4.12 to 4.14 below).**

Late recognition of the need for the service

4.12 As mentioned in paragraph 4.4 above, little emphasis was placed on the contingency arrangements for handling traffic disruptions to the NLH until August 1996, when the Administration recognised that the TMCA operator would be the most suitable contractor to provide the high-quality vehicle recovery service for the NLH. **Had the Administration identified earlier the need for the high-quality vehicle recovery service to be provided for the NLH, the requirement for the service could have been incorporated into the Management Contract. However, by the time the need for the vehicle recovery service was recognised, the tender exercise for the Management Contract was already at such an advanced stage that no new service requirements could be incorporated into the Management Contract. The Government had no alternative but to invite a single tender from the TMCA operator.**

Unsatisfactory tender negotiation to obtain a fair contract price

4.13 Audit noted that in October 1996, based on a response time requirement of 15 minutes and a road distance of about 12 kilometres, the TD recommended that three recovery vehicles would be required for the provision of the vehicle recovery service for the NLH. In October 1997, the HKPF noted that the TD's estimated annual cost of providing the service with three recovery vehicles would be about \$2 million (Note 9) lower than the tenderer's estimate. When the Secretary for the Treasury's approval for inviting the single tender was given in April 1998, only two months were available for the HKPF to complete the necessary procedures for awarding the contract, including tender negotiation, before the opening of the airport in July 1998. As it happened, the HKPF had started the tender preparation work since late 1996.

4.14 **The HKPF had consulted the TD on various occasions during the tender exercise. In late May 1998, the TD still considered that the tenderer's cost items were either too high or questionable. However, it was already too late for the HKPF to negotiate with the tenderer on these questionable cost items because not much time was available for completing the necessary procedures for awarding the service contract to the tenderer before the opening of the airport in July 1998. As a result, the Administration could not obtain a fair contract price for the service. Probably due to the time constraint, the HKPF had not formed a tender negotiating team, including experienced negotiators from the TD, to participate directly in the tender negotiation. Consequently, the service requirements and their cost implications could not be promptly considered by the TD's experienced officers. In this connection, Audit noted that the Stores and Procurement Regulation 385 provides that negotiation for a high-value or complex tender/contract should be conducted by a team led by an experienced negotiator. The negotiating team should include, among others, a member from the user department for requirement aspects and a member from the relevant service department for technical aspects.**

Note 9: *In October 1997, the TD estimated that, excluding the profit margin, the annual cost of providing the service would be \$9.4 million. Taking into account a profit margin of 15% (i.e. the profit margin of the current vehicle recovery service contract), the annual cost would be \$10.8 million, which was \$2.3 million lower than the tenderer's estimate of \$13.1 million (see paragraph 4.8 above).*

Audit recommendations

4.15 In order to avoid recurrence of similar unsatisfactory aspects mentioned in paragraphs 4.12 to 4.14 above and to obtain better value for money on the vehicle recovery service for the NLH in future, Audit has *recommended* that, before the tendering of the next vehicle recovery service contract, the Administration should:

- (a) critically assess the level and standard of service required, taking into account the risks of major disruptions to the traffic on the NLH and other relevant operational factors, such as the workload statistics of recovery vehicles and the response time of recovery vehicles to the scene of traffic incident;
- (b) determine what resources would be required for delivering the vehicle recovery service for the NLH, having regard to possible saving in total expenditure if the contract covers both the TMCA and the NLH; and
- (c) ensure that adequate time is allowed for tender negotiation, taking into account the audit recommendations mentioned in paragraph 4.16 below.

4.16 In order to protect the Government's interest in similar cases in future, Audit has *recommended* that before tender negotiation, the Administration should ensure that:

- (a) a tender negotiating team including members from all relevant user and service departments is formed in advance of the negotiation process; and
- (b) the tender negotiating team formulates a clear strategy and draws up an action plan for tender negotiation so that the contract is concluded in time and a fair contract price is obtained.

Response from the Administration

4.17 The **Commissioner of Police** has said that he will consider all the audit recommendations before the tendering of the next vehicle recovery service contract. The TD and the Finance Bureau have already started discussions on the tendering of the next vehicle recovery service contract so as to ensure that the contract will cover both the TMCA and the NLH in May 2001. He has also said that:

- (a) the HKPF should not be held responsible for the late recognition of the need for the vehicle recovery service. The HKPF initially intended to take up the responsibility for providing the vehicle recovery service but its bid for the funding of the service was rejected by the FB. The HKPF then requested the provision of the vehicle recovery service for the NLH to be incorporated into the Management Contract. However, in September 1996, the Commissioner for Transport said that the tender exercise for the Management Contract had already been completed in mid-1996; and

- (b) as pointed out in paragraph 4.13 above, when the Secretary for the Treasury's approval for inviting the single tender was given in April 1998, only two months were available for the HKPF to complete the necessary procedures for awarding the vehicle recovery service contract, including tender negotiation, before the opening of the new airport in July 1998. Notwithstanding these circumstances, the HKPF had made much effort in the tender exercise. In October 1996, the original cost estimate of providing the vehicle recovery service with three recovery vehicles produced by the TD was \$16 million per annum. This was \$2.9 million higher than the final contract price, notwithstanding that the existing contract provides five recovery vehicles. The HKPF had consulted the TD on all the costing of the contract price. In March 1998, in response to the Secretary for the Treasury's enquiry, the HKPF stated that, with the help of the TD, the vehicle recovery service had been costed to be \$13.2 million per annum. The HKPF's reply was also copied to the TD. In May 1998, the HKPF also tried to clarify with the contractor on the further comments put forward by the TD. However, time was really very limited as the contract had to be concluded before July 1998 for the opening of the airport. The final contract price was \$13.1 million per annum.

4.18 The **Commissioner for Transport** has said that he agrees with the audit recommendations and will assist in the coming tendering exercise for the NLH vehicle recovery service contract.

4.19 The **Director of Government Supplies** has said that he shares Audit's views that sufficient time should be allowed for tendering and that proper negotiation for a better offer should be conducted before awarding the vehicle recovery service contract. From the procurement point of view, he considers that the HKPF should:

- (a) in consultation with the TD, include the provision of the vehicle recovery service for the NLH in the Management Contract for the TMCA before its renewal;
- (b) ensure that sufficient time is allowed for the tender exercise in order to bring in competition; and
- (c) conduct tender negotiation as appropriate in accordance with the Stores and Procurement Regulations.

PART 5: PROVISION OF PERMANENT VEHICLE POUNDS

Government's policy on the provision of vehicle pounds

5.1 Vehicle pounds are used for the detention and inspection of vehicles which have been involved in traffic accidents, have caused obstruction to the flow of traffic, or are related to various offences. As there is an acute shortage of land in Hong Kong, land has always been provided for vehicle pounds on a temporary basis. The Government's policy on the provision of vehicle pounds, formulated in 1971, is that:

- (a) the HKPF has to be provided with sites for vehicle pounds;
- (b) the Government should not use expensive sites permanently for vehicle pounds; and
- (c) the cost of establishing vehicle pounds at temporary sites has to be kept to a minimum.

Historical developments of vehicle pounds

5.2 In August 1972, the Commissioner of Police proposed that small permanent sites in the urban areas should be made available for accommodating vehicles involved in enforcement action and in traffic accidents, complemented by larger temporary pounds outside these areas for the detention of abandoned vehicles. Having considered the Commissioner's proposal, in November 1972, the then Colonial Secretary approved in principle the inclusion of additional floors for vehicle pounds in four police station construction projects.

5.3 In 1978, the construction of Sheung Kwai Chung Police Station, in which a vehicle pound was sited, was completed. Unfortunately, the building was found to be faulty in design and many shortcomings rendered it unsuitable for its planned use as a vehicle pound (Note 10). It was decided to stop all further work on the other three vehicle pounds which had been planned to be sited in police stations.

5.4 As mentioned in paragraph 1.8 above, in 1985, the FB recommended in its VFM study that suitable sites in the urban areas should be made available for the construction of permanent vehicle pounds incorporating vehicle examination facilities, and that each police traffic region should have one permanent vehicle pound located in a geographically desirable area. Based upon these recommendations, the HKPF has been searching for suitable sites for establishing permanent vehicle pounds.

Note 10: *In his Report and Certificate on the Accounts of the Hong Kong Government for the year ended 31 March 1979, the Director of Audit reported that the nugatory expenditure on the construction of the Sheung Kwai Chung vehicle pound was due to inadequate consideration given to the suitability of the building for its intended purpose.*

Location of vehicle pounds

5.5 As at June 1999, there were six vehicle pounds in the territory. Table 2 below shows their locations and vehicle detention capacities.

Table 2

Location and detention capacity of vehicle pounds

Location	Occupied area (Square metres)	Detention capacity (Number of vehicle spaces)
T HKI		
Above the Eastern Harbour Crossing, Quarry Bay	4,080	71
Hoi Tai Street, Quarry Bay	1,100	70
T KE and T KW		
Sheung Shing Street, Ho Man Tin	9,000	170
T NTS and T NTN		
Kwai Shing Circuit, Kwai Chung	2,600	50
Wing Shun Street, Tsuen Wan	4,700	230
Siu Ho Wan, Lantau Island	8,670	130

Source: HKPF's records

Note: Except for the permanent site in Siu Ho Wan, Lantau Island, all are temporary sites.

Provision of a permanent vehicle pound on Hong Kong Island

Existing vehicle pounds

5.6 Presently, there are two vehicle pounds situated at temporary sites on Hong Kong Island. The first vehicle pound is situated at a site above the Eastern Harbour Crossing in Quarry Bay. In February 1995, the responsible District Lands Office (DLO) approved the temporary allocation of this site to the HKPF for a term of three years. In February 1998, the DLO extended the temporary allocation to the end of 2000 (Note 11). The second vehicle pound situated in Hoi Tai Street, Quarry Bay was temporarily allocated to the HKPF until the end of 2000. It is being used exclusively for the detention of abandoned vehicles.

Search for a permanent site for a vehicle pound on Hong Kong Island

5.7 The FB's VFM study in 1985 recommended two alternative sites for establishing a permanent vehicle pound on Hong Kong Island. One site was situated in Hung Hing Road, Wanchai and the other in Shing Tai Road, Chai Wan. The Hung Hing Road site was used by the HKPF as a temporary vehicle pound until 1986 when it had to be released to make way for the construction of a sewerage screening plant. Subsequently, the HKPF obtained an alternative site in Shing Tai Road, Chai Wan. In July 1986, the Chai Wan site was reserved for the construction of a permanent vehicle pound. In February 1990, the responsible DLO formally allocated this site to the HKPF. However, in May 1990, the Government Property Agency (GPA) objected to this allocation on grounds of site development potential. In June 1990, the DLO withdrew the permanent allocation of this site and reallocated it for the extension to the Chai Wan Technical Institute of the Vocational Training Council in order to maximise the development potential of this site.

5.8 In the early 1990s, both the GPA and the DLOs considered that land to be allocated for the use of a permanent vehicle pound, which normally required a large site area with relatively little site coverage, would be very much underutilised. In May 1992, the GPA advised that it would try to incorporate depots and vehicle pounds of various departments into one multi-storey building to enhance site utilisation.

5.9 In November 1992, the Planning Department (PlanD) informed the HKPF that another site of 5,400 square metres in Siu Sai Wan had been identified for establishing a permanent vehicle pound. In May 1996, at the request of the Government Flying Service, the PlanD consulted the HKPF on using this site temporarily as a helicopter landing pad to serve the Pamela Youde Nethersole Eastern Hospital. In June 1996, the HKPF agreed to release this site on a temporary

Note 11: *The site situated above the Eastern Harbour Crossing in Quarry Bay is zoned "Open Space" on the Quarry Bay outline zoning plan and is part of the area designated for the development of Quarry Bay Park.*

basis up to 2000 (Note 12). In the meantime, the HKPF requested to be a joint user at a site in Chai Wan where a joint departmental vehicle depot had been earmarked. However, the GPA rejected the HKPF's request because other government departments had been identified as users of the lower levels of the proposed depot. The GPA further commented that there was keen competition for space in the lower levels of new developments on Government, Institution or Community (GIC) sites, and that the most likely option to meet the HKPF's requirement was to find another temporary site, upon the expiry of the current temporary allocations at the end of 2000.

5.10 In July 1998, the HKPF further requested the GPA to consider incorporating vehicle pound facilities into a workshop of the Fire Services Department, which was proposed to be established in Sai Ying Pun. In December 1998, the GPA reiterated that it would not agree to the permanent allocation of developable land on Hong Kong Island for establishing a vehicle pound, particularly because a piece of land under the Yau Ma Tei Interchange in the Western Kowloon Reclamation Area had been identified for vehicle detention purpose (see paragraph 5.15 below). The GPA also requested the HKPF to consider whether long-term vehicle detention facilities on Hong Kong Island could be relocated to this site in Kowloon. In response, the HKPF considered that it was undesirable to move the long-term vehicle detention facilities on Hong Kong Island to Kowloon because of administrative and logistical problems.

5.11 Recently, the HKPF has accepted proposals for joint-user development for vehicle pounds. However, keen competition for low-level space on GIC sites inevitably precluded the allocation of permanent sites for vehicle detention purposes. The GPA insisted that the most likely option was to find temporary sites to meet future requirements.

Provision of a permanent vehicle pound in Kowloon

Existing vehicle pound

5.12 In Kowloon, the existing vehicle pound in Sheung Shing Street, Ho Man Tin has been serving both T KE and T KW since 1972. This site, measuring 9,000 square metres, was reserved and zoned "Open Space" in the statutory outline zoning plan for open space development by the then Urban Council (UC). It was temporarily allocated to the HKPF in June 1972 for use as a vehicle pound. In April 1999, the DLO approved the temporary allocation of the land for vehicle detention purposes until the end of 2000.

Note 12: *The PlanD has recently confirmed with the Government Flying Service that the helicopter landing pad will be relocated to the rooftop of the Pamela Youde Nethersole Eastern Hospital by 2002.*

Search for a permanent site for a vehicle pound in Kowloon

5.13 The FB's VFM study in 1985 recommended that a permanent vehicle pound with an area of 6,500 square metres should be established at the existing temporary vehicle pound site in Ho Man Tin. In July 1986, the UC agreed to relinquish 6,500 square metres of the 9,000 square metres site to the HKPF for the development of a permanent vehicle pound and to retain the remaining 2,500 square metres of the site for open space development. In April 1987, the HKPF further requested the then Urban Services Department (USD) to surrender the remaining 2,500 square metres of the site in order to accommodate the construction of a 100-metre long brake test strip. However, in May 1987, the USD rejected the HKPF's request largely because of the concern that the development potential of the site would be drastically underutilised. In February 1988, the Architectural Services Department proposed that, to achieve optimum use of the site, the building should be designed in such a way that the vehicle pound would be accommodated on three lower floors, leaving the potential development of twelve additional floors for another purpose. However, as the dispute over the site allocation between the HKPF and the UC had not been resolved, the responsible DLO considered that the departments concerned should not consider further proposals for the site development.

Search for an alternative site

5.14 In October 1988, a site of 9,600 square metres at the junction of Sheung Yee Road and Wang Chiu Road in Kowloon Bay was identified for the development of a police permanent vehicle pound with office accommodation and vehicle examination facilities. However, the GPA considered that permanent allocation of the site was not acceptable because this site would be grossly underutilised. Presently, this site is being used temporarily by the Highways Department as its contractor's works area and as a maintenance depot.

5.15 In July 1998, another site was identified at the Yau Ma Tei Interchange in the Western Kowloon Reclamation Area. The GPA considered that this site of limited development potential would be suitable for vehicle detention purposes if access problem around the site could be solved. The departments concerned are now considering the possible use of this site.

Provision of a permanent vehicle pound in the New Territories

Existing vehicle pounds

5.16 In the New Territories, there are three vehicle pounds situated in Kwai Shing Circuit in Kwai Chung; Wing Shun Street in Tsuen Wan; and Siu Ho Wan on Lantau Island. They are managed and operated by the T NTS. As the T NTN does not have a pound facility, the Kwai Shing and the Wing Shun Pounds also serve the T NTN. The Siu Ho Wan Pound was opened in June 1998 to meet the operational needs of the new airport and the North Lantau area.

5.17 In September 1977, the site in Kwai Shing Circuit was allocated to the TD. Since 1980, part of this site has been on loan to the HKPF on a temporary basis for the examination and detention of vehicles, with a small part of this site being used by the TD as a driving test centre. In November 1996, the TD requested the HKPF to return this site for the reprovisioning of an existing driving test centre. Subsequently, the HKPF agreed that the Kwai Shing Pound would be reprovisioned to the vehicle pound in Wing Shun Street, Tsuen Wan (see paragraph 5.18 below). The HKPF expected to complete the reprovisioning exercise in June 2000.

5.18 The existing vehicle pound in Wing Shun Street, which is situated at a site between a slaughterhouse and a cemetery, was allocated to the HKPF in June 1988. However, this pound was short of essential facilities for vehicle examination, such as a proper brake testing strip, a weighbridge, an inspection pit and a ramp. In recent years, the HKPF has been planning for a minor building works project at a ceiling of \$15 million to accommodate a permanent vehicle pound with proper office and workshop, and full vehicle examination facilities at this site.

Search for a permanent site for a vehicle pound in the New Territories

5.19 The FB's VFM study in 1985 recommended that two permanent vehicle pounds be established in the New Territories: one in Tsuen Wan/Kwai Chung area and the other in Tai Po area. In June 1988, the site in Tsuen Wan was permanently allocated to the HKPF and had, since then, been used as a vehicle detention pound (see paragraph 5.18 above). In May 1990, a site of 13,840 square metres at the junction of Tai Po Road and Hong Lok Yuen (HLY) Road was also permanently allocated to the HKPF.

5.20 Due to financial constraints, there had been little progress on the development of the HLY site since 1990. In March 1995, the Secretary for Transport supported the provision of a permanent vehicle pound with vehicle examination facilities at the HLY site. In August 1995, when considering the schedule of accommodation of the proposed vehicle pound, the GPA expressed concern about the utilisation of this site. In November 1995, the GPA proposed to incorporate a liquefied petroleum gas and dangerous goods vehicle examination centre in the proposed development in order to better utilise the potential of this site. However, the residents of HLY strongly objected to the joint-development proposal because there would be environmental effects and safety risks on the surrounding residential developments.

5.21 In March 1997, the local residents of Tai Po launched a protest to the joint-development proposal at Tai Po District Office. In addition, the Environmental Protection Department later considered that an environmental review of the project should be carried out before proceeding further. Consequently, at a meeting of Tai Po District Board Environmental Improvement and Works Committee held in March 1997, the GPA promised to investigate the possibility of finding an alternative site. An alternative site in Tai Po area was subsequently identified by the District Planning Office/Shu Tin, Tai Po and North. However, both the GPA and the HKPF considered that the alternative site was not suitable for vehicle examination. In their letter to the GPA in July 1997, the local residents reiterated their strong objection and requested the GPA to consider their recently identified site in Ma Liu Shui, Sha Tin. Owing to the strong resistance, the HLY site, which had not been taken up by the HKPF since its allocation in 1990, was finally returned to the responsible DLO for disposal in February 1999. Meanwhile, the HKPF has been planning to comprehensively redevelop the proposed site in Ma Liu Shui, which presently accommodates a police weigh station.

Audit observations

5.22 Fourteen years have elapsed since the completion of the FB's VFM study in 1985. Over the years, the Administration has been making strenuous efforts to implement the VFM study's recommendation of establishing a permanent vehicle pound in each HKPF traffic region. However, except for the permanent Siu Ho Wan Pound which meets the operational needs of the

new airport and the North Lantau area, no other permanent vehicle pounds have so far been established. **Audit noted that the slow progress in establishing a permanent vehicle pound was mainly due to the difficulties in securing a suitable site which would be acceptable to both the HKPF and the GPA. Although the HKPF considered that it had a pressing need for a permanent vehicle pound to be located in a geographically desirable area, the GPA considered that permanent allocation of developable land for establishing a vehicle pound did not optimise the use of the scarce and valuable land resources. Consequently:**

- (a) on Hong Kong Island, two permanent sites reserved in early years were released for other prioritised use;
- (b) in Kowloon, the current vehicle pound has occupied a site temporarily in Ho Man Tin for 27 years; and
- (c) in the New Territories, the HLY site which was allocated permanently to the HKPF in May 1990 for the provision of a permanent vehicle pound was eventually returned to the Lands Department in February 1999.

5.23 Although considerable time and effort had been spent on the establishment of permanent vehicle pounds, it was to no avail. In recent years, the HKPF had no major operational problems in providing vehicle detention service on temporary vehicle pounds. **Audit agrees that expensive sites, particularly prime sites situated in the urban areas, should not be used permanently for vehicle pounds. However, Audit considers that vehicle pounds equipped with standardised facilities should be provided to ensure that the HKPF has the capabilities to conduct vehicle examinations. In the light of the problems experienced by the HKPF over the years in the provision of permanent vehicle pounds, it is necessary for the Government to conduct an overall strategic review to re-examine whether there is a genuine need for establishing permanent vehicle pounds in each HKPF traffic region. The review should aim at optimising the cost-effectiveness of establishing permanent vehicle pounds in the territory.**

5.24 **In addition, with the changes in circumstances over the past years, Audit considers that the Ho Man Tin site, with an area of 9,000 square metres situated at a prime location in the urban area, has not been fully utilised. Its current use for vehicle detention does not realise the full development potential of the site. In this connection, the GPA had expressed the view that such use of land for vehicle detention would not represent full utilisation of the site (see paragraph 5.8 above).**

Audit recommendations

5.25 **Audit has recommended that the Administration should:**

- (a) **conduct an overall strategic review to re-examine whether, under the present circumstances, there is a genuine need for establishing a permanent vehicle pound in each HKPF traffic region; and**

- (b) **formulate a strategy for optimising the cost-effectiveness of establishing permanent vehicle pounds in the territory.**

5.26 In order to improve the utilisation of the prime site in Ho Man Tin which has been allocated on a temporary basis but occupied for 27 years by the HKPF for vehicle detention, Audit has further *recommended* that the Administration should:

- (a) **expedite action to reprovise the existing vehicle pound in Ho Man Tin so as to release this site for other beneficial use; and**
- (b) **reconsider the future use of this prime site so as to realise its full development potential.**

Response from the Administration

5.27 The **Commissioner of Police** has said that he fully agrees with all the audit recommendations. He fully supports the audit recommendation of conducting an overall strategic review to ascertain whether there is a genuine need for establishing permanent vehicle pounds. He has also said that the audit review report contains an accurate record of the long standing negotiations among government departments. Vehicle detention and examination centres, commonly referred to as vehicle pounds, are used as storage areas for vehicles which have caused obstruction, which have been involved in accidents or which are considered defective and in need of examination or retention as exhibits. Vehicle pounds contain vehicle examination facilities which are presently below standard and in urgent need of reprovise. He considers that permanent vehicle pounds are essential so that facilities of an adequate standard can be developed cost-effectively.

5.28 The **Director of Planning** has said that while the Ho Man Tin area was not short of open space provision in 1986, a shortfall was subsequently identified due to the changes in circumstances. As a result, there is a genuine need to reserve the Ho Man Tin site for open space development to cater for the district demand, if an alternative permanent site can be identified for the relocation of the temporary vehicle pound on the site. However, since an acceptable alternative site could not be identified, the present site has been used as a temporary vehicle pound for years. As the site is now no longer considered for development of a permanent police vehicle pound, there may be a need to retain the site for open space use in view of the current shortfall in the area. The issue will be examined in the Ho Man Tin Restructuring Study and its preliminary findings will be available in early 2000.

Acronyms and abbreviations

DLO	District Lands Office
E&CD	Enforcement and Control Division
EMSD	Electrical and Mechanical Services Department
FB	Finance Branch
GIC	Government, Institution or Community
GPA	Government Property Agency
HKPF	Hong Kong Police Force
HLY	Hong Lok Yuen
Management Contract	Management, operation and maintenance contract of the Tsing Ma Control Area
NLH	North Lantau Highway
PlanD	Planning Department
T HKI	Traffic Hong Kong Island Region
T KE	Traffic Kowloon East Region
T KW	Traffic Kowloon West Region
T NTN	Traffic New Territories North Region
T NTS	Traffic New Territories South Region
TD	Transport Department
TMCA	Tsing Ma Control Area
UC	Urban Council
USD	Urban Services Department
VFM	Value for money