

LC Paper No. CB(2)1906/13-14

Ref : CB2/PL/HA

#### **Report of the Panel on Home Affairs for submission to the Legislative Council**

#### Purpose

This report gives an account of the work of the Panel on Home Affairs ("the Panel") during the 2013-2014 Legislative Council session. It will be tabled at the Council meeting of 2 July 2014 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

#### The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to district, community and rural matters, civic education, building management, youth matters, the provision of leisure and cultural services, the development of arts and culture, public entertainment, sport and recreation. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 20 members, with Hon MA Fung-kwok and Dr Hon Kenneth CHAN Ka-lok elected as its Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

#### Major work

#### District and community matters

#### Enhanced remuneration package for District Council members

4. Members in general supported the Administration's proposals to increase the rate of the accountable Operating Expenses Reimbursement ("OER") by 34% and to allow surplus from OER entitlement in one calendar year to roll over to the following year until the end of the term of office of District Council ("DC") members. Pointing out that the high rental of private premises was the major cause leading to DC members' shortfall in OER, some members suggested that the Administration should consider setting up a dedicated provision to provide subsidies to those DC members who had to rent private premises as ward offices. There was a view that the Administration should work out a formula/mechanism for adjusting OER according to the inflation rate and the rental market situation. Some members held the view that taking into account depreciation of furniture and equipment through normal wear and tear over a four-year term of office, the Administration should increase the ceiling for re-elected DC members to claim the accountable Setting-up Expenses Reimbursement to 100%, irrespective of whether they had moved their ward offices to new locations in the new DC term. Concern was also raised about the lack of arrangement for disbursement of severance or long service payments to DC members' assistants.

5. The Administration explained that based on past expenditure patterns, the proposed increase in OER by 34% would fully cover the relevant expenditure of around 98% of DC members who had made the claims. According to the Administration, there were cases where some DC members chose to make use of their own premises as ward offices and spent almost 100% of their OER entitlement on staff employment. The suggestion of creating a dedicated funding provision for reimbursement of rental expenses might affect the flexibility of these DC members in deploying their resources. The Administration also advised that it was aware of the issues associated with long service payments for staff employed by DC members and would look into matter in its next review.

#### Enhanced measures against shop front extensions

6. The Panel discussed with the Administration the public consultation document on the enhanced measures against shop front extensions ("SFEs"). Members were advised that DCs might be invited to help work out the criteria for determining the priority of enforcement against SFEs for consideration by relevant departments and based on the agreed criteria, advise for consideration by relevant departments which location(s) with SFEs should be assigned a higher priority in enforcement action. Some members considered that the Administration should take into consideration of pedestrian access and safety when considering whether a tolerance level for SFEs should be set. Concern was also raised about whether and how objective yardsticks could be applied when making assessment on whether an SFE constituted a distinct characteristic and contributed to the vibrancy of the district. There was a view that DCs' involvement should be limited to consideration of special cases where discretion might be granted or SFEs be tolerated, in view of their distinct characteristics or contributions to the vibrancy of the district.

7. Members also noted that the Government was exploring the possibility of

introducing a fixed penalty system as an additional measure to tackle SFEs. Members considered that any proposed fine must be proportionate to the nature and severity of the offence, in comparison with other fixed penalties. In some members' view, the Administration should consider taking more vigorous actions against repeated SFE offences and increasing the manpower of enforcement departments for performing beat/inspection duty, in order to achieve the desired deterrent effect.

8. The Administration advised that in general, SFEs that posed imminent danger to pedestrians and traffic should be assigned a higher priority. On the other hand, SFEs which constituted a distinct characteristic and contributed to the vibrancy of the district might either be assigned lower priorities or even tolerated, subject to the conditions that the SFEs concerned did not cause any imminent danger to pedestrians and traffic, and that the shop operators could exercise self discipline by adhering to the level of extension agreed with the enforcement departments. According to the Administration, the level of the proposed penalty was one aspect on which the consultation paper sought public views, while it was the Administration's preliminary idea to make reference to, and pitch at the current level of fixed penalty under, the Fixed Penalty (Public Cleanliness Offences) Ordinance (Cap. 570) (i.e. at \$1,500).

9. In light of wide public concern on SFEs, the Panel held a special meeting to receive views from deputations on the subject. Members noted that there were diverse views among deputations on the proposed fixed penalty system. Those deputations/individuals who were mainly members of the public suffering from nuisance caused by SFEs and DC members expressed support for the Administration's proposal on the ground that it could increase the deterrent effect against SFEs. Other deputations representing operators of food premises raised strong objections to the proposal. These deputations considered that the proposed fixed penalty system could not solve the problem of SFEs and would bring adverse impact on their business operating environment, in particular small-sized food premises. Some members suggested that the Administration should consider providing a platform where DC members, residents in the districts concerned, representatives of relevant trade associations and representatives of relevant government departments could discuss whether and how to set guidelines on circumstances that SFEs could be tolerated without the need of taking enforcement actions. Members requested the Administration to report to the Panel when the consultation results were available.

#### Development of arts and culture

#### Promoting artistic creation and autonomy of arts groups

10. In the light of the concern of the arts and cultural sector about the freedom of artistic creation and autonomy arising from the media reports relating to The

Hong Kong Ballet ("HKB")'s production of "The Dream of the Red Chamber", the Panel discussed with the Administration the subject of promoting artistic creation and autonomy of arts groups. Expressing deep concern about the alleged political interference with the performance of and self-censorship exercised by HKB, some members held the view that the Administration should take the initiative to investigate or understand from HKB's Board of Governors the suspected interference. The Administration advised that as allegations of interference with HKB's production were unsubstantiated, the Administration did not consider it appropriate or fair to conduct an inquiry into the matter.

11. While agreeing that the Government should not interfere with the executive decisions and the artistic directions of arts groups, some members considered that a mechanism should be built in the Administration's monitoring of the nine major performing art groups ("MPAGs") to ensure that public money would be put to good use and the governing boards of MPAGs would adhere to the principles of transparency and accountability in their management. Some members considered that the Administration should encourage MPAGs to formulate their own appropriate codes of practice for self regulation.

12. The Administration advised that to ensure proper management and control of public funding and at the same time without micro-managing MPAGs on a day to-day basis, the Home Affairs Bureau ("HAB") had entered into a Funding and Services Agreement ("FSA") with each of the nine MPAGs. In these FSAs, the nature of service to be provided and the obligations expected to be fulfilled by the groups were defined, apart from setting out systems of cost control and procedures for monitoring various personnel and financial matters. As regards the suggestion of drawing up code of practices for compliance by arts groups, the Administration stressed that the decision should be left to individual arts groups.

#### Yau Ma Tei Theatre Phase II Development

13. The Panel continued to follow up the Administration's proposal for reprovisioning Shanghai Street refuse collection point ("RCP") and street sleepers' services units ("SSSU") to facilitate the implementation of the Yau Ma Tei Theatre ("YMTT") Phase II project. While recognizing that refinements had been made to the design of the new reprovisioned facilities, some members considered it unsatisfactory for the entrances of the reprovisioned RCP and SSSU to be located on the same side of the building. They strongly suggested that the orientation of the entrance of SSSU should be changed to minimize the possible odour and noise nuisance to be brought about by the reprovisioned RCP. Other suggestions put forward by members included adjusting the orientation of windows of the SSSU block to avoid the possible odour arising form RCP, and adding more storeys to the new building to maximize the vertical distance of the reprovisioned SSSU from RCP.

14. Some members expressed disappointment at the Administration's failure to identify another site in addition to the one at Hau Cheung Street, Yau Ma Tei, for reprovisioning RCP and SSSU to separate sites. There was a strong view that the Administration's decision to co-locate the reprovisioned RCP and SSSU at the same site was totally unacceptable. Some other members, however, pointed out that given the scarcity of land and high population density in Hong Kong, many people were also living in close vicinity of waste facilities. These members considered the refined proposal acceptable and urged for its early implementation to facilitate the phase II development of YMTT.

15. The Administration stressed that it had endeavoured to identify an additional site in the district for reprovisioning RCP and SSSU to separate sites. However, since the area surrounding YMTT was densely developed and given the need to provide each of the two facilities with means of escape and means of access for firefighting and rescue, identifying another suitable site was extremely difficult. The Administration thus proposed to refine the design of the new building for the reprovisioning project, in a bid to avoid causing nuisance to the users of SSSU as far as possible. The reprovisioned RCP at Hau Cheung Street would be equipped with modern deodorization systems to control the emission of odour. Accepting the Administration's explanation, most members did not raise objection to the submission of the project proposal to the Public Works Subcommittee ("PWSC"). However, the project proposal was subsequently negatived by PWSC.

# Nomination exercise of representatives of arts interests for the Hong Kong Arts Development Council

16. The Panel received a report from the Administration on the exercise conducted in 2013 to nominate representatives of arts interests ("the 2013 nomination exercise") for the Hong Kong Arts Development Council ("HKADC"). Noting that incorrectly stapled ballots had been issued on the polling day for the 2013 nomination exercise, many members pointed out that this incident had reflected the poor performance of the nomination agent. Some members considered that to prevent the recurrence of such incidents and enhance the credibility of the voting process, it was desirable for the Administration to take over the work carried out by the nomination agent in According to the Administration, the first future nomination exercises. nomination exercise was actually conducted by the respective arts interests themselves and starting from the second exercise, HAB was requested by the arts sector to assist in carrying out the nomination exercise on its behalf. In line with past practices of HKADC, the nomination agent responsible for executing the 2013 nomination exercise was commissioned by HAB through the established tendering procedures. As the nomination exercise for HKADC was a four-phased process spanning over six months, it was more appropriate to contract out the job to a consulting firm.

Members expressed different views on the "cross-arts interest voting 17. system" which allowed registered voters to cast votes for candidates standing for nomination in all of the 10 arts interests. While some members considered that the "cross-art interest voting system" could encourage members of the arts sector and the nominated representatives to adopt a broader perspective covering different arts interests, some other members expressed concern about fairness and credibility of the voting process under this voting system. There was a suggestion that consideration should be given to adopting the "weighted average" approach to adjust the weight of vote(s) cast by a voter, depending on whether the voter was or was not directly involved in the arts interest(s) for which vote(s) were cast by the voter. There was also a view that the eligibility criteria which a person had to meet in order to participate in the nomination exercise in the capacity of "individuals" should be set out in the Hong Kong Arts Development Council Ordinance (Cap. 472) ("HKADCO"). Concern was also raised about the exclusion of arts veterans who lacked the formal academic qualifications from taking part in the nomination exercise.

18. According to the Administration, the "cross-arts interest voting system" aimed at encouraging members of the arts sector to take a broader and holistic perspective covering different arts interests, rather than the views and concerns of individual arts interests only, in considering the overall arts development in Hong Kong. The Administration would consult the relevant parties on the eligibility criteria for "individual arts workers" to take part in the nomination exercise in the next review which would be carried out before the nomination exercise in 2016. The Administration also advised that it did not have any plan at this stage to provide in HKADCO the definition of "individuals".

#### Government's policy and measures on street performance

19. When discussing with the Administration the Government's policy and measures on street performance, members were advised that at present, enforcement departments took a relatively liberal attitude towards various types of street arts performances. Performances that had not caused any nuisance/ obstruction or triggered any complaint would generally neither be stopped nor prosecuted. Members considered that the Government should provide more opportunities for street performers to stage their performances and urged the Administration to formulate a policy on street performance. The Administration stressed that the Government had all along committed to promoting the arts and culture to the public and encouraging public participation.

20. Members expressed different views on whether it was appropriate for the Administration to introduce a licensing scheme for regulation of street

performance. Some members pointed out that as Hong Kong was densely populated with limited land, performances held at crowded places would cause inconvenience or even nuisance to the pedestrians, nearby residents and shops. These members expressed support for the introduction of a licensing scheme for the planning and management of street performance activities and urged the Administration to designate specific areas at suitable locations as places to promote street performance. Some other members, however, did not support the suggestion of introducing a licensing scheme for street performers as there were many different art forms and various types of street performances. While expressing support for requiring performers to apply for licences to stage performances in pedestrian precincts in busy districts, some members considered that the Administration should adopt a lax approach towards street performances staged in business districts after office hours and during holidays.

21. The Administration advised that while the proposal for a licensing system to regulate street performance could certainly ensure the standard of the performances, it would nevertheless impose constraints on street performances and prohibit those persons who had not obtained a licence from conducting street performances. The community had not reached a general consensus on this arrangement and whether it should be introduced should be subject to further study. Members urged the Administration to conduct public consultation on the policy on street performance and the suggestion of introducing a licensing scheme for street performers.

#### Expansion and renovation of the Hong Kong Museum of Art

22. While supporting the Administration's proposal to expand and renovate the Hong Kong Museum of Art ("HKMA"), some members suggested the Administration to delay the commencement of the proposed project until the completion of M+, the museum being developed on the West Kowloon Cultural District, in 2017. Noting that HKMA would be closed for about three years during the works period between 2014 and end 2017, these members expressed concern about the impact on the availability of gallery/exhibition space. Given that many public works projects would be commenced in the next few years, they also raised concern about the rising costs in public works. Some members commented that the existing HKMA building used the same materials and colour scheme as those of the Hong Kong Cultural Centre Complex. Thev urged the Administration to enhance the identity and visibility of HKMA. Concern was also raised about the positioning of HKMA and whether the role to be played by M+ would overlap with that of HKMA. Some members urged the Administration to enhance its efforts to promote arts education in and outside schools in a well-coordinated manner.

23. The Administration advised that the Art Museum Advisory Panel, which was set up to advise the Director of Leisure and Cultural Services on the

positioning of the art museums, and the local art community were firmly of the view that there was a great urgency for HKMA to upgrade and expand the facilities of HKMA to enable it to fulfill its mission of promoting and supporting Hong Kong art. To enhance the visibility, accessibility, customer orientation and branding of HKMA, the Administration proposed to facelift the museum both architecturally and aesthetically by adopting a new façade cladding system compatible with the new features and additions of the future HKMA. The Administration stressed that the positioning of the expanded HKMA would not overlap or compete with M+. M+ focused on the 20<sup>th</sup> and 21<sup>st</sup> century visual culture, encompassing art, architecture, design and moving image, while HKMA covered a much longer time period in art history, ranging from the classical to the contemporary period.

#### The First Intangible Cultural Heritage Inventory of Hong Kong

24. Members noted that there were 480 major items and sub-items included in the first Intangible Cultural Heritage ("ICH") inventory of Hong Kong ("the ICH The Government would launch a preliminary online ICH database inventory"). providing information on the 480 inventory items for public access towards the Members expressed concern whether the Government had end of 2014. dedicated funding or special funding for safeguarding and promoting ICH. In members' view, the Administration should consider setting priorities for items on the ICH inventory to facilitate the working out of the safeguarding strategies. The Administration was urged to work out measures for preserving, promoting and transmitting ICH. According to the Administration, the Lord Wilson Heritage Trust had provided funding support to projects aimed at preserving and recording ICH items in Hong Kong. To promote the development of Cantonese opera, HAB had set up the Cantonese Opera Development Fund to provide funding support to projects and activities relating to the study, and sustainable development of Cantonese opera. promotion The Administration would consider selecting items of high cultural value which required urgent preservation from the ICH inventory for more in-depth study and the drawing up of the first representative list of ICH for Hong Kong. The representative list would provide the Government with a basis for prioritizing resources and safeguarding measures for ICH items, especially the highly important and endangered ones.

25. Members also noted that there was another list of ICH items which required further research and study before they could be presented for deliberation by the Intangible Cultural Heritage Advisory Committee ("ICHAC") due to the complications encountered by the survey team in conducting field work during the territory-wide survey (e.g. no bearers could be found to conduct interviews and the bearers refused to provide information due to commercial secrets, etc.). There was a view that the Hong Kong Heritage Museum and Hong Kong Museum of History should take up a more active role in promoting

ICH and the Administration should consider inviting tertiary institutions to assist in conducting the further study.

26. Some members were concerned about the selection criteria for an item to be manifested as an ICH and asked why some public events which had been held in Hong Kong for many years with mass participation such as the "June Fourth memorial ceremony" and the "July 1 demonstration" were not included in the ICH inventory. The Administration explained that to qualify as ICH, the item must be transmitted from generation to generation and was constantly recreated by communities and groups in response to their environment, their interaction with nature and their history, and provided them with a sense of identity and continuity, thus promoting respect for cultural diversity and human creativity. ICHAC had recommended 50 years as the benchmark for the transmission of an ICH item from generation to generation.

#### Sport development

#### Management and maintenance of the Hong Kong Stadium Turf Pitch

27. Members were appalled by the media reports in July 2013 about the waterlogged turf pitch of the Hong Kong Stadium ("HKS") while Hong Kong played host to four English Premier League teams and the temporary closure of HKS for immediate repair and maintenance. At the request of members, the Administration reported to the Panel its review on the manpower arrangement for the management and maintenance of the turf pitch as well as the hiring arrangement for and scheduling of events, and the improvement measures to enhance the quality of the turf. Some members queried whether the pitch problem was due to the Leisure and Cultural Services Department ("LCSD")'s poor management and maintenance of HKS. Some members were concerned whether the deterioration of the quality of the turf was due to the contracting out of the routine turf maintenance work after the dissolution of the former Urban Council.

28. According to the Administration, LCSD had not contracted out any of its turf maintenance work, including that of HKS. The Administration saw a need to enhance the technical support and training as well as strengthen the emergency response capability of the Stadium staff. LCSD would set up a specialized in-house team to provide further professional advice and technical support for the maintenance of all the natural turf pitches under its management.

29. Members were advised that the Expert Group on the Hong Kong Stadium Turf Pitch set up by LCSD recommended that, as a thorough improvement measure and to enhance the long-term quality and durability of the pitch, the entire pitch should be reconstructed, including redesigning and replacing the drainage and irrigation systems, and replacing the entire soil structure and the turf. While expressing support for the reconstruction works, members were concerned about the venue hiring and event scheduling arrangements in the interim before commencement of the reconstruction of the Stadium turf system in 2015. Members urged the Administration to take measures to ensure that large-scale international sports events could be held as usual before the commencement of the reconstruction works and during the temporary closure of HKS for the carrying out of the works. Concern was also raised about the Administration's estimation of the cost and time required for the reconstruction works.

30. The Administration advised that in view of the complexity of the work involved, the cost and the time required for completion of the works might comparatively be higher and longer. The Administration stressed that the Government aimed to give priority to maintaining the quality of the Stadium turf pitch. A balance would be struck to avoid causing excessive damage to the turf or compromising the turf maintenance work whilst seeking to satisfy the needs of different parties in the scheduling of events.

#### Planning of the Multi-purpose Sports Complex at Kai Tak

31. The Panel was briefed on the progress of the planning of the Kai Tak Multi-purpose Sports Complex ("MPSC") and the proposal for the establishment of a dedicated unit in HAB to take forward the implementation of the project. While welcoming and supporting the development of MPSC at Kai Tak and the proposed establishment of a dedicated unit in HAB to take forward the implementation of the project, some members expressed concern as to whether the project scope and facilities presently proposed for MPSC could align with the Government's sports policy and objectives. Some members considered that the current design of the project should be further fine-tuned to better address the needs of the sports sector and the public, and consideration should be given to providing therein venue support for more sports items, such as ice sports, tenpin bowling, swimming and water sports.

32. Some members expressed concern that the project might turn out to be a "white elephant" if the Government failed to maximize the use of facilities provided therein. Some other members were concerned about the usage rate of the proposed facilities and venues to be provided in MPSC. In these members' view, the Administration should make accurate projections on the financial performance of MPSC in order to justify its development. Noting that the design-build-operate ("DBO") contract was identified as the preferred procurement option for MPSC, some members expressed grave reservation about the viability of the DBO approach for mega works projects with a scale as large as MPSC. The Administration was suggested to consider splitting the MPSC project into smaller works projects for which separate tenders be invited, thereby enabling the Administration to exercise better cost control in taking

forward the project.

33. The Administration assured members that to help ensure the long-term viability of MPSC, the proposed new dedicated team in HAB would carry out detailed studies and draw reference to the experience of other countries which had projects of similar scale, before finalizing the detailed financial model for the procurement and financing of MPSC. The Administration also advised that the public sports facilities in MPSC in Kai Tak would be available for use at charges comparable to those for facilities run by LCSD. The Administration expected that these public sports facilities in East Kowloon and Hong Kong as a whole. While priority would be given to hosting sports events, there was scope for large-scale entertainment events (such as stadium pop concerts) and exhibitions to be held at the venue.

#### Youth development policy

The Panel received an update on the Government's policy on youth 34. development and the outcome of the Administration's review on the operation and positioning of the Youth Square ("YS") in Chai Wan. When discussing the Government's policy on youth development, members were advised that the Administration proposed to launch a \$100 million Scholarship Scheme ("the proposed Scholarship Scheme"), which was a new initiative announced in the Chief Executive's 2014 Policy Address for fostering a culture of multi-faceted While expressing support for the Administration's proposed excellence. Scholarship Scheme, some members requested the Administration to consider increasing the number of scholarships to be awarded each year, which was initially set at around 20. Some members urged the Administration to appeal to the universities and tertiary institutions to admit students with exceptional non-academic talents/achievements whose Hong Kong Diploma of Secondary Education examination results did not meet the basic university admission requirements.

35. The Administration explained that in line with the concept of "multiple excellence", the proposed Scholarship Scheme would give recognition to and place emphasis on non-academic achievements. The award of scholarships would be based mainly on students' achievements in sports, arts and/or community service, rather than academic merits. The proposed Scholarship Scheme would involve three key steps, namely the nomination, selection and matching process. The process started with nomination by secondary schools and the nominations would be shortlisted with reference to a set of objective An Assessment Panel, comprising well-respected figures in the fields criteria. of education, sports, arts and community service, would interview the shortlisted candidates with a view to making around 20 nominations. To give due respect to universities' autonomy in admission, the students nominated by secondary schools as well as the Assessment Panel would be referred to universities for consideration.

36. Members noted that the Administration had engaged a consultant to carry out the review on the management and operation mode of YS. In the opinion of the consultant, as youth development was a long-term and ongoing process, continued input of resources from the Government was both necessary and justifiable. Based on past experience and the consultant's financial analysis, the consultant recommended setting the target cost-recovery ratio for YS at 50%. While recognizing that the primary objective of YS was to serve as a focal point for territory-wide youth development activities, some members considered that there was a need for YS to yield a reasonable return. Some members were of the view that in assessing whether and how YS could maximize its role in contributing to youth development, the Administration should, apart from measuring the utilization rates of facilities, take into consideration the visitor flow, the user profiles as well as the usage of YS' venues and facilities by target These members urged the Administration to make greater efforts in users. building up the image and identity of YS among its target users.

#### Regulation of the property management industry

The Panel was consulted on the legislative proposals to establish a 37. regulatory regime for the property management industry and to set up the Property Management Services Authority ("PMSA") responsible for the licensing of property management companies ("PMCs") and property management practitioners ("PMPs"). While members in general welcomed and supported the legislative proposals, some members considered that the transitional period should be shortened to two years. Some members suggested that the Government should launch pilot training programmes before the enactment of the legislation to assist existing PMPs who had no formal training to acquire the necessary academic qualifications for obtaining PMP licences. There was a suggestion that once PMPs met the necessary licensing requirements, PMSA should grant licences to these PMPs without requiring them to attend examinations. Some members expressed concern about whether measures would be in place under the new regime to avoid cost transfer from PMCs to property owners in an attempt to recover the licence fees paid to Concern was also raised about the estimated impact on PMSA's PMSA. financial position in the event that there were significant changes in transaction volume of residential properties.

38. Members were advised that during the public consultation on the proposed regulatory regime, the majority view was in support of the proposed three-year transitional period. According to the Administration, it had made reference to the number of conveyances on sale in the past 15 years in arriving at the estimated amount of levy per property transaction (i.e. around \$200-\$350).

Although the actual level of the licence fees had yet to be decided, it would not be high and hence should not be a cause of concern for PMCs.

39. Some members pointed out that many PMPs currently employed by small-sized PMCs providing services to owners of old buildings or single tenement buildings were generally older in age. Concern was raised about the impact of the proposed licensing regime on the employment prospects of these serving PMPs who might have difficulty in meeting the licensing criteria of formal licences. According to the Administration, there was general consensus that only those PMPs who took up a supervisory or managerial role and were accountable for the overall quality assurance of property management services should be subject to licensing. The proposed two-tier licensing regime would help encourage PMPs to pursue professional development and upgrade to the upper tier while continuing to allow PMPs with a lower level of academic qualifications to have access to the job market.

40. Noting that a single-tier licensing regime would be introduced for PMCs, members expressed concern about the survival of small and medium-sized PMCs after the full implementation of the licensing regime. The Administration was urged to put in place measures to ensure that small and medium-sized PMCs would not be driven out of the market, resulting in the monopoly of the market by large PMCs. The Administration advised that the Advisory Committee on the Regulation of Property Management Industry had considered the option of creating a multi-tier system for PMCs but found that it would work to the disadvantage of small and medium sized PMCs. То facilitate consumers in making informed choices on PMCs under the proposed single-tier licensing regime, licensed PMCs would be required to provide certain essential information (e.g. their management portfolio, the number of licensed PMPs employed by the company, etc.) to PMSA for uploading onto its website for public access.

#### Licensing and enforcement of guesthouses

41. Members were gravely concerned about the incident occurred in end-December 2013 where a No.3 alarm fire broke out at Continental Mansion in North Point, causing 25 people injured and affecting a licensed guesthouse in the building. When discussing with the Administration the licensing and enforcement matters under the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) ("HAGAO"), members called on the Administration to review the existing guesthouse licensing regime and amend the law, if necessary, to tighten the licensing regime to protect the interests of residents living in buildings where guesthouses operated. Some members considered that there was a loophole with the existing licensing regime as the Deed of Mutual Covenant ("DMC") provisions and the land lease of the buildings concerned were not taken into account in the vetting and approval of applications for guesthouse licences. These members urged the Administration to consider introducing a mechanism in the guesthouse licensing regime to gauge the views of the residents in the buildings concerned when vetting the licence applications.

42. The Administration explained that in processing and approving applications for guesthouse licence, the Office of the Licensing Authority ("OLA") should act under the power conferred by HAGAO, which did not extend to cover the interpretation of DMC. To let residents, the owners' corporation ("OC") and PMC of the building concerned know as early as possible that a guesthouse licence application involving a premise in their building was submitted, OLA would introduce a new measure under which it would, upon receipt of an application for a guesthouse licence (including a renewal application), inform OC, residents' organization or PMC of the building concerned and upload such information onto its website.

43. Members also expressed concern that the promotion and publicity activities of unlicensed guesthouses through websites had been on the rise. They urged the Administration to rigorously monitor such activities. Some members considered that the Administration should impose heavier penalties against unlicensed guesthouse operation to achieve greater deterrent effect. In these members' view, the Administration should, where necessary and appropriate, consider seeking a review of the court's sentence. The Administration advised that when suspected unlicensed guesthouse operation was identified or such a report was received, OLA would follow up immediately and conduct an inspection within eight working days. The Administration further advised that in the light of the law enforcement experience gathered in the past few years, the Administration had already kick-started a review of HAGAO. The Administration would explore various options to enhance the enforcement of HAGAO, including enhancing the penalty for offences, in its review of HAGAO.

#### Licensing control of Internet cafés

44. The Panel was consulted on the Administration's proposed regulatory arrangements for Internet Computer Services Centres ("ICSCs") ("commonly known as "Internet cafés") and other places of entertainment within the ambit of the Amusement Game Centres Ordinance (Cap. 435) ("AGCO"). Under the Administration's proposal, business establishments equipped with five or less computers would be exempted from the licensing regime. Some members queried the propriety of such arrangements as they would lessen the protection afforded to the youth and children. In these members' view, the Administration should require business establishments offering free internet services to install in their computers filtering device against pornography. Some other members, however, pointed out that the proposed exemption which limited the installation of computers in any establishments to five or less computers might affect the

business operation of lounges within the airport or large-scale licensed food premises such as pubs/bars and restaurants.

Some members expressed concern about the Administration's decision of 45. excluding the most stringent requirements that applied to conventional Amusement Game Centres ("AGCs") for ICSCs, including requiring an AGC to operate either as an adult AGC (where only people aged 16 or above were allowed to enter) or a children AGC (where only people under the age of 16 were allowed to enter) only. These members were worried that this would create a loophole in regulating ICSCs. The Administration advised that the licensing conditions should be developed on the basis of the existing voluntary-based Code which provided for regulatory requirements on building and fire safety. It also included requirements about the restriction of access by people under the age of 16 at specified hours, using only properly licensed software and installation of filtering device against pornography, etc. The Administration proposed to exempt ICSCs from the application of the stringent requirements of AGCO that applied to conventional AGCs, having regard to the difference in the nature of business and the mode of operation between ICSCs and AGCs.

Proposed amendments to the Chinese Permanent Cemeteries Ordinance and Chinese Permanent Cemeteries Rules

46. The Panel was consulted on the proposed amendments to the Chinese Permanent Cemeteries Ordinance (Cap. 1112) ("CPCO") and Chinese Permanent Cemeteries Rules (Cap 1112A) ("the Rules"). Members were advised that in order to better utilize the land of the Chinese Permanent Cemeteries ("CPC") to meet the community needs for burial facilities, there was a need for the Board of Management of CPC ("the Board") to amend CPCO and the Rules to relax the restrictions in relation to the use of grave spaces and family niches. The proposed amendments included expanding the eligibility for use of grave spaces/family niches in CPC, allowing subsequent burials of cremated ashes of relatives into exhumable lots and cremation of unclaimed human remains by the Board.

47. Members in general welcomed and supported the proposed amendments to CPCO and the Rules. In members' view, the proposed amendments could provide more flexibility in using the existing grave spaces and family niches, thus enabling better utilization of the valuable land resources of CPC. Noting that Rule 21A(4) of the Rules provided that each family niche might be used for the deposit of up to four sets of cremated human ashes, there was a suggestion that the Administration should consider relaxing this restriction so that more flexibility could be allowed for users of family niches. According to the Administration, the "maximum of four" limit was made taking into account the size of urns normally used for containing cremated ashes.

48. Noting that the Administration proposed to allow the Board to cremate the unclaimed human remains, members enquired about the reasons for making Some members pointed out that this proposed new such a proposal. arrangement needed to be supported by an accurate and thorough computer record to facilitate future tracking of cases involving cremation of unclaimed human remains upon receipt of public enquiries. The Administration advised that under the existing CPCO, the Board was only empowered to disinter and remove skeletal human remains. Even if the Board failed to reach the relatives of the deceased for years, it could only place the disinterred remains in the free ossuary niches pending reclaim by the relatives. It was estimated that the Board would have no more ossuary niches available for such use in 10 years' The Administration therefore proposed to allow the Board to cremate the time. disinterred human remains six years after the expiry of the service term, provided that such intention had already been published in the gazette and newspapers but the remains were still not claimed by the relatives. Members were assured that the cremated human ashes would be stored with proper records to allow for future reclaim.

#### Other issues

49. During the session, the Panel also examined in detail the Administration's staffing proposal on the proposed upgrading of one Principal Executive Officer (D1) post in LCSD, and capital works proposal on the provision of new sports facilities in Shatin and Tuen Mun. Other issues discussed by the Panel included the project proposal under the \$100 million Signature Projects Scheme from Kwai Tsing DC and the provision of stage facilities at performance venues under the management of LCSD.

#### Meetings held

50. During the period between October 2013 and end of June 2014, the Panel held a total of 11 meetings. The Panel has scheduled another meeting in July 2014.

Council Business Division 2 Legislative Council Secretariat 25 June 2014

#### Legislative Council

#### **Panel on Home Affairs**

#### **Terms of Reference**

- 1. To monitor and examine Government policies and issues of public concern relating to district, community and rural matters, civic education, building management, youth matters, provision of leisure and cultural services, development of arts and culture, public entertainment, sport and recreation.
- 2. To provide a forum for the exchange and dissemination of views on the above policy matters.
- 3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
- 4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
- 5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

## Appendix II

### **Panel on Home Affairs**

# Membership list for the 2013-2014 session

Chairman	Hon MA Fung-kwok, SBS, JP
Deputy Chairman	Dr Hon Kenneth CHAN Ka-lok
Members	Hon Cyd HO Sau-lan Hon Starry LEE Wai-king, JP Dr Hon LAM Tai-fai, SBS, JP Hon CHEUNG Kwok-che Hon IP Kwok-him, GBS, JP Hon Claudia MO Hon Steven HO Chun-yin Hon Steven HO Chun-yin Hon Frankie YICK Chi-ming Hon WU Chi-wai, MH Hon YIU Si-wing Hon CHAN Chi-chuen Hon LEUNG Che-cheung, BBS, MH, JP Hon Alice MAK Mei-kuen, JP Dr Hon Helena WONG Pik-wan Hon IP Kin-yuen Dr Hon CHIANG Lai-wan, JP Hon Christopher CHUNG Shu-kun, BBS, MH, JP Hon Tony TSE Wai-chuen (Total : 20 Members)
Clerk	Ms Alice LEUNG
Legal Adviser	Mr Bonny LOO
Date	10 October 2013