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Establishment Subcommittee of the Finance Committee

Minutes of the 10th meeting
held in Conference Room 1 of Legislative Council Complex
on Wednesday, 29 April 2015, at 8:30 am

Members present:

Hon Kenneth LEUNG (Chairman)
Hon SIN Chung-kai, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon Starry LEE Wai-king, JP
Hon WONG Kwok-kin, SBS
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Dr Hon Kenneth CHAN Ka-lok

Hon KWOK Wai-keung
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kwong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Hon CHUNG Kwok-pan

Members absent:

Hon James TO Kun-sun
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Ronny TONG Ka-wah, SC
Hon CHEUNG Kwok-che
Hon Mrs Regina IP LAU Suk-yea, GBS, JP
Dr Hon KWOK Ka-ki
Hon Dennis KWOK
Dr Hon Helena WONG Pik-wan

Public Officers attending:

Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Eddie MAK Tak-wai, JP	Deputy Secretary for the Civil Service (1)
Mr John LEE, PDSM, PMSM, JP	Under Secretary for Security
Mrs Millie NG	Principal Assistant Secretary for Security
Ms Irene HO	Chief Superintendent of Police Crime Wing Headquarters
Mr Francis CHAN	Senior Superintendent of Police Cyber Security and Technology Crime Bureau
Mrs Ingrid YEUNG, JP	Commissioner for Transport
Mr CHEUNG Jin-pang	Assistant Commissioner for Transport (Administration and Licensing)
Ms Cordelia LAM	Principal Assistant Secretary for Transport and Housing (Transport)2
Mr Joseph LAI, JP	Permanent Secretary for Transport and Housing (Transport)
Mrs Sharon YIP, JP	Deputy Secretary for Transport and Housing (Transport)4
Mr Henry CHU	Assistant Secretary for Transport and Housing (Transport) (Airport Expansion Project Coordination Office)A

Clerk in attendance:

Ms Connie SZETO

Chief Council Secretary (1)4

Staff in attendance:

Ms Anita SIT

Assistant Secretary General 1

Mr Jason KONG

Council Secretary (1)4

Ms Alice CHEUNG

Senior Legislative Assistant (1)1

Miss Yannes HO

Legislative Assistant (1)6

Ms Clara LO

Legislative Assistant (1)8

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The Chairman drew members' attention to the information paper ECI(2015-16)1 which set out the latest changes in the directorate establishment approved since 2002. He then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the funding proposals under discussion at the meeting before they spoke on the items. He also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

EC(2014-15)19 Proposed creation of a permanent post of Chief Superintendent of Police (PPS 55) in the Crime Wing of the Hong Kong Police Force with effect from the date of approval by the Finance Committee to head the Cyber Security and Technology Crime Bureau for preventing and combating technology crime and responding to cyber security incidents

2. The Chairman remarked that the Administration's proposal was to create a permanent post of Chief Superintendent of Police ("CSP") in the Crime Wing of the Hong Kong Police Force ("Police") to head the Cyber Security and Technology Crime Bureau ("CSTCB") for preventing and combating technology crimes and responding to cyber security incidents.

3. The Chairman advised that, in response to members' requests at the meeting on 11 March 2015, the Administration had provided supplementary information on the proposal which was circulated to members on 2 April 2015 vide LC Paper No. ESC67/14-15(01).

Professional qualities of the post holder and capabilities of the Cyber Security and Technology Crime Bureau

4. Mr NG Leung-sing expressed support for the creation of CSP to head CSTCB. Given that combating technology crimes would require relevant professional knowledge and techniques, he asked about the expected qualities of the post holder and whether the Police had identified appropriate candidates for the post. Pointing out that members of the public had been sharing information on the Internet about the Police's action in response to a kidnapping case happened in the recent few days, Mr NG asked if information sharing on the Internet would expose operational details of the Police and hence compromise their actions.

5. Under Secretary for Security ("US for S") responded that the post holder was expected to possess good organizational and commanding skills as he/she would be responsible for leading CSTCB on tasks to combat cyber attacks and technology crimes, and coordinating with other bureaux of the Police and local and overseas law enforcement agencies in conducting joint operations on related work. Besides, as the post holder would need to formulate strategies and plans for CSTCB in taking forward its work and enhancing its capabilities, he/she would be required to possess strategic vision and rich management skills. Sound decision-making skills were also expected of the post holder, who would need to make prompt decisions based on time-sensitive information relating to technology crimes and cyber security incidents. US for S said that the Police had already identified more than one qualified candidate for the post.

6. As regards online information sharing, US for S said that the rising popularity of the Internet and the large amount of information exchanged in the cyberspace had provided convenience to the general public, but also made it easier for criminals to get hold of information about operations of the Police. To meet these new challenges, it would be vital for the Police to upgrade the former Technology Crime Division to the present CSTCB, and strive to maintain the confidentiality of CSTCB's operations with a view to enhancing protection for members of public against technology crimes and cyber attacks.

7. Mr TANG Ka-piu sought details about the qualifications, skills and knowledge possessed by existing officers serving in CSTCB, and asked if entry requirements were set for new recruits to the bureau. He also enquired if the Police had established indicators for evaluating the work and performance of CSTCB.

8. US for S responded that 94% of the officers in CSTCB had relevant computer/information technology qualifications, and some of them possessed

masters and doctorate degrees. Some of the officers had also obtained qualifications from SANS Institute, which was an internationally renowned provider of cyber security training. In addition, a number of Police officers were certified trainers of INTERPOL for technology crimes and had assisted in professional training in cyber security and technology crimes for law enforcement agencies from Singapore, the Republic of Korea and Thailand. They would be able to provide relevant training to other officers in CSTCB. As for new recruits, they needed to have an interest in technology, be creative and possess good acumen in crime investigations. US for S said that indicators had been developed for assessing the work and performance of CSTCB, including the number of reports and detection rate of cyber and technology crimes, the number of cyber threat audits conducted for the computer systems of critical infrastructures, the number of contingency plans developed and emergency drills conducted with operators of those critical infrastructures, as well as the number of botnets, malicious programmes and phishing websites detected and responded to by CSTCB. The details could be provided to members if so requested.

Visit to the Cyber Security Centre

9. Mr Charles MOK remarked that at the Subcommittee meeting held on 11 March 2015, several members had requested the Police to arrange a visit to the Cyber Security Centre ("CSC") of CSTCB to enable them to have a better understanding of the centre and the work CSTCB. The request was turned down by the Administration on the grounds that the operational details of CSC must not be made known to outsiders and access to CSC had to be granted on a strictly "need-to-know" basis. However, at that meeting, the Police had confirmed that some Executive Council ("ExCo") Members, including a Legislative Council ("LegCo") Member, had visited CSC in April 2013. The visit was posted on the Facebook of an ExCo Member, and the news was also reported in a newspaper. Mr MOK queried why the Administration had arranged a visit to CSC for ExCo Members but turned down LegCo Members' request, and asked what aspects of CSC that the Police considered must be kept unknown to outsiders. He pointed out that enhancing the transparency of CSTCB would increase public confidence in the bureau and facilitate members in considering the proposal in question. He urged the Administration to reconsider members' request for visiting CSC.

10. Dr Fernando CHEUNG agreed that there was a general need to keep the operational details of CSC unknown to outsiders. However, given LegCo's role in monitoring the work of the Government and ensuring cost-effectiveness in allocation of public resources, it was essential for Subcommittee members to gain an in-depth understanding of CSC before making a recommendation to the Finance Committee on the present proposal. The Administration should explain why under the "need-to-know" basis, ExCo

Members were granted access to CSC.

11. US for S clarified that when the ExCo Members visited CSC in April 2013, the centre was not fully operational. The policy of granting access to CSC to parties only on a strictly "need-to-know" basis was to protect the capability and security of the centre as it would be susceptible to attacks by hackers and criminals if there was any leakage of its operational details. This policy had been adopted since CSC had become fully operational, and had been observed in a strict and impartial manner since then. In accordance with this policy, even government officials who did not fall within the "need-to-know" bracket were not allowed access. He stressed that the ultimate aim of safeguarding the security of CSC was to protect members of the public from cyber attacks. Overseas law enforcement agencies likewise had tight security controls over their cyber security centres, and requests to visit those centres by the Hong Kong Police had been declined before.

12. Mr CHAN Chi-chuen, Mr WU Chi-wai and Mr Charles MOK were not convinced by the explanation above. They said that as the Police would have full control over the programme and content of a visit to CSC, it would be unlikely that the visit would cause any leakage of sensitive operational information. Referring to a previous visit arranged for LegCo Members to the Hong Kong Exchanges and Clearing Limited's data centre which contained sensitive information and required a high degree of security, Mr CHAN considered that the Administration should explain in detail the reasons for refusing a visit to CSC by LegCo Members. He further requested the Administration to provide a list of persons who had been and could be granted access to CSC.

13. Mr WU Chi-wai and Mr Albert CHAN considered that the Administration should explain the principles in determining the scope of "need-to-know". As evidenced by a recent allegation of assault to a protestor involving police officers which was a blatant breach of internal policies and guidelines of the Police, Mr CHAN expressed concern about how the Police could ensure those officers working in CSC would strictly comply with the "need-to-know" principle and rules in keeping confidentiality of information about CSC.

14. Ms Emily LAU was disappointed that the Administration had refused to arrange a visit to CSC for LegCo Members. Ms LAU and Mr Charles MOK said that LegCo Members had a constitutional duty to monitor the work of the Government, and a visit to CSC would be necessary for fulfilling Members' constitutional duty pertaining to the consideration of the proposal in question. Mr MOK stressed that the Administration should strike a proper balance between the needs of protecting the operational details of CSC and enabling LegCo Members to carefully examine the proposal in

question.

15. US for S appealed for members' understanding that adoption of the "need-to-know" policy was to protect the security and confidentiality of CSC as visits to CSC by outsiders might potentially cause leakage of sensitive information, thus compromising CSC's work. The "need-to-know" policy was also formulated in accordance with international security standards and practices. The scope of "need-to-know" primarily included operational and decision-making needs, but not administrative, executive or management needs. To safeguard the security of CSC, the Police implemented rigorous measures to maintain the confidentiality of its physical location, operational details, staffing arrangements, equipment, defence mechanism, and capability, etc. US for S added that he fully respected LegCo Members' role in monitoring the work of the Government. He hoped LegCo Members would appreciate that the reason for not acceding to their request to visit CSC was solely the need to protect the security of the centre. Nonetheless, he had strived to explain to members the work of CSC and the proposal in question in detail as far as possible. In response to the suggestions from the Chairman and Ms Emily LAU, he advised that the Administration would be happy to arrange a briefing/presentation on CSC and its work for Members if this could enhance their understanding on the subject.

Admin

16. In response to Mr Albert CHAN's concern about police officers' compliance with internal policies and guidelines, US for S said that the management capability of the Police and professionalism of their officers were internationally recognized. The Police maintained public order and safety well in Hong Kong, which remained as a city with a much lower crime rate than other major cities and was one of the safest cities in the world.

17. Chief Superintendent of Police Crime Wing Headquarters ("CSP of CWH") supplemented that CSTCB was divided into two divisions, namely the Cyber Security Division ("CSD") and the Technology Crime Division ("TCD"). According to the confidentiality policy, officers in TCD were not granted access to CSC, while only officers in CSD who were required to perform the relevant duties were allowed to enter CSC. Other measures to uphold confidentiality included integrity checks of the officers concerned, compartmentalization arrangements and risk management systems. She added that, besides officers in CSD, the Commissioner of Police and officers of senior ranks who were involved in the work of the Crime Wing had been and could access CSC due to operational needs. The Administration would advise the types of persons who could be granted access to CSC for members' information.

Admin

18. The Chairman and Mr Albert CHAN asked when CSC became fully operational and whether the Police had arranged visits to CSC for outsiders,

for example, the Mainland authorities, since then. US for S responded that CSC became fully operational in May/June 2013. CSP of CWH confirmed that no visit to the CSC had been arranged for Mainland officials.

19. Mr LEUNG Kwok-hung remarked that an ExCo Member had posted photographs of the visit on the Facebook. He queried if ExCo Members participating in the visit had been advised of the confidentiality procedures and if the Police had requested the ExCo Member concerned to remove the photographs. US for S explained that photograph taking was not allowed during visits to CSC even when it was not fully operational. The photographs that appeared on the Internet were not taken inside CSC.

Work of the Cyber Security and Technology Crime Bureau

20. Ms Emily LAU said that although she agreed that it was necessary to strengthen the manpower of the Police in combating technology crimes, there was a common concern among LegCo Members that activities of the public on the Internet would be subject to the surveillance of CSTCB. In addition, Ms LAU pointed out that in the legislatures of other jurisdictions, select committees were formed to scrutinize sensitive government documents such as those related to national security. The Administration should consider putting in place special arrangements for LegCo Members to review sensitive security-related information, such as the work of CSC, by making reference to overseas practices.

21. Mr LEE Cheuk-yan said that while he agreed that the manpower of CSTCB should be strengthened in order to protect the public and commercial organizations against cyber attacks and technology crimes, he had grave concern that the increased manpower would be used to conduct cyber surveillance on the public for political purposes, especially for facilitating prosecutions instituted under section 161 of the Crimes Ordinance (Cap. 200) ("CO") on access to computer with criminal or dishonest intent and for suppressing freedom of speech. He further sought information on the number of officers who were deployed for gathering information related to social movements and demonstration activities disseminated by members of the public through the Internet. Mr Albert CHAN echoed the same concern.

22. US for S responded that the duties of the Police were to prevent and combat crimes. They performed their duties according to the law and acts of the offenders without any political consideration. Similar to conducting patrols on the streets in the physical world for prevention of crimes, it was necessary for the Police to spot and take action against possible criminal activities in the virtual world of the Internet. He explained that CSD of CSTCB comprised three sections. One of the sections was responsible for monitoring the overall network traffic of the computer systems of critical

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infrastructures, as well as cyber patrols. He assured members that through cyber patrols, the Police watched out for criminal activities or criminal intelligence and not political orientations.

23. Sharing Mr LEE Cheuk-yan's concern, Mr Charles MOK pointed out that as reported in an article in Wen Wei Po in February 2015, one of the purposes of expanding the manpower of CSTCB was to conduct more investigations on members of the public who advocated social movements on the Internet and facilitate prosecutions under section 161 of CO. Mr MOK added that as noted from the Administration's response to his question raised in LegCo in February 2015, there had been a surge in the number of requests made by the Police to websites and Internet service providers ("ISPs") for removing online content during the period from October 2014 to February 2015, which coincided with the "Occupy Central" movement. The public was worried that CSTCB might put pressure on ISPs to disclose the personal data of users who were engaged in social movements. Mr MOK remarked that in the past two years, he had been seeking information from the Security Bureau and the Department of Justice on the details of prosecutions instituted under section 161 of CO, including the case numbers, nature of offences, outcomes, etc., which were public information. However his requests were in vain and the Administration had only provided the total number of cases without further details.

24. US for S said that during the LegCo debate on Mr Charles MOK's motion urging for a comprehensive review of section 161 of CO, the Administration had pointed out that 6 778 cases of technology crime were reported in 2014 and section 161 was invoked for prosecutions in about 10% of these cases.

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25. The Chairman said that the Administration should address Mr MOK's concern by providing supplementary information on the details of the prosecutions instituted under section 161 of CO in the past few years and the total number of such cases.

26. The Chairman put EC(2014-15)19 to vote. At the request of Mr WONG Ting-kwong, the Chairman ordered a division and the division bell was rung for five minutes. Nine members voted for and 14 voted against the item. The Chairman declared that the item was negatived. The votes of individual members were as follows –

For

Mr WONG Ting-kwong	Ms Starry LEE
Mr NG Leung-sing	Mr Steven HO
Mr YIU Si-wing	Mr KWOK Wai-keung
Mr Christopher CHEUNG	Mr POON Siu-ping
Mr TANG Ka-piu	
(9 members)	

Against

Mr Albert HO	Mr LEE Cheuk-yan
Mr LEUNG Yiu-chung	Ms Emily LAU
Ms Cyd HO	Mr Alan LEONG
Mr Albert CHAN	Mr WU Chi-wai
Mr Gary FAN	Mr Charles MOK
Mr CHAN Chi-chuen	Dr Kenneth CHAN
Dr Fernando CHEUNG	Mr SIN Chung-kai
(14 members)	

EC(2014-15)20 Proposed creation of two permanent posts of one Chief Electrical and Mechanical Engineer (D1) to head the Vehicle Safety and Standards Division of the Transport Department and one Principal Executive Officer (D1) to be offset by deletion of a permanent post of Chief Executive Officer (MPS 45 - 49) to serve as Departmental Secretary of the Transport Department with immediate effect upon approval of the Finance Committee

27. The Chairman advised that the Administration's proposal was to create two permanent directorate posts in the Transport Department ("TD"), including a Chief Electrical and Mechanical Engineer ("CEME") to head the Vehicle Safety and Standards Division ("VSSD") of TD, and upgrading the post of Departmental Secretary from the non-directorate rank of Chief Executive Officer to the directorate rank of Principal Executive Officer.

28. The Chairman said that the Panel on Transport discussed the proposal at its meeting on 16 January 2015. Panel members supported the proposal in general. They called on the Administration to ensure sufficient manpower support for CEME, and requested the post holder to undertake regular reviews of vehicle approval and vehicle examination related legislation to keep them on par with the prevailing international standards and introduce legislative amendments where necessary. Panel members also urged TD to actively address the problem of long waiting time for vehicle examinations.

Waiting time for annual vehicle examinations

29. Members noted that the first examinations of all vehicles were conducted in vehicle examination centres ("VECs") run by TD, and the subsequent annual roadworthiness examinations for private cars and light goods vehicles ("LGVs") not exceeding 1.9 tonnes were carried out at Designated Car Testing Centres ("DCTCs") operated by private and self-financed contractors appointed by TD. Mr TANG Ka-piu enquired about measures to tackle the problem of long waiting time for vehicle examinations at DCTCs and address the concern about testers at DCTCs accepting bribes.

30. Mr LEUNG Yiu-chung pointed out that as the waiting time at various DCTCs was not disclosed, it was difficult for car owners to plan ahead in making appointments for vehicle examination. He called on the Administration to improve the situation expeditiously. He also asked if VSSD had enhanced its capability in vehicle testing in the past years to cope with the rapid development in automotive technology.

31. Dr Fernando CHEUNG said that the existing four VECs and 22 DCTCs fell short of meeting the demand for vehicle examinations of some existing 690 000 licensed vehicles in Hong Kong. He considered the problem of long waiting time for vehicle examinations could only be resolved by implementing a comprehensive reform of the existing vehicle examination system by adding a large number of DCTCs and reviewing the vehicle testing procedures and regulations, and creating the new post of CEME alone could not help.

32. Commissioner for Transport ("C for T") responded that examination of all commercial vehicles, such as taxis, public light buses and buses, were carried out in VECs run by TD, where the waiting time was within the normal range. The Administration noted that the present situation of long waiting time for examination occurred at DCTCs where private cars aged six years or more and LGVs not exceeding 1.9 tonnes aged one year or more were examined. The number of LGVs examined at DCTCs was around 200, which was much lower than the number of private cars. To address the problem of long waiting time, TD had already put in place a number of measures, including enhancing the computer systems of DCTCs and requesting DCTCs to extend their service hours, as well as reminding the public to make vehicle examination appointments as early as possible within four months before the expiry of the vehicle licence. As the peak season for annual vehicle examinations was in January and February, the current waiting time had already been reduced. TD was also planning to invite interested organizations to set up new DCTCs. Given that no new DCTCs were opened in the past 22 years, the Administration would need to review the requirements

for new DCTCs on aspects such as capital, manpower and space requirements, facilities, technical capability, and traffic and environmental impacts of DCTCs. The target was to increase the number of DCTCs as appropriate without compromising the safety standards. The new CEME in VSSD would be responsible for overseeing the above initiatives.

33. C for T said that the Independent Commission Against Corruption ("ICAC") had initiated prosecutions on some staff members of DCTCs for corruption-related offences in the past. ICAC had, with TD's co-operation, completed a thorough review on the operation and management systems of the 22 DCTCs and made relevant recommendations, which had already been implemented by TD. The CEME post, if created, would monitor and review the operation of DCTCs on an on-going basis. In the past years, training had been conducted to upgrade the skills and knowledge of staff members in VSSD to keep them apprised of the latest developments in automotive technology and vehicle standards. A major work focus of VSSD in recent years was to assist the Environmental Protection Department in implementing environmental initiatives relating to vehicle emission control, including reviewing new emission requirements. CEME would constantly review the vehicle examination procedures to cope with the rapid development in automotive technology.

34. Mr WONG Ting-kwong expressed support for creating the post of CEME as he agreed to the need for VSSD to enhance its capability in safeguarding vehicle safety and ensuring standards in the light of the rapid development in automotive technology, innovative vehicle designs and growth in the number of vehicles. Nonetheless, he shared members' concern about the long waiting time for vehicle examination. He considered that there was a pressing need to increase the number of DCTCs because the daily handling capacity of DCTCs was limited and the time taken for examining a vehicle had increased due to more stringent regulations set for vehicles by the Administration. He also suggested that the booking status of each DCTC should be disclosed on the Internet to facilitate vehicle owners in making appointments.

35. C for T responded that the Administration had been exploring ways to upgrade DCTCs' computer systems in order to improve their efficiency. For instance, the booking systems of DCTCs were not linked up hence users could make multiple appointments at various DCTCs for each licensed vehicle, resulting in wastage of unused vehicle examination time slots. The systems would be linked up and enhanced in future so that each user could book only one appointment at a time for each vehicle. Enhancement would also be made to enable the public to make online checking of the booking status at various centres. Mr WONG Ting-kwong urged the Administration to expedite implementation of the above initiatives.

Other duties of the Vehicle Safety and Standards Division

36. Mr TANG Ka-piu remarked that the explosion in a vehicle workshop in Wong Tai Sin last week suspected to be caused by leakage of gas from a liquefied petroleum gas ("LPG") taxi under repair in the workshop had aroused concern about the safety of LPG taxis when undergoing repair, especially over half of LPG taxis in service were aged over 10 years. He asked about the Administration's plan in ensuring the safety of LPG taxis.

37. C for T responded that the Electrical and Mechanical Services Department had laid down stringent requirements on LPG taxis, inter alia, the LPG tank of each LPG taxi had to undergo re-validation every five years. The replacement cycle for LPG taxis had started, and new models of LPG taxi, which had obtained type approvals from VSSD, were available in the market. VSSD would continue to monitor the safety standards of vehicles in Hong Kong.

38. Mr Charles MOK remarked that Hong Kong's vehicle approval requirements had lagged behind international development in automotive technology. For instance, some advanced models of vehicles were yet to be approved for use in Hong Kong. He stressed the need for the Administration to keep pace with technological developments and promote the application of new technology on vehicles while ensuring safety. In this regard, he enquired about the Administration's plan in updating relevant legislation.

39. C for T said that the Administration was mindful of the need to align the local legislation with the international vehicle standards and keep pace with technological advancements, such as the extensive use of information technology on vehicles. Mechanical engineers in VSSD would continue to explore with relevant stakeholders, including the Road Safety Council and external experts, on relevant issues to identify areas for improvement.

Need for creating the CEME post and professional qualities of the post holder

40. In reply to Mr LEUNG Yiu-chung's concern about supporting staff for CEME, C for T responded that the establishment of VSSD had increased from 119 posts in January 2009 to 143 in January 2015. All these additional posts were non-directorate junior positions. With the increasingly complex tasks of VSSD and the expansion in its establishment, a permanent CEME post was needed to provide the necessary steer and leadership for the division.

41. Mr Albert CHAN said that he did not support the Administration's proposal and questioned the need to create the CEME post. He pointed out

that under the current structure of TD, C for T was supported by two Deputy Commissioners and seven Assistant Commissioners, as well as various directorate officers. He considered the existing directorate support of TD sufficient for taking forward the initiatives of VSSD.

42. C for T re-iterated that all posts created in VSSD in the past few years to cope with the increasing workload were at non-directorate level. There was a need to create the directorate post of CEME to head VSSD and take charge of higher-level duties, such as formulation of policies and legislative proposals relating to vehicle safety. In view of the complexity of these duties, the post holder needed to be conversant with vehicle engineering and public administration, and have social and political sensitivity. C for T supplemented that at present, the work of VSSD was overseen by Assistant Commissioner for Transport (Administration and Licensing) ("AC for T (A&L)"), who was also responsible for overseeing four other divisions/sections, namely VALID (Vehicles and Drivers Licensing Integrated Data) and Licensing Division, Driving Services Section, Public Vehicles and Prosecution Section, and E-Strategy Division. With such a large portfolio, AC for T (A&L) should provide leading steer to divisions/sections. It was not appropriate for him to be involved in the fine details of the work of these divisions/sections, including VSSD. CEME would fill the management gap between AC for T (A&L) and the two Senior Electrical and Mechanical Engineers who were heading VSSD currently.

43. Dr Fernando CHEUNG sought explanation for requiring CEME to possess "political sensitivity". C for T explained that CEME would steer VSSD in implementing changes relating to vehicle examinations, which would impact on different stakeholders including DCTC operators and users. As CEME would need to communicate with the stakeholders and make assessments taking into account various factors, the post holder should possess political acumen and public administration experience.

44. Mr Charles MOK asked whether the CEME post would be converted into an Administrative Officer grade post in future. C for T said that the Administration did not have such intention. She stressed that CEME needed to possess relevant professional knowledge. An officer from the engineering stream was therefore appropriate for the post.

Use of trade licences

45. Mr LEE Cheuk-yan pointed out that in a traffic accident happened in Kowloon Tong a few weeks before, the engineering vehicle involved was operating under a trade licence ("T-licence"). Noting that vehicles carrying T-licences were prohibited from being used as a means of transport on public roads, he was concerned that the abovementioned accident had exposed an

abuse of T-licence. He sought clarification on whether vehicles carrying T-licences were exempted from the annual vehicle examination requirement, whether they were allowed to be moved to a maintenance location using public roads, and whether there were restrictions on the use of engineering vehicles carrying T-licences in construction sites. In view of the fact that T-licence vehicles might not be brand new vehicles, he urged the Administration to review the relevant legislation and introduce amendments if necessary.

46. C for T explained that under the Road Traffic (Registration and Licensing of Vehicles) Regulations, T-licences were issued to facilitate the operation of the trade. They could be used on new vehicles pending registration. She clarified that vehicles in use under T-licences were subject to the annual vehicle examination requirement as appropriate if they were to be licensed. The Administration had introduced legislative amendments some years ago to tighten the control of T-licences. Under the current requirements, a T-licence holder needed to maintain a register of all journeys made by the vehicle and keep a copy of the register on the vehicle as well as at the address of the licence holder. C for T stressed that abuse of T-licence was an offence under the Regulations, and the Police would investigate suspected abuse cases, such as the traffic accident mentioned by Mr LEE Cheuk-yan. The Administration would keep a watchful eye on the use of T-licences, and review the Regulations and introduce amendments where necessary. As regards regulation of T-licence vehicles used in construction sites, C for T said that because areas within construction sites were not public roads, wheeled machinery used in the sites was not required to obtain a licence from TD. That said, such machinery had to comply with the safety regulations applicable to construction sites. In response to Mr LEE's comment, she agreed that engineering vehicles requiring maintenance should be transported to maintenance locations by towing vehicles and should not run on public roads using T-licences.

47. Before adjourning the meeting at 10:30 am, the Chairman advised that discussion on this item would continue at the next meeting to be held on 12 May 2015, at 4:30 pm.

48. There being no other business, the meeting ended at 10:30 am.