

Laying of the Report The Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year end 31 March 2013 and his Report No. 61 on the results of value for money audits were laid in the Legislative Council ("LegCo") on 13 November 2013. The Public Accounts Committee ("the Committee")'s Report (Report No. 61) was subsequently tabled on 12 February 2014, thereby meeting the requirement of Rule 72 of the Rules of Procedure of LegCo that the Report be tabled within three months of the Director of Audit's Report ("Audit Report") being laid.

2. **The Government Minute** The Government Minute in response to the Committee's Report No. 61 was laid in LegCo on 14 May 2014. A progress report on matters outstanding in the Government Minute was issued on 15 October 2014. The latest position and the Committee's further comments on these matters are set out in paragraphs 3 to 53 below.

Equal Opportunities Commission

(Paragraphs 3 to 5 of Part 4 of P.A.C. Report No. 61)

3. Hon Paul TSE Wai-chun declared that he was currently a Board member of the Equal Opportunities Commission ("EOC").

4. The issues relating to EOC were discussed in the Committee Report No. 52 published in July 2009. All the recommendations made by the Audit Commission ("Audit") and the Committee had been implemented, save for the recommendation on the separation of the posts of Chairperson and Chief Executive Officer.

5. In the Government Minute laid before LegCo in May 2014, it was mentioned that EOC Chairperson was following up on the review of the composition of the management echelon of EOC and the recruitment or otherwise of a Chief Operations Officer ("COO") post. The review on EOC's management structure including the need for and, if so, the role of the COO post, was expected to be completed by the first quarter of the 2014-2015 financial year.

6. The Committee wrote to EOC and the Constitutional and Mainland Affairs Bureau on 12 January 2015 to enquire on the result of the review on the recruitment or otherwise of the COO post, and the timetable for the recruitment if the need for the

post was affirmed. The replies from **Secretary for Constitutional and Mainland Affairs** are in *Appendix 3*.

7. The Committee wishes to be kept informed of further development on the subject.

Recoverability of the outstanding advances to the United Nations High Commissioner for Refugees

(Paragraphs 6 and 7 of Part 4 of P.A.C. Report No. 61)

8. The Committee was informed that:

- the Administration had continued to urge the United Nations High Commissioner for Refugees ("UNHCR") to make renewed efforts to appeal to the international community for donations with a view to settling the outstanding advances, which remained at \$1,162 million. The Security Bureau discussed the issue with UNHCR again in January 2014 to reiterate the Administration's stance and register the Hong Kong community's expectation of an early recovery of the outstanding advances; and
- although it was not optimistic that repayment could be made by UNHCR in the near future, the Administration would continue to pursue an early repayment of the outstanding advances from UNHCR.

9. The Committee wrote to the Security Bureau on 9 January 2015 to enquire whether the Administration had assessed the recoverability of the outstanding advances and considered taking other actions to address the issue, including writing off the outstanding advances. The replies from **Secretary for Security** are in *Appendix 4*.

10. The Committee wishes to be kept informed of the development on the Government's recovery of the outstanding advances to the UNHCR.

Footbridge connections between five commercial buildings in the Central District

(Paragraphs 8 and 9 of Part 4 of P.A.C. Report No. 61)

11. The Committee was informed that:

- in late November 2013, the agent of the owner of Building II submitted a feasibility study report for the proposed Footbridge A for the Government's consideration;
- the Lands Department ("LandsD"), the Buildings Department and the concerned departments were considering the report and would continue to follow up with the owners of Building I and Building II on the matter; and
- comments of the concerned government departments and the owner of Building I on the feasibility study report was passed to the owner of Building II for its consideration, who should take into account the comments in preparation of the general building plans for the proposed Footbridge A.

12. The location of the proposed Footbridge A is shown in *Appendix 5*.

13. The Committee wishes to be kept informed of further development on the subject.

Small house grants in the New Territories

(Paragraphs 10 to 14 of Part 4 of P.A.C. Report No. 61)

14. Hon Paul TSE Wai-chun declared that he was an indigenous villager of the New Territories.

15. The Committee was informed in the Government Minute which was laid before LegCo in May 2014 that:

- the existing small house policy had been in operation for a long period of time. The relevant review would inevitably entail complex issues

including legal, environment and land use planning issues which required careful examination; and

- at the same time, the Administration would maintain dialogue with key stakeholders as well as the community at large.

16. The Committee wishes to be kept informed of further development on the subject.

17. The Committee also recommends that the issue be continued to be followed up by LegCo Panel on Development.

Food labeling and nutrition labeling of infant and special dietary foods

(Paragraphs 17 to 19 of Part 4 of P.A.C. Report No. 61)

18. The Committee was informed that:

Legislative proposals relating to formula products and foods intended for infants and young children

- on 9 June 2014, the Director of Food and Environmental Hygiene, in exercise of the power under section 55(1) of the Public Health and Municipal Services Ordinance (Cap. 132), made the Food and Drugs (Composition and Labelling) (Amendment) (No.2) Regulations 2014 ("The Amendment Regulation"). The Amendment Regulation aimed to regulate nutritional composition and nutrition labelling of formula products and prepackaged food for infants and young children under the age of 36 months. On 18 June 2014, the Amendment Regulation was tabled at LegCo for negative vetting. It would come into operation on the expiry of 18 months commencing on the day on which it was published in the Gazette (i.e. 13 June 2014) except the provisions relating to the follow-up formula and prepackaged food for infants and young children, which would come into operation on the expiry of 24 months after gazettal;

Development of the Hong Kong Code of Marketing of Breast-milk Substitutes ("Hong Kong Code")

- the Administration conducted a four-month public consultation on the Hong Kong Code from 26 October 2012 to 28 February 2013. Briefing sessions and meetings with manufacturers, distributors, importers, retailers and other relevant parties were arranged. The Administration had consolidated the views and comments received from various sectors of the community. Apart from commenting on the draft Hong Kong Code itself, the respondents also made suggestions on ways to promote breastfeeding and related facilities;
- LegCo Panel on Health Services was briefed on the results of the public consultation and the way forward for the Hong Kong Code on 21 July 2014. Taking into account the findings of the public consultation, the latest legislative exercise on the nutrition labelling of formula products and foods for infants and young children under the age of 36 months as well as the study on the regulation of nutrition and health claims of these formula products and foods, the Administration would need some time to refine the draft Hong Kong Code and would announce the revised Hong Kong Code in due course;
- as regards nutrition labelling of special dietary foods, the Centre for Food Safety ("CFS") had just completed studies on the relevant standards of the Codex Alimentarius Commission and the regulatory approaches adopted by other jurisdictions in respect of nutrition labelling of special dietary foods, and was now conducting the relevant analysis. CFS would take into account the local situation and the latest international development in mapping out the way forward;

Nutrition claims and health claims

- CFS was studying the local and international situation on the use of nutrition and health claims in formula products and foods for infants and young children under the age of 36 months. The Administration had also discussed with traders and stakeholders with a view to examining the possible strategies to strengthen the regulation of such claims. Upon completion of the legislative exercise on nutritional composition and nutrition labeling of formula products and foods for infants and young children under the age of 36 months, the Administration would proceed to handle the regulation of nutrition and health claims of these

products. The Administration launched a public consultation on this subject in January 2015 and would brief LegCo Panel on Food Safety and Environmental Hygiene on the public consultation at its meeting on 10 February 2015. The Panel would also receive views from deputations and trades on the subject at the meeting.; and

Follow-up actions taken by CFS on cases

Chapter 4 "Nutrition labeling of infant and special dietary foods" of the Audit Report

- CFS had investigated the 12 cases involving 30 products identified by Audit. The labels of 20 products were considered to be in order, and one product was found not for sale. The labels of the remaining 9 products had been revised and were being vetted by CFS.

19. The Committee wishes to be kept informed of further development on the subject.

20. The Committee also recommends that the three outstanding issues in respect of the Hong Kong Code, regulation of nutrition information on special dietary foods and regulation of nutrition and health claims be referred to LegCo Panel on Food Safety and Environmental Hygiene and Panel on Health Services for necessary follow-up actions.

Records management work of the Government Records Service

(Paragraphs 20 and 21 of Part 4 of P.A.C. Report No. 61)

21. The Committee was informed in the Government Minute which was laid before LegCo in May 2014 that the Government Records Service was actively clearing the backlogs of records pending appraisal of archival value and archival records pending accessioning. The Government Records Service was on target to clear the backlogs of records by May 2015.

22. The Committee wishes to be kept informed of further development on the subject.

Monitoring and reporting of air quality

(Paragraphs 22 and 23 of Part 4 of P.A.C. Report No. 61)

23. The Committee was informed in the Government Minute which was laid before LegCo in May 2014 that:

Administration of Air Pollution Index

- the new Air Quality Health Index System had replaced the Administration of Air Pollution Index since 30 December 2013;
- the Tuen Mun Air Quality Monitoring station, being the twelfth general air quality monitoring station of the Environmental Protection Department, had started reporting air quality data since 30 December 2013; and
- the Sai Kung District Council endorsed the proposed site for the setting up of a general air quality monitoring station in Tseung Kwan O at its meeting on 7 January 2014. The Environmental Protection Department was making preparation for the design and construction of the station with a view to commencing its operation by the end of 2015. The Administration would report the progress to the Sai Kung District Council.

24. The Committee recommends that the issues relating to monitoring and reporting of air quality be referred to LegCo Panel on Environmental Affairs ("EA Panel") for follow up.

Implementation of air-quality improvement measures

(Paragraphs 24 to 27 of Part 4 of P.A.C. Report No. 61)

25. The Committee was informed in the Government Minute laid before LegCo in May 2014 that:

Emission from pre-Euro, Euro I and Euro II diesel vehicles

- the Administration was implementing an incentive-cum-regulatory approach to phase out progressively some 82 000 pre-Euro IV (i.e. pre-Euro and Euro I, II and III) diesel commercial vehicles, including

goods vehicles, light buses and non-franchised buses, before 2020. The Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation (Cap. 311X), which stipulated respective commencement dates for not renewing the vehicle licences of the relevant diesel commercial vehicles and capped the service year limits of newly registered diesel commercial vehicles at 15 years, had taken effect from 1 February 2014. The LegCo Finance Committee approved the funding of some \$11.4 billion for launching an ex-gratia payment scheme for phasing out the pre-Euro IV diesel commercial vehicles. The Administration had been receiving applications for the ex-gratia payment since 1 March 2014 and would report the progress to EA Panel on an annual basis;

Requiring local and river-trade vessels to use ultra-low-sulphur diesel in Hong Kong waters as early as possible

- the Air Pollution Control (Marine Light Diesel) Regulation (Cap. 311Y) which mandated the light diesel to be supplied for the use of vessels to be low sulphur light diesel (i.e. with sulphur content not exceeding 0.05%) had already taken effect from 1 April 2014;

Completing the legislative procedures necessary for implementing the proposed non-road mobile machinery emission-control system

- the Administration was drafting the relevant legislation with a view to completing the legislative procedures in 2014; and

Implementing various air-quality improvement measures

- the Administration would report the progress of implementing various air-quality improvement measures (including the above item) to EA Panel as and when appropriate.

26. The Committee recommends that the issues relating to implementation of air-quality improvement measures be referred to EA Panel for follow up.

Regulatory control of private hospitals

(Paragraphs 28 to 30 of Part 4 of P.A.C. Report No. 61)

27. Hon Abraham SHEK Lai-him declared that he was currently a member of the Court and Council of the University of Hong Kong, and an Independent Non-executive Director of Hsin Chong Construction Group Ltd. and NWS Holdings Limited. Hon Paul TSE Wai-chun declared that he was currently a member of the Court of the University of Hong Kong.

28. The Committee was informed that:

Monitoring of sentinel events

- the Steering Committee on Review of the Regulation of Private Healthcare Facilities agreed that a comprehensive sentinel events management system should be established. The Department of Health ("DH") was preparing the implementation guidelines for adoption of the revised reporting criteria by private hospitals. In accordance with Audit's recommendation, the reporting criteria for sentinel events by public and private hospitals would be unified from January 2015 onwards;

Price transparency in hospital charges

- DH had reminded private hospitals to observe the requirements for disclosure of price information during inspections to private hospitals since 2013;
- the Steering Committee on Review of the Regulation of Private Healthcare Facilities had reviewed and examined measures that would help enhance price transparency of private hospital services, such as disclosure of price information, quotation system, packaged pricing and publication of statistics on hospital charges. The Administration planned to conduct a public consultation before the end of 2014 on the proposed regulatory regime for private hospitals, which included measures to enhance price transparency;

Way forward

- the review of the regulatory regime for private hospitals had been

completed. The Administration would conduct a public consultation on the proposed way forward which aimed to strengthen the regulatory control of private hospitals in the areas of corporate and clinical governance, price transparency, sentinel event reporting system, complaint management, etc.

29. The Committee wishes to be kept informed of further development on the subject.

Land grants for private hospital development

(Paragraphs 31 to 33 of Part 4 of P.A.C. Report No. 61)

30. Hon Abraham SHEK Lai-him declared that he was currently a member of the Court and Council of the University of Hong Kong, and an Independent Non-executive Director of Hsin Chong Construction Group Ltd. and NWS Holdings Limited. Hon Paul TSE Wai-chun declared that he was currently a member of the Court of the University of Hong Kong.

31. The Committee was informed that:

General protocol in administering private treaty grants ("PTGs")

- after consulting and consolidating the views of the relevant bureaux/departments, LandsD had finalized and issued a general protocol with a view to clarifying the respective roles and responsibilities of LandsD as the Government land agent and of the relevant bureaux/departments which gave policy support to different types of PTGs in relation to services or activities under their purview. The protocol was intended to serve as a common code formulated to guide collaborated actions in the administration of PTGs and subsequent monitoring of compliance and enforcement;

Monitoring and enforcement of land grant conditions

- DH had drawn up a checklist to facilitate the checking of compliance with land grant conditions relating to hospital services under its purview;

- DH and LandsD had been following up on the irregularities observed at some private hospitals. The two departments had implemented a monitoring system at the headquarters level to keep track of progress and would delineate their responsibilities for monitoring compliance with conditions of private hospital leases accordingly based on the finalized general protocol;

Provision of free or low-charge beds

- Hospital D set up a geriatric ward in February 2013 to provide 20 free beds in accordance with the land grant conditions. The hospital had taken measures to increase the utilization rate of its low-charge beds. Hospital F had provided 25 low-charge beds for surgical patients since 1 July 2014 in accordance with the land grant conditions. DH was monitoring the utilization rates of these free and low-charge beds;

Profits/surplus plough-back requirement

- the Administration reported in its Annual Progress Report submitted to the Committee of October 2014 that:
 - (a) private hospitals that were subject to financially-related conditions under the land grants had submitted to DH audited accounts and auditors' certification for compliance with such conditions in 2013 and were required to make the submission every year; and
 - (b) DH and LandsD had completed the review of past audited accounts of the private hospitals concerned and would continue to scrutinize their latest and future audited accounts. The two departments would follow up with the grantees as necessary;
- a recent follow-up review by Audit had revealed that although the Committee had, among others, urged DH to:
 - (a) review the appropriateness of allowing the grantees to transfer the administration of the hospitals to different organizations;
 - (b) define what permissible activities the non-profit-making grantees/hospitals were allowed to conduct and what non-permissible activities disallowed in respect of surpluses derived from the hospital operations on PTG sites; and

- (c) resolve the issues (including the rectification of irregularities concerning profit plough-back) expeditiously;
- it was found that:
- (a) the parent organization of Hospital D had remained the grantee of the two PTGs, namely Land Grant ("LG") 5 and LG 6;
 - (b) the Conditions of Grant in LG 5 and LG 6 on the "no distribution of profits"/"profits/surplus plough-back" requirement¹ had also remained the same; and
 - (c) during the three years of 2011 to 2013 (subsequent to the last audit), Hospital D had earned surpluses [before related party payments] of \$0.8 billion in 2011, \$1.0 billion in 2012 and \$0.8 billion in 2013, and had paid the grantee \$341.5 million in 2011, \$385.9 million in 2012 and \$365.4 million in 2013 for licence fees/donations/dividends from service providers. Summary statements submitted by the grantee to DH revealed that the grantee had spent a substantial proportion of the income so earned in improvements and extensions of another hospital (operating on self-purchased land), the development of a nursing school (operating on another self-purchased site) and other expenditures unrelated to Hospital D.

32. The Committee wrote to DH and LandsD on 9 January 2015 to urge them to expeditiously follow up on the irregularities on profits/plough back requirements as identified by Audit, and enquired whether DH and LandsD had sought legal advice on the requirements on the lands grant, defined the permissible activities/non-permissible activities of the non-profit-making grantees/hospitals in respect of the surpluses derived from the hospital operations on PTG sites, and what follow-up actions DH and LandsD had taken to address the irregularity case mentioned above. The replies from **Director of Health** and **Director of Lands** are in *Appendices 6 and 7* respectively.

¹ Hospital D is operating on LG 5, LG 6 and a self-purchased land. Both LG 5 and LG 6 contain a requirement that there shall be no distribution of profit derived from Hospital D and, in the case of LG 5, all profits, if any, derived from the hospital shall be applied to "charitable purposes of the grantee with the exception of any evangelical or ecclesiastical shall be directed to the improvement or extension of the grantee's hospital facilities. The self-purchased land has no restrictions on profit distribution.

33. The Committee wishes to be kept informed of further development on the Administration's monitoring and enforcement of the land grant conditions.

Management of public enquiries and complaints by the Food and Environmental Hygiene Department

(Paragraphs 36 and 37 of Part 4 of P.A.C. Report No. 61)

34. The Committee was informed that the commencement of the new Complaints Management Information System ("CMIS"), originally scheduled for May 2014, was delayed due to some technical problems found during the User Training stage. The Food and Environmental Hygiene Department aimed to resolve the technical problems by mid-October 2014. Subject to the outcome of further testing, it was expected that the new CMIS would be rolled out by phases in end 2014 and would come into full operation in late 2015. After the full implementation of the new CMIS, the Food and Environmental Hygiene Department would review the role and establishment of the Complaints Management Section.

35. The Committee wishes to be kept informed of further development on the subject.

Provision of local services by the Marine Department

(Paragraphs 38 and 39 of Part 4 of P.A.C. Report No. 61)

36. The Committee was informed that:

Automated vehicle entry/exit control system

- the Marine Department ("MD") had worked out the project proposals for installing/replacing the vehicle entry/exit control systems in consultation with the Electrical and Mechanical Services Department. The Financial Services and the Treasury Bureau's approval for the project funding was given in November 2013. Installation works for Western District and Chai Wan Public Cargo Working Areas were anticipated to complete in September 2015, and replacement works for Tuen Mun and Rambler Channel Public Cargo Working Areas were anticipated to complete in October 2015.

Vessels without valid licences

- MD had reviewed the existing practice in respect of expired licences and was revising the relevant guidelines on handling belated licence renewal cases, including the procedures of follow-up action. The changes would come into operation after clearance with the Department of Justice ("DoJ") and the parties concerned would be duly informed.

Control of private moorings

- MD had stepped up patrol at designated mooring areas. A total of 34 private moorings had been cancelled and removed in the last two years. An upgraded computer system had been launched since September 2014 to facilitate the patrol officers to conduct on-site inspection. MD would continue to conduct on-site inspection and take follow-up action to re-allocate those moorings no longer used by the designated vessel to applicants on the waiting list; and
- MD would continue to manage private moorings in accordance with the law. MD had completed matching the information on owners of the private moorings with that on the designated vessels in October 2013 and found that over 40% of the private moorings for individual owners were moored with vessels not owned by the mooring owners. MD was seeking legal advice from DoJ to formulate the way forward. Where necessary, legal provision would be reviewed.

37. The Committee wishes to be kept informed of further development on the subject.

Direct land grants to private sports clubs at nil or nominal premium

(Chapter 1 of Part 7 of P.A.C. Report No. 61)

38. Hon Abraham SHEK Lai-him declared that he was a member of Hong Kong Country Club, Hong Kong Football Club, Hong Kong Golf Club, Hong Kong Jockey Club ("HKJC") and Royal Hong Kong Yacht Club; Hon Paul TSE Wai-chun declared that he was a member of HKJC, Scout Association of Hong Kong and South China Athletic Association; Hon Alan LEONG Kah-kit declared that he was a member of HKJC; Hon NG Leung-sing declared that he was a member of HKJC and Craigengower Cricket Club; Hon CHAN Hak-kan declared that he was a member of

HKJC; and Hon Kenneth LEUNG declared that he was a member of the Ladies Recreation Club and Craighower Cricket Club.

39. The Committee was informed that:

Review of the private recreational lease ("PRL") policy

- a working group chaired by the Permanent Secretary for Home Affairs and comprising representatives from the Development Bureau, LandsD, the Planning Department, the Leisure and Cultural Services Department and other concerned departments was overseeing an on-going comprehensive review of PRL policy, covering issues raised by Audit and the Committee. Preliminary results of the policy review were expected to be available by the end of 2014;

Implementation of the "opening-up" requirement

- the Home Affairs Bureau ("HAB") placed advertisements in the print media in March 2014 to encourage eligible Outside Bodies to make use of sports facilities operated by PRL holders. HAB had also issued new guidelines and revised the format of the quarterly reports to be submitted by the PRL lessees, with a view to requiring the lessees to provide more detailed and informative reports on the implementation of the opening-up schemes starting from the second quarter of 2014;

Monitoring of compliance with lease conditions

- HAB was monitoring the utilization rates of sports facilities on PRL sites, in particular with regard to the implementation of the opening-up schemes. Using the quarterly returns as a monitoring tool, HAB was following up with lessees that report relatively low utilization by Outside Bodies to encourage them to make greater efforts to attract users. HAB also checked the accuracy of information provided by lessees in the quarterly reports;
- the Administration would continue to work on further strengthening the monitoring mechanism and updating lease conditions. HAB and LandsD would clarify their respective responsibilities with regard to inspections of PRL sites and would formulate plans for routine

inspections accordingly. LandsD would conduct site inspections of PRLs where lease renewal was not yet due; and

- a number of the clubs had rectified the breaches of Conditions of Grant as identified in the Audit Report. LandsD would, in consultation with HAB and other relevant bureaux/departments, continue to follow up on other individual cases of irregularity and suspected non-compliance with lease conditions identified in the Audit Report and would take lease enforcement action as appropriate.

40. The Committee wishes to be kept informed of the progress of:

- the review of PRL policy;
- the satisfactory implementation of the "opening up" requirement;
- strengthening the monitoring mechanism on PRL lessees' compliance with lease conditions and updating lease conditions; and
- the follow up of individual cases of irregularity and suspected non-compliance with lease conditions identified in the Audit Report.

Management of roadside skips

(Chapter 2 of Part 7 of P.A.C. Report No. 61)

41. The Committee was informed that:

Magnitude of skip problem

- according to information provided by the trade, it was estimated that there were about 3 500 skips in Hong Kong, of which about 1 500 were placed in works sites and storage areas. Roughly about 2 000 skips were placed on roads and in public places across the territory. The number of complaints on roadside skips received by the Administration was 1 530 in 2013. The vast majority of the complaints, about 92%, were on road obstruction while the remaining complaints were on environmental hygiene/nuisance problems and pollution problem;

- the Joint Working Group on Management of Roadside Skips ("JWG") had conducted day and night visits to various hotspots of frequent complaints. The skips found were not actively engaged in waste loading and unloading activities. JWG believed that these skips were placed there idling for convenience, either because they were close to their operating sites or due to a lack of proper storage areas, especially during night time;
- JWG had also looked into the 13 traffic accidents since 2010 involving roadside skips, of which four cases occurred in day time between 7:00 am to 7:00 pm and nine cases occurred between 7:00 pm to 7:00 am. The accidents resulted in a total of 21 injuries. Subsequent investigations by the Hong Kong Police Force ("HKPF") revealed that most cases were related to driving manner and five drivers were summonsed for careless driving. In all the 13 traffic accidents, the skips concerned were idling and placed at roadside, without any associated loading and unloading activities;

Effectiveness of existing enforcement actions

- in the first half of 2014, there were 573 complaints received by HKPF. Among these complaints, the scene officers were able to locate roadside skips and their operators in 496 and 453 cases respectively. Advice and/or warning were given by HKPF under the Summary Offences Ordinance (Cap. 228) in 404 cases while over 80% of the skips of these cases were removed by skip operators (usually within hours after a complaint was received) and three cases were removed by HKPF. About 90% of the skip operators had removed their skips from roadside within five hours after a complaint was received. During the same period, LandsD handled 535 complaints in accordance with the Land (Miscellaneous Provisions) Ordinance (Cap. 28). The skips were removed by the skip operators in 99% of the cases, usually within two days of LandsD posting the relevant notice on the skip;

Introduction of regulatory system

- in light of the findings so far, the Secretary for the Environment, the Secretary for Development, and the Secretary for Transport and Housing agreed that consideration could be given to exploring the following short-term measures to help better address the problems caused by placing of roadside skips:

- (a) to identify suitable sites to be made available to skip operators through tendering on short-term tenancies for storage of "idling" skips and/or to facilitate skips to be placed in suitable commercially managed sites of other uses, with a view to reducing the number of such skips placed on roads or in public places; and
 - (b) to enhance enforcement efficiency by engaging term contract service providers to speed up the removal of roadside skips by relevant Government departments;
- JWG would further work out the implementation details of the short-term measures and consult the trade as appropriate;

Advice of the Secretary for Justice

- the Secretary for Justice had advised that, under Regulation 25 of the Road Traffic (Traffic Control) Regulations (Cap. 374G), the Director of Highways and the Commissioner of Police could take removal actions on roadside skips which obstruct road. The relevant Government departments were considering the advice with a view to evaluating if such provision could facilitate more effective removal actions on roadside skips placed on public roads;

Progress made in implementing Audit's recommendations

- follow-up actions had been completed or on-going to address three of the remaining five audit recommendations. The two outstanding ones were:
 - (a) formulating strategies and action plans for regulating and facilitating skip operations, and assigning a Government department to take up the responsibilities for regulating and facilitating skip operations; and
 - (b) conducting a review to reassess whether the current situation justified Government actions to introduce a regulatory system to regulate and facilitate skip operations.

42. The Committee wrote to the Development Bureau, the Environmental Bureau and the Transport and Housing Bureau on 9 January 2015 to enquire on the

result of the review conducted by JWG on regulating and facilitating skip operations and the set-up of a regulatory system. A consolidated reply from **Director of Environmental Protection** is in *Appendix 8*.

43. The Committee wishes to be kept informed of further development on the subject.

Allocation and utilization of public rental housing flats

(Chapter 3 of Part 7 of P.A.C. Report No. 61)

44. Hon Alan LEONG Kah-kit declared that he was currently a member of the Housing Authority ("HA"); and Hon Kenneth LEUNG and Hon NG Leung-sing declared that they were former members of HA.

45. The Committee was informed that:

Management of the Waiting List for general applicants

- the Housing Department ("HD") had uploaded the definition and computation method of the average waiting time onto the HA/HD's website and incorporated information on the average waiting time into the brochure "Waiting List for Public Rental Housing - Information for Applicants";

Implementation of the Quota and Points System

- the Steering Committee on Long Term Housing Strategy ("LTHS") had put forward recommendations on the Quota and Points System. The recommendations and observations of Audit and the Committee, as well as the recommendations of LTHS Steering Committee and views collected during the public consultation on LTHS, had been referred to HA for consideration;

Review of the Well-off Tenants Policies

- LTHS Steering Committee noted that there were divergent views on the policies in the community. The public consultation document on LTHS further invited views on the policies. Views collected during the

public consultation, together with recommendations of Audit and the Committee as well as views collected during the Committee's hearings, had been referred to HA for consideration; and

Under-occupation of public rental housing flats

- HA had reviewed the Under-occupation policy in 2013 and endorsed a series of revised measures for implementation starting from October 2013. HA had also lowered the prioritized under-occupation threshold for households of all sizes. A further review of the Under-occupation policy would be conducted in 2016.

46. A summary of the actions taken in implementing the Audit's recommendations since the Government Minute was laid before LegCo in May 2014 is in **Appendix 9**.

47. The Committee wrote to the Transport and Housing Bureau on 9 January 2015 to enquire on the management and control of unoccupied flats, including the latest figure on the number of unoccupied flats, reasons for the long vacancy period and measures taken to shorten the vacancy period and speed up the letting of unoccupied flats. The replies from **Secretary for Transport and Housing** are in **Appendix 10**.

48. The Committee wishes to be kept informed of further development on the subject.

Fire protection and prevention work of the Fire Services Department
(Chapter 5 of Part 7 of P.A.C. Report No. 61)

49. The Committee was informed that:

Monitoring fire service installations and equipment in buildings

- the Fire Services Department ("FSD") had consulted most of the fire service installations and equipment ("FSI") contractors and would modify the electronic form of Certificate of FSI under the project of Holistic Enhancement of the Integrated Licensing, Fire Safety and

Prosecution System ("LIFIPS") to better suit the contractors' business operation;

Monitoring ventilating systems

- FSD had issued a set of guidelines in September 2014 for the adoption of a risk-based approach to monitor the statutory annual inspections of ventilating systems in buildings and licensed premises. The updating and verification of the ventilating systems database were expected to be completed by April 2015;

Registration and monitoring of fire service installation contractors

- FSD was in the process of formulating legislative proposals (involving the consultation with the trade and stakeholders and conducting a business impact assessment) to amend both the Fire Service (Installation Contractors) Regulations (Cap. 95A) and Fire Service (Installations and Equipment) Regulations (Cap. 95B) to improve FSI contractor registration scheme and the monitoring of the timely submission of the electronic forms of Certificate of FSI by FSI contractors;

Handling complaints about fire safety

- FSD had introduced monitoring reports in its Fire Service Installations Task Force to facilitate monitoring and control work by supervisors. Similar functionality would be introduced in other units under the project of Holistic Enhancement of the LIFIPS; and

Publicity and education on fire safety

- FSD would consider the most appropriate means to gauge the effectiveness of the annual Fire Prevention Campaign. Meanwhile, a new announcement in the public interest to step up publicity on the statutory requirement to conduct annual inspection and maintenance of FSIs will be rolled out in early 2015.

50. The Committee wrote to FSD on 9 January 2015 to enquire on the latest positions on the monitoring of FSIs and ventilating systems in buildings by FSD. The replies from **Director of Fire Services** are in *Appendix 11*.

51. The Committee wishes to be kept informed of further development on the subject.

Government's efforts to enhance fire safety of old buildings

(Chapter 6 of Part 7 of P.A.C. Report No. 61)

52. The Committee was informed that:

Implementation of fire safety improvement programmes

- to further address the spatial/structural constraints of the buildings with a view to facilitating buildings in complying with the fire safety requirements, the capacity requirement of the water tank for the fire hydrant/hose reel system would be relaxed without compromising fire safety;
- to assess whether the Government's financial assistance and technical support could meet the owners' needs, FSD and the Buildings Department ("BD") have conducted a survey. 45 079 questionnaires were distributed to the owners/Owners' Corporations who had received fire safety directions under the Fire Safety (Buildings) Ordinance (Cap. 572) ("FS(B)O"). A total of 3 310 completed questionnaires were received. The survey result had revealed that the Government's financial assistance and technical support could generally meet the owners' need to take forward the relevant fire safety improvement measures but there was room for further improvement in the application formalities and technical support rendered by the Government. BD and FSD would follow up on the views received;

Arrangements for inspections and issuing fire safety directions

- BD and FSD had jointly reviewed the timeliness of inspections and issuance of fire safety directions as well as the appropriate performance targets. The two departments agreed to maintain the target for issuing directions within four months and mapped out a plan for initial inspections and clearance of backlog cases;
- since February 2014, FSD had followed the enhanced guidelines in conducting the territory-wide Prescribed Commercial Premises scouting exercise, which was completed in late May 2014. After the scouting

exercise, the Prescribed Commercial Premises inspection list had been reviewed to ensure no omission or inconsistency;

- the pilot study of pre-war buildings with fire safety directions issued would be completed by the end of 2014. BD would inspect the remaining target pre-war buildings by the end of 2014 as far as practicable;
- BD had enhanced the computerized system for monitoring the preparation of inspection reports and issuance of directions. FSD would consider enhancing the LIFIPS so as to strengthen monitoring and control over the preparation of inspection reports after joint inspection as well as the preparation of the issuance of fire safety directions;

Administration of fire safety directions issued

- BD had enhanced the computerized system for monitoring the timely issuance of directions as well as the outstanding directions so that follow-up and enforcement actions could be taken in a timely manner; and

Follow up actions on unauthorized building works found during inspections

- BD had revised its internal manual to set out procedures on the handling of unauthorized building works with fire safety concerns, including works associated with subdivision of flats, with a view to following up in a more organized and efficient manner on unauthorized building works identified during the inspections carried out under the Fire Safety (Commercial Premises) Ordinance (Cap. 502) and the FS(B)O.

53. The Committee wishes to be kept informed of further development on the subject.