

**立法會**  
***Legislative Council***

LC Paper No. ESC155/17-18

(These minutes have been  
seen by the Administration)

Ref : CB1/F/3/2

**Establishment Subcommittee of the Finance Committee**

**Minutes of the 15<sup>th</sup> meeting  
held in Conference Room 1 of Legislative Council Complex  
on Monday, 9 April 2018, at 2:30 pm**

**Members present:**

Hon Mrs Regina IP LAU Suk-yee, GBS, JP (Chairman)

Hon Alvin YEUNG (Deputy Chairman)

Hon James TO Kun-sun

Hon LEUNG Yiu-chung

Hon Abraham SHEK Lai-him, GBS, JP

Hon WONG Ting-kwong, GBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon Steven HO Chun-yin, BBS

Hon WU Chi-wai, MH

Hon Charles Peter MOK, JP

Hon CHAN Chi-chuen

Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP

Dr Hon Fernando CHEUNG Chiu-hung

Hon IP Kin-yuen

Dr Hon Elizabeth QUAT, BBS, JP

Hon Martin LIAO Cheung-kong, SBS, JP

Hon POON Siu-ping, BBS, MH

Dr Hon CHIANG Lai-wan, JP

Hon CHU Hoi-dick

Hon HO Kai-ming

Hon Holden CHOW Ho-ding

Hon SHIU Ka-fai

Hon SHIU Ka-chun

Hon YUNG Hoi-yan

Dr Hon Pierre CHAN  
Hon CHAN Chun-ying  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun  
Hon Tony TSE Wai-chuen

**Members absent:**

Hon WONG Kwok-kin, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan

**Public Officers attending:**

|                           |   |
|---------------------------|---|
| Ms Carol YUEN Siu-wai, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) 1                         |
| Mr Eddie MAK Tak-wai, JP  | Deputy Secretary for the Civil Service 1  |
| Dr Bernard CHAN, JP       | Under Secretary for Commerce and Economic Development   |
| Mr Aaron LIU              | Deputy Commissioner for Tourism, Commerce and Economic Development Bureau                     |
| Mr George TSOI            | Assistant Commissioner for Tourism (Special Duties), Commerce and Economic Development Bureau |
| Ms Manda CHAN, JP         | Commissioner for Narcotics, Security Bureau   |
| Ms Denise PANG            | Senior Executive Officer (Narcotics)2, Security Bureau  |
| Mr Andrew AU, JP          | Acting Government Economist, Financial Secretary's Office                                     |
| Mr Benny LUI              | Principal Economist (3), Financial Secretary's Office   |
| Mr Eric SHUM              | Senior Economist (6A), Financial Secretary's Office   |

**Clerk in attendance:**

|                 |                              |
|-----------------|------------------------------|
| Ms Connie SZETO | Chief Council Secretary (1)4 |
|-----------------|------------------------------|

**Staff in attendance:**

|                 |                                   |
|-----------------|-----------------------------------|
| Mr Keith WONG   | Council Secretary (1)4            |
| Ms Alice CHEUNG | Senior Legislative Assistant (1)1 |
| Miss Yannes HO  | Legislative Assistant (1)6        |
| Ms Haley CHEUNG | Legislative Assistant (1)9        |

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Action

The Chairman drew members' attention to the information paper ECI(2017-18)17, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the six items on the agenda. She 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 item under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

**EC(2017-18)22      Proposed creation of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Tourism Commission of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau for a period of three years with immediate effect upon approval of the Finance Committee for promoting cruise tourism in Hong Kong, overseeing the operation of the Kai Tak Cruise Terminal, the operation and development of the Hong Kong Disneyland Resort**

2. The Chairman remarked that the staffing proposal was to create one supernumerary post of Administrative Officer Staff Grade C ("AOSGC") (D2) (designated as "Assistant Commissioner for Tourism (4)" ("AC(T)4")) in the Tourism Commission ("TC") of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau ("CEDB") for a period of three years with immediate effect upon approval of the Finance Committee ("FC") for promoting cruise tourism in Hong Kong, overseeing the operation of the Kai Tak Cruise Terminal ("KTCT"), the operation and development of the Hong Kong Disneyland Resort ("HKDL"). She pointed out that discussion of the item was carried over from the meeting on 26 March 2018.

Action

Promoting cruise tourism development in Hong Kong

3. Mr SHIU Ka-fai expressed support for the Government's creation of the AC(T)4 post to continue the promotion of cruise tourism development in Hong Kong. He was of the view that the Government should make reference to the cruise tourism development models overseas, and study how to step up efforts on attracting cruise passengers' spending in Hong Kong.

4. Noting from paragraph 6 of the Government's paper that the number of ship calls at KTCT reached 186 in 2017, which was significantly higher than that at the Ocean Terminal in Tsim Sha Tsui, Ms YUNG Hoi-yan enquired whether the Government had made any special arrangement for cruise ships to berth at KTCT. She also pointed out that the current numbers of ship call and cruise passenger throughput in Hong Kong as a whole had gone far beyond the projection made by the Government when KTCT construction was being considered, whether it meant that the Government had wrongly estimated the pace of cruise industry development in the past.

5. Under Secretary for Commerce and Economic Development ("USCED") advised that the significant growth in the number of international cruise ship calls in recent years was attributed to KTCT's capacity to accommodate simultaneously two large cruise ships while the Ocean Terminal could only accommodate small and medium cruise ships, hence the higher number of ship calls at KTCT in comparison with other terminals. The figure also reflected that AC(T)4's work on promoting cruise tourism over the past few years had borne fruit. He supplemented that AC(T)4 would further promote cruise tourism development, including studying the introduction of cruise products in collaboration with neighbouring cruise terminals and the introduction of travel packages that bundled high-speed rail with cruise travel in the light of the expected commissioning of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") in the second half of 2018 to seize the opportunities for Hong Kong's cruise tourism. In addition, the Government would promote Hong Kong's cruise tourism elsewhere through the tourism cooperation forum cum business matchmaking conference with a dual-theme on the "Belt and Road" Initiative and the development of the "Guangdong-Hong Kong-Macao Bay Area" organized in Hong Kong at the end of 2018.

6. Noting from paragraph 10 of the Government's paper that the cruise ships calling at Hong Kong at present were categorized into turnaround calls and transit calls, the Chairman enquired how the various types of

Action

cruise passengers would drive tourism development in Hong Kong. Mr Vincent CHENG also enquired how the Government would further develop Hong Kong's overall tourism market by promoting cruise tourism development.

7. Deputy Commissioner for Tourism, CEDB ("DCT") explained that both turnaround calls and transit calls represented cruise ship calls at Hong Kong, and the Government would endeavor to have them stay in Hong Kong for more than one day, especially for transit calls, so as to allow more time for shore excursion and spending by passengers. USCED supplemented that the Government had devised the Development Blueprint for Hong Kong's Tourism Industry in 2017, and would attract more overnight visitors to Hong Kong through such measures as promoting Hong Kong attractions, hosting world-class events, promoting the concept of smart tourism, as well as protecting the rights and interests of visitors through establishing the Travel Industry Authority.

8. Dr CHIANG Lai-wan pointed out that a Hong Kong-based cruise ship could not call at KTCT in March 2018 as all the berths there had been utilized, and the passengers needed to take shuttle vessels for embarkation eventually. She opined that this incident had tarnished the image of Hong Kong as a cruise hub. She requested the Government to provide supplementary information explaining how to improve the problem relating to berthing arrangements at KTCT.

9. DCT said that Hong Kong-based cruise ships (i.e. cruise ships that always took Hong Kong as the first and last stops in their itineraries) could make advance booking for the use of KTCT berths and facilities. As regards the incident mentioned by Dr CHIANG Lai-wan, berth booking for the cruise ship in question was made to the KTCT operator only after the end of the advance booking period, but the relevant time slot had been booked by two other large international cruise ships, hence the unavailability of any berth for the cruise ship. USCED added that the cruise line concerned had already made proper arrangements, including shuttle vessels to carry passengers from KTCT for embarkation as well as water and food for passengers along the way.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 19 June 2018 vide LC Paper No. ESC147/17-18(01).]

10. Mr AU Nok-hin enquired whether the Government had any plan to develop onshore power supply facilities to provide the cruise ships berthed at KTCT with electricity.

Action

11. DCT said that during the construction of KTCT, the Government had reserved space for installing onshore power supply facilities. However, as the technology remained uncommon, onshore power supply facilities were currently unavailable at KTCT. He supplemented that the Government would keep in view the development of onshore power supply technology in the international community.

Providing assistance to shop tenants operating at the Kai Tak Cruise Terminal

12. Dr KWOK Ka-ki and Mr CHAN Chi-chuen referred to a recent media report that a duty-free shop business at KTCT was forced to close down due to insufficient patronage, and some shop tenants also complained that it was difficult for them to continue their operations amid the lack of support from the Government. They enquired whether the relevant report was true, and about the assistance the terminal operator had offered to shop tenants.

13. Mr Alvin YEUNG and Dr Fernando CHEUNG pointed out that the responsibilities of AC(T)4 included monitoring the performance of the operator of KTCT, and enquired about the Government's measures in monitoring the operator's work in respect of improving shop patronage and assisting shop tenants.

14. USCED advised that the Government and the terminal operator had provided the retailers mentioned in the report with a wide range of assistance, including removing a partition outside the shop to attract and facilitate access by passengers to the shop, allowing coaches to use the locations near the shop for picking up and dropping off passengers, and requesting minibuses and bus companies to enhance the transport services connecting with the terminal. He also clarified that the Government had never requested the shop operator to arrange coaches on his/her own to bring people to the shop.

15. The Chairman and Dr Priscilla LEUNG opined that the Government should consider lowering the rents payable by the shop tenants at KTCT to help those with operational difficulties. Mr KWONG Chun-yu enquired about the number of shop tenants who ultimately closed down their business due to operational difficulties since the commissioning of KTCT.

16. DCT said that since the commissioning of KTCT, a total of seven shop tenants set up their shops in the ancillary commercial areas of the

Action

terminal. Apart from the retailers who had closed down their business, the remaining shops were still in operation. He added that as the terminal was currently operated by the terminal operator, the rents payable by the shop tenants were determined by the operator based on the market level. Shop tenants might relay their operational difficulties to the Government and the terminal operator, which would then study how to provide appropriate assistance.

17. Mr WU Chi-wai suggested that while maintaining the high service efficiency in processing immigration clearance for passengers, the KTCT operator should also appropriately increase the area for commercial use through improving the layout of terminal facilities so as to enhance the operational efficiency of the shops there. In addition, Mr WU requested the Government to submit an analysis report on terminal operation by the terminal operator and details of its operating strategies to improve visitor flow.

18. DCT advised that the Government adopted a purpose-built approach in planning for and designing KTCT with a view to bringing services with convenience and efficiency to berthing cruise ships and passengers to facilitate the processing of immigration clearance for visitors within a short time. Any substantial modifications made to the existing terminal layout to increase the floor area available for commercial use would affect the efficiency of processing immigration clearance. He stressed that the shop facilities at the terminal, including eateries, money changers, etc., were of an ancillary nature to facilitate both arriving and departing visitors. USCED added that the Government had undertaken to conduct an analysis based on the various parameters of the cruise industry in 2018 to assess the economic benefits brought by the cruise industry to Hong Kong after the commissioning of the cruise terminal.

*[Post-meeting note: The supplementary information provided by the Administration was circulated to members on 19 June 2018 vide LC Paper No. ESC147/17-18(01).]*

19. In response to Dr Fernando CHEUNG's enquiries, DCT said that the current maintenance and repair cost for KTCT was around \$70 million per year. According to the lease agreement signed between the Government and the terminal operator, the terminal operator had to pay the Government part of the revenues arising from shop tenants' rentals.

20. Dr CHIANG Lai-wan requested the Government to provide supplementary information explaining in detail the Government's plans to assist the shop tenants at KTCT in improving the operating environment.

Action

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 19 June 2018 vide LC Paper No. ESC147/17-18(01).]

Driving more patronage to the Kai Tak Cruise Terminal

21. The Chairman, Mr Tony TSE and Ms YUNG Hoi-yan pointed out that the Government built KTCT in order to enable berthing of cruise ships and to facilitate the arrival and departure of cruise passengers, and the existing facilities could serve the purposes. However, they opined that if the Government looked forward to improving the patronage of the terminal, the Government and the terminal operator would need to alter the operational approach of its commercial facilities in order to increase its diversity, such as converting shops into sports training grounds to attract a greater variety of users. They enquired about the Government's specific objectives and plans in respect of improving the terminal's patronage.

22. Dr CHIANG Lai-wan requested the Government to provide supplementary information on whether the Government would consider relocating shops in the Kowloon City District dedicated to serving tour groups to KTCT. In addition, Mr Vincent CHENG, Mr WONG Ting-kwong, Dr Priscilla LEUNG and HO Kai-ming suggested that the Government should organize bazaars at the outdoor area of the terminal and promote the setting up of leisure and entertainment facilities such as pubs at the terminal to attract local visitors.

23. USCED advised that there were currently permanent and non-permanent restricted areas at the terminal. During non-cruise days, the terminal operator might open up the non-permanent restricted areas to different event organizers, including sports organizations, to organize non-cruise activities, and would establish small temporary stalls as well as arrange inbound tour groups to shop at the terminal. Apart from the terminal's indoor facilities, the Government would also allow different groups to apply for the use of associated outdoor area, such as the Runway Park, for organizing different types of private and commercial activities as well as film or commercial shooting, with a view to optimizing the use of the terminal and its neighbouring space as well as boosting visitor flow.

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 19 June 2018 vide LC Paper No. ESC147/17-18(01).]



Action

24. Dr KWOK Ka-ki, Dr Fernando CHEUNG and Mr KWONG Chun-yu pointed out the lack of any improvement to the operation of KTCT and its low patronage since its commissioning. They doubted if the creation of the supernumerary AC(T)4 post would help improve its patronage.

25. USCED said that KTCT was the first infrastructure established in the Kai Tak Development Area ("KTDA"). It was believed that the successive completion of the neighbouring developments and infrastructure projects (including the commercial and residential sites in Kai Tak, the Kai Tak Multi-purpose Sports Complex, and the dining cove, etc.) in the future as well as the imminent commissioning of the MTR Shatin to Central Link ("SCL") would be conducive to driving patronage to the whole KTDA. He supplemented that the AC(T)4 post holder would participate in various inter-bureau coordination tasks involving the development of KTCT and neighbouring areas.

26. Mr Vincent CHENG, Dr Priscilla LEUNG and Mr WU Chi-wai were concerned that administrative grade officers were usually inexperienced in business operation or incapable of formulating effective marketing strategies to drive more patronage to KTCT. They enquired whether the Government would consider recruiting a talent from the business sector to fill the AC(T)4 post.

27. USCED said that the Government suggested that the AC(T)4 post be filled by AOSGC, and the post holder would be responsible for supporting the work of the Advisory Committee on Cruise Industry ("ACCI"). He believed that ACCI members from the business sector would fully cooperate with the representatives from the KTCT operator to provide AC(T)4 with their professional advice on formulating business strategies on driving more patronage to the terminal.

Enhancing transport connectivity for the Kai Tak Cruise Terminal

28. Mr WONG Ting-kwong pointed out that the current transport connectivity for KTCT was far from desirable, and that patronage of the terminal could only be effectively promoted by the improvements made by the Government. Mr HO Kai-ming and Dr Priscilla LEUNG suggested that the Government should offer ferry services connecting the cruise terminal with the Kwun Tong Harbourfront, West Kowloon Cultural District and Central Harbourfront. The Government should also proactively study the feasibility of introducing water taxi to entice visitors to travel to the cruise terminal from different districts by water. Mr SHIU Ka-fai supported the introduction of water taxi service to facilitate

Action

members of the public and visitors to travel to the terminal.

29. DCT advised that the Government had strengthened the bus and minibus services travelling to and from KTCT, and would introduce additional bus routes connecting SCL stations and the terminal upon the commissioning of MTR SCL. The widening works for the roads connecting the terminal would also be completed next year. In addition, the ferry pier adjacent to the cruise terminal had also been renovated to provide a stop to the ferry route running between Kwun Tong and North Point. USCED supplemented that the Government was exploring with the industry the feasibility of introducing water taxi in KTDA, and was also considering the provision of ferry services connecting KTCT with the West Kowloon Cultural District and Central Harbourfront.

30. Dr CHIANG Lai-wan pointed out that there were occasional complaints from cruise passengers about the inadequate transport connectivity for KTCT, which hindered the expeditious diversion of visitors to various scenic spots throughout the territory. She requested the Government to provide supplementary information explaining the enhancements to KTCT's transport connectivity. Mr AU Nok-hin also urged the Government to improve the terminal's traffic information dissemination to provide visitors with more timely updates of the traffic arrangements between the terminal and various scenic spots.

31. USCED replied that the Government had conducted questionnaire surveys to collect cruise passengers' views on their travel experiences in Hong Kong (including traffic arrangements at KTCT), coupled with site inspection at the terminal. According to the survey results and observation, the existing traffic arrangements for visitors in the form of bus and minibus were satisfactory, and visitors did not need to wait for more than 15 minutes for a taxi in general. He added that the Government would, in collaboration with the tourism industry, study how to enhance the arrangement for disseminating traffic information to visitors.

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 19 June 2018 vide LC Paper No. ESC147/17-18(01).]

32. Mr AU Nok-hin enquired about the progress of the detailed feasibility study ("DFS") for the Environmentally Friendly Linkage System ("EFLS") for Kowloon East, and requested the Government to provide supplementary information on the expected completion date of the study, and whether the Government would publish the study report.

Action

33. USCED replied that the second stage DFS for EFLS for Kowloon East was being undertaken by the Civil Engineering and Development Department, and its scope of study included EFLS's detailed alignment options, station locations, connections, etc. The study was expected to be completed by 2018 and the Government would timely announce its findings.

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 19 June 2018 vide LC Paper No. ESC147/17-18(01).]

Overseeing the operation and development of the Hong Kong Disneyland Resort

34. Dr KWOK Ka-ki, Mr AU Nok-hin and Dr Fernando CHEUNG criticized the cooperation agreement signed between the Government and The Walt Disney Company ("TWDC") on the development of HKDL for being unfair to Hong Kong. They queried if it was difficult for the Government to gain anything from the future development of HKDL and for AC(T)4 to oversee the operation and development of HKDL under the constraint of the cooperation agreement.

35. Pointing out that the expansion and development plan taken forward at the Phase 1 Site of HKDL ("expansion and development plan") involved a large amount of public money, Mr SHIU Ka-fai urged the Government to closely monitor the financial operation of HKDL for the implementation of the expansion plan. In addition, he urged the Government to pay attention to the low hotel occupancy rate of HKDL.

36. USCED advised that the earnings of HKDL before interest, taxes, depreciation and amortization recorded a growth over the past few years. As for the expansion and development plan, HKDL would introduce new attractions and entertainment offerings one after another in the coming years, a move expected to help boost attendance, and the Government was optimistic about the gains the project would bring to HKDL. He added that AC(T)4 would lead the group under TC in charge of HKDL issues in monitoring the operation and performance of HKDL, as well as overseeing if HKDL was able to introduce the new attractions and entertainment offerings on time and within budget.

37. On Mr AU Nok-hin's and Dr Fernando CHEUNG's further enquiries about the operation of HKDL, DCT advised that HKDL was owned by the Hongkong International Theme Parks Limited ("HKITP"), a joint venture between the Government and TWDC, and the Hong Kong

Action

Disneyland Management Limited, which was wholly owned by TWDC, was responsible for HKDL's daily operation. The Government would monitor the operating performance of HKDL through HKITP, and the responsibilities of AC(T)4 also included providing high-level policy support to the HKITP directors representing the Government.

38. Mr Tony TSE and Mr AU Nok-hin were concerned that the site reserved by the Government for the potential second phase development by HKDL ("Phase 2 site") had remained idle, and enquired whether the Government would consider converting the Phase 2 site to other temporary uses before HKDL's implementation of its second phase development so as to better utilize land resources.

39. USCED and DCT said that the Government would be pleased to consider proposals put forward by relevant organizations of using the Phase 2 site on short-term tenancy. In addition, AC(T)4 had also studied with different organizations and institutions how to better utilize the Phase 2 site, and the Government would announce the details once a mature proposal was available.

Creating the post of Assistant Commissioner for Tourism (4) on a supernumerary basis

40. The Chairman, Mr Tony TSE and Mr WONG Ting-kwong pointed out that AC(T)4 was responsible for promoting cruise tourism development in Hong Kong, overseeing the operation of KTCT, and overseeing the operation and development of HKDL. As these tasks were ongoing duties of the Government, they considered the Government's proposal of creating the post on a supernumerary basis inappropriate. The Chairman requested the Government to provide supplementary information on whether it would consider making the AC(T)4 post permanent or undertake to allow the supernumerary post to lapse upon expiry of the three-year period.

41. USCED agreed that the duties of AC(T)4 were ongoing duties of the Government, but the Government needed to exercise caution in creating directorate posts, hence the current proposal of creating the AC(T)4 post on a supernumerary basis for three years. DCT added that the Government would consider whether to extend the post or make it permanent near its expiry in the light of the progress of the tasks undertaken by the post holder.

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 19 June 2018 vide LC Paper No. ESC147/17-18(01).]

Action

Voting on the item

42. The Chairman put the item EC(2017-18)22 to vote. At the request of Mr WU Chi-wai, the Chairman ordered a division, and the division bell rang for five minutes. Eleven members voted for the item, nine against it and one abstained from voting. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

*For*

|                    |                  |
|--------------------|------------------|
| Dr Priscilla LEUNG | Mr Steven HO     |
| Dr Elizabeth QUAT  | Mr POON Siu-ping |
| Dr CHIANG Lai-wan  | Mr Holden CHOW   |
| Mr SHIU Ka-fai     | Ms YUNG Hoi-yan  |
| Mr CHAN Chun-ying  | Mr Vincent CHENG |
| Mr Tony TSE        |                  |
| (11 members)       |                  |

*Against*

|                   |                      |
|-------------------|----------------------|
| Mr WU Chi-wai     | Mr Charles Peter MOK |
| Mr CHAN Chi-chuen | Dr Fernando CHEUNG   |
| Mr Alvin YEUNG    | Mr CHU Hoi-dick      |
| Mr SHIU Ka-chun   | Mr KWONG Chun-yu     |
| Mr AU Nok-hin     |                      |
| (9 members)       |                      |

*Abstain*

Mr IP Kin-yuen  
(1 member)

43. Dr Fernando CHEUNG requested that the item be voted on separately at the relevant FC meeting.

*(At 5:05 pm, the Chairman declared that the meeting be suspended for five minutes. The meeting resumed at 5:11 pm.)*

|                      |   |
|----------------------|---|
| <b>EC(2017-18)21</b> | <b>Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Narcotics Division of the Security Bureau with effect from the date of approval by the Finance Committee to provide the necessary support at the directorate level to sustain the efforts in</b> |
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Action

**combating the drug problem**

44. The Chairman remarked that the staffing proposal was to create one permanent post of AOSGC (D2) (designated as "Principal Assistant Secretary (Narcotics) 2" ("PAS(N)2")) in the Narcotics Division ("ND") of the Security Bureau ("SB") with effect from the date of approval by FC to provide the necessary support at the directorate level to sustain the efforts in combating the drug problem.

45. The Chairman pointed out that the Government had consulted the Panel on Security on the proposal on 5 December 2017. Members had no objection to the Government's submission of the proposal to the Establishment Subcommittee ("ESC") for consideration. During the discussion, some members expressed concern about the trend of increasing hidden drug abuse; some members were also concerned that some drug treatment and rehabilitation centres ("DTRCs") had yet to be licensed. The Government advised that it was addressing the problem of hidden drug abuse through strengthening publicity and education to enable early identification of hidden drug abusers and timely intervention with assistance. In addition, funding support for unlicensed DTRCs to carry out upgrading or reprovisioning projects was provided through the Beat Drugs Fund ("BDF") Special Funding Scheme ("SFS"), and these DTRCs were expected to obtain licences one after another.

Performance indicators for the Principal Assistant Secretary (Narcotics) 2

46. Mr CHAN Chi-chuen pointed out that the PAS(N)2 post used to be created on a supernumerary basis, and had lapsed in February 2018. He was worried whether the Government would rationalize the proposal of creating a permanent post by deliberately increasing its responsibilities, including taking forward some unnecessary anti-drug programmes which had no remarkable results. He enquired about the Government's justifications for making the post permanent, and whether it would devise performance indicators for the post.

47. Commissioner for Narcotics, Security Bureau ("C for N") advised that the PAS(N)2 post would be primarily responsible for the policy and programmes concerning drug treatment and rehabilitation ("T&R") services and anti-drug preventive education in secondary schools. She pointed out that ND needed to closely monitor the evolving drug scene, continue the efforts to map out and coordinate the provision of appropriate T&R services for drug abusers, and step up anti-drug preventive efforts in secondary schools, hence the need to make the post permanent to ensure ongoing dedicated directorate steer and input for various tasks. As for the

Action

promotion of anti-drug preventive education in secondary schools, in order to effectively disseminate anti-drug messages to students of different groups and backgrounds, ND would, apart from continuing the implementation of the Healthy School Programme ("HSP"), launch other different types of anti-drug programmes, such as the trial programme "Participate in Sports, Stay Away from Drugs" launched in the 2017-2018 school year. She stressed that the various anti-drug programmes launched by ND served their specific anti-drug purposes, and were not aimed at rationalizing the proposal of making the PAS(N)2 post permanent.

Effectiveness of and waiting time for drug treatment and rehabilitation services

48. Ms YUNG Hoi-yan expressed support for the staffing proposal. She was aware that as pointed out by some persons who underwent drug treatment, as they would make friends with other drug abusers when admitted to DTRCs, it was easy for them to return to drugs under the influence of each other even after they had successfully quitted drugs. She enquired about the Government's view on the phenomenon, and urged the Government to compile statistics on the number of cases in which drug abusers returned to drugs with breakdown by drug type. She believed that such statistics would help the Government and various DTRCs formulate effective drug treatment programmes.

49. C for N advised that each year, residential DTRCs and the community-based counselling centres for psychotropic substance abusers ("CCPSAs") would receive cases in which drug abusers had to be readmitted or followed up afresh on different grounds. According to the figures from the Central Registry of Drug Abuse, relief from stress and boredom as well as peer influence were some of the common reasons for drug taking. In this connection, anti-drug service providers would arrange suitable drug treatment programmes tailor-made for each of the drug abusers and arrange aftercare services upon completion of the programmes so as to minimize relapse into drug abuse among ex-drug addicts. She believed that it would not be more likely for drug abusers who received professional drug treatment services from DTRCs to return to drugs. She supplemented that the number of persons newly admitted to DTRCs in 2017 amounted to 900 or so while that of readmission exceeded 1 300; as for CCPSAs, there were more than 800 new cases and over 10 reactivated cases. ND would explore with anti-drug service providers on how to further collate relevant statistics.

50. Mr AU Nok-hin was concerned that the success rate of drug treatment programmes of Drug Addiction Treatment Centres ("DATCs")

Action

operated by the Correctional Services Department ("CSD") was lower than that of other rehabilitation programmes, and enquired how the Government would improve the services of DATCs operated by CSD. In addition, he pointed out that according to the figures provided by the Department of Health in 2016, under the services of the six residential DTRCs provided by the voluntary agencies subvented by the Department, drug abusers got to wait as long as 8.6 weeks to 20.4 weeks for admission. He enquired how ND would improve the problem of prolonged waiting time.

51. C for N advised that CSD was providing drug treatment services for persons ordered to be detained at DATCs operated by CSD. Upon completion of drug treatment programmes, DATC inmates would be subject to a one-year post-release supervision by CSD. She would provide supplementary information on the success rate of drug treatment programmes of DATCs operated by CSD. As for the waiting time for residential DTRCs, C for N pointed out that there were currently over 1 500 residential places in total offered by the DTRCs all over Hong Kong, and their usage rate was around 50%. Waiting was normally not required for drug abusers wishing to receive residential drug treatment services, and it only took around two to three weeks to complete the admission arrangements. However, admission might take a longer time for individual cases due to the personal or family or other problems of drug abusers.

*[Post-meeting note: The supplementary information provided by the Administration was circulated to members on 25 April 2018 vide LC Paper No. ESC117/17-18(01).]*

52. Mr SHIU Ka-chun pointed out the rising trend in the number of psychotropic substance abuse cases in recent years, but the waiting time for first appointment at substance abuse clinics ("SACs"), which provided treatment for such persons, was prolonged due to their manpower shortage. He enquired how the Government would improve the waiting time at SACs.

53. C for N said that SACs were currently available in all of the seven clusters of the Hospital Authority ("HA"). New cases could be referred to SACs within one week at the earliest, and waiting time would normally span not more than four weeks; HA had not reduced the resources allocated to SACs.

54. Mr SHIU Ka-chun enquired whether the Government would enhance the drug treatment services for pregnant drug abusers and mothers with drug abuse behaviours upon the creation of the PAS(N)2 post. He



Action

suggested that the Government should consider arranging the children of these drug abusers to be admitted to DTRCs together so as to strengthen the drug abusers' determination to quit drugs.

55. C for N advised that drug treatment services for pregnant drug abusers and mothers with drug abuse behaviours were currently available at residential DTRCs and community-based CCPSAs. In addition, under the Regular Funding Schemes between 2014 and 2017, BDF had funded over 10 T&R programmes dedicated to such drug abusers involving a total funding provision exceeding \$35 million. Anti-drug service providers held divergent views on the proposal of allowing the children of drug taking mothers to be admitted to DTRCs together. Some organizations were concerned that this might affect the mothers' progress of drug treatment, and that DTRCs might not be able to meet the legal or technical standards required for the caring and protection of children.

Promoting anti-drug preventive education in secondary schools

56. Mr AU Nok-hin and Mr CHAN Chi-chuen were concerned that when the Government announced the consultation conclusion on the RESCUE Drug Testing Scheme in 2014, there was widespread community concern about the legal and privacy issues involved in the Scheme. They enquired whether PAS(N)2 would conduct a second-stage consultation on the RESCUE Drug Testing Scheme, and how the relevant legal and privacy issues would be handled.

57. In response, C for N pointed out that when the Action Committee Against Narcotics ("ACAN") made the first-stage consultation conclusion on the RESCUE Drug Testing Scheme in July 2014, views towards the Scheme were roughly split. ACAN recommended that the Government should continue to explore how to devise a suitable mechanism for drug abusers to receive drug treatment and address stakeholders' concerns. The Government understood the controversy involved and the lack of consensus in the community, so the Government had not set any timetable for a second-stage consultation at present. She supplemented that the Government would consult the Panel on Security should there be another consultation on the Scheme.

58. Pointing out that HSP had not been able to identify drug taking students effectively since its implementation, Mr SHIU Ka-chun urged the Government to review the Programme. In addition, he requested the Government to provide the number of confirmed case(s) of drug taking student(s) as identified under the Programme.

Action

59. C for N pointed out that HSP was a school-based preventive education initiative aimed at promoting healthy lifestyle and positive values to students as well as enhancing students' resolve to refuse drugs, rather than identifying drug taking students. There had been one confirmed case of drug taking student as identified under the Programme since its implementation, and a support programme had been formulated to help the student. Regarding the effectiveness of HSP, the BDF Association commissioned a research organization to conduct an independent evaluation in the 2015-2016 school year. The research findings showed that teachers, students as well as parents from participating schools affirmed the effectiveness of the Programme, which they believed could effectively enhance students' understanding of the harmful effects of drugs and their drug refusal skills.

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 25 April 2018 vide LC Paper No. ESC117/17-18(01).]

60. Noting from the Government's paper that the Government launched the trial programme "Participate in Sports, Stay Away from Drugs" in the 2017-2018 school year, Mr CHAN Chi-chuen enquired about the details and effectiveness of the programme.

61. C for N said that the trial programme "Participate in Sports, Stay Away from Drugs" was implemented in secondary schools to allow students to develop healthy lifestyles and a positive mindset through their participation in sports or health-related activities so as to achieve the objective of staying away from drugs. Currently, there were 110 participating schools. According to ND's preliminary observation, participating schools viewed the Programme positively in respect of the dissemination of anti-drug messages. ND would analyze the final reports submitted by participating schools at the end of the school year to review how to continue its implementation in the coming school year.

Licensing issues relating to drug treatment and rehabilitation centres

62. Noting from paragraph 13 of the Government's paper that 11 out of the existing 37 DTRCs had yet to be licensed under the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance (Cap. 566) and needed to operate on certificates of exemption, Mr AU Nok-hin enquired whether the provision of services by DTRCs would thus be affected, and requested the Government to provide information on the 11 DTRCs yet to meet statutory licensing requirements.

Action

63. C for N said that 3 out of these 11 DTRCs needed to undertake in-situ upgrading projects which were estimated to complete in the coming years, and licences could be obtained by then. The other eight needed to be reprovisioned to new sites as they were located on sites unsuitable for long-term operations. Generally speaking, it took at least five years for a project to complete, starting from identification of a new site to obtaining the licence. In addition, it was not easy to identify suitable sites for setting up DTRCs. ND would maintain liaison with these DTRCs to assist them in identifying new sites. She supplemented that the 11 DTRCs were currently operating on certificates of exemption and could provide drug treatment services as usual.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 25 April 2018 vide LC Paper No. ESC117/17-18(01).]

Problem of hidden drug abuse

64. Ms YUNG Hoi-yan was concerned that as pointed out in the Government's paper, the median drug history of newly reported drug abusers was 4.6 years, and the majority of the abusers took drugs at home or friends' homes. This reflected how serious the problem of hidden drug abuse was. She enquired whether the work of PAS(N)2 would include setting indicators for shortening the median drug history to expeditiously identify hidden drug abusers and provide them with suitable drug treatment and counselling services.

65. C for N explained that drug history reflected the time lapse between a drug abuser's first drug abuse and it being newly reported. For drugs with stronger withdrawal symptoms of drug addiction, the drug abusers concerned would normally seek drug treatment services within a shorter time. Meanwhile, for drugs with fewer withdrawal symptoms, the drug abusers would not have that strong desire to quit drugs, and their drug history would also be longer. As the length of drug history might vary with the types of drugs taken, it would be inappropriate for the Government to set specific indicators for shortening the drug history. She added that the Government was concerned about the problems of hidden drug abuse and long drug history. The strategies adopted by ND were to identify the reasons for drug abusers' delay in seeking drug treatment services and to explore with anti-drug service providers on how to introduce corresponding programmes to encourage drug abusers to seek assistance as soon as possible.

Action

66. Mr SHIU Ka-chun pointed out that the social welfare sector generally considered that the Government had erroneously adopted a deterrent approach to disseminating anti-drug messages all along and demonized the drug abusers, who felt alienated by the community and refused to seek assistance as a result, hence the serious problem of hidden drug abuse. He also pointed out that the Advisory Council on AIDS had supported social welfare organizations' programmes to distribute needles among specific groups of drug abusers with a view to reducing their chance of being infected with AIDs and other blood-borne diseases by minimizing the shared use of needles. However, under the influence of the Government's zero-tolerance anti-drug policy, the Advisory Council on AIDS had ceased support to such kind of programmes, thereby exposing the drug abusers to a higher risk of infection. Mr SHIU urged the Government to review its existing anti-drug publicity strategies of zero tolerance to drug abusers, so as to encourage drug abusers to seek drug treatment services as soon as possible and avoid implications on social welfare organizations' needle distribution programmes. In addition, he invited C for N to meet with the social welfare sector on a regular basis to exchange views on anti-drug work.

67. C for N responded that Hong Kong adopted a multi-pronged approach to T&R services to provide different channels for drug abusers of various backgrounds to seek assistance. ND had also been launching different types of publicity programmes in collaboration with various anti-drug service providers and organizations to encourage drug abusers to receive drug treatment, including video on social media to disseminate anti-drug messages. In addition, BDF had also sponsored anti-drug service providers' online outreach programmes and looked into ways to reach out to hidden drug abusers through big data analysis to provide them with information on drug treatment services. As for AIDs prevention and control measures, they came under the policy purview of the Food and Health Bureau and the Department of Health.

68. Regarding the cooperation with the social welfare sector with respect to anti-drug work, C for N advised that ND currently gauged views from stakeholders in the anti-drug sector and exchange views with them in respect of the latest anti-drug information and the Government's anti-drug strategies through a number of consultation platforms with the presence of the social welfare sector (including ACAN and its two subcommittees, as well as the Drug Liaison Committee). She was pleased to exchange views with stakeholders in the anti-drug sector on occasions other than these platforms.

Action

Trend of drug abuse

69. Quoting the Government's paper, Ms YUNG Hoi-yan pointed out that the number of reported "Ice" abusers had been continually increasing in recent years, and enquired about the latest situation of "Ice" abuse.

70. C for N advised that "Ice" was the most commonly abused psychotropic substance in recent years. According to the latest statistics, the number of reported "Ice" abusers in 2017 had reduced by 31% compared with 2016, reflecting the effectiveness of the various drug treatment services.

71. Mr CHAN Chi-chuen pointed out that apart from "Ice", youngsters were ignorant about cannabis in general, and there was also a rising trend in the number of cannabis abusers. He enquired about the Government's plans in enhancing youngsters' knowledge about the harmful effects of cannabis abuse.

72. C for N mentioned that the number of cannabis abusers under 21 years old had been on the rise in recent years. In order to strengthen publicity, ND released a video on social media to introduce the harmful effects of cannabis in February this year. In addition, HSP had also strengthened its efforts in publicizing the harmful effects of cannabis abuse to the students of participating schools to alert them of the potential drug addiction caused by cannabis abuse.

Research projects supported by the Beat Drugs Fund

73. Mr AU Nok-hin pointed out that BDF had supported a number of anti-drug related research projects in 2013-2014, and enquired about the latest progress of these projects. Mr SHIU Ka-chun advised that the research projects supported by BDF normally lasted for two to three years. Amid an evolving drug abuse situation, research projects which were too lengthy might fall behind the latest drug trend. He urged PAS(N)2 to review the operation of BDF to ensure that the research projects it supported could effectively cope with the ever-changing anti-drug work.

74. C for N said that the studies mentioned by Mr AU were still in progress. In addition, over the past few years, BDF had supported a number of research projects dedicated to the drug abuse situation. Upon their completion, ND would upload the research reports to its website for public reference.

Action

Voting on the item

75. The Chairman put the item EC(2017-18)21 to vote. At the request of Mr CHAN Chi-chuen, the Chairman ordered a division, and the division bell rang for five minutes. Nineteen members voted for the item and one abstained from voting. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

*For*

|                    |                      |
|--------------------|----------------------|
| Mr Abraham SHEK    | Mr WONG Ting-kwong   |
| Dr Priscilla LEUNG | Mr Charles Peter MOK |
| Mr CHAN Chi-chuen  | Dr Fernando CHEUNG   |
| Mr IP Kin-yuen     | Mr POON Siu-ping     |
| Mr Holden CHOW     | Mr SHIU Ka-fai       |
| Mr SHIU Ka-chun    | Ms YUNG Hoi-yan      |
| Dr Pierre CHAN     | Mr CHAN Chun-ying    |
| Mr KWONG Chun-yu   | Mr Jeremy TAM        |
| Mr AU Nok-hin      | Mr Vincent CHENG     |
| Mr Tony TSE        |                      |
| (19 members)       |                      |

*Abstain*

Mr CHU Hoi-dick  
(1 member)

76. The Chairman consulted members on whether the item would require separate voting at the relevant FC meeting. No member made such a request.

|                      |   |
|----------------------|---|
| <b>EC(2017-18)20</b> | <b>Proposed creation of one permanent post of Principal Economist (D2) in the Economic Analysis and Business Facilitation Unit under the Financial Secretary's Office with effect from 1 April 2018 or with immediate effect upon approval by the Finance Committee (whichever the later) to lead a newly established team to support the fifth-term Government's policy priority on diversifying the economy and promoting Hong Kong's long-term competitiveness</b> |
|----------------------|---|

Action

77. The Chairman remarked that the staffing proposal was to create one permanent post of Principal Economist ("Pr Econ") (D2) in the Economic Analysis and Business Facilitation Unit ("EABFU") under the Financial Secretary's Office (designated as "Pr Econ (6)") with effect from 1 April 2018 or with immediate effect upon approval by FC (whichever the later) to lead a newly established team (i.e. Section VI) to support the fifth-term Government's policy priority on diversifying the economy and promoting Hong Kong's long-term competitiveness.

78. The Chairman pointed out that the Government consulted the Panel on Public Service ("PS Panel") on the proposal on 20 November 2017. In his briefing on PS Panel's discussion, PS Panel Chairman Mr POON Siu-ping said that during the meeting, some members requested the Administration to hire an economic expert with higher education qualifications from the private sector to take up the proposed post so as to strengthen the research efforts with innovative and diverse perspectives. The Government advised that the qualifications and experience of the existing staff in EABFU were sound. Since Pr Econ was a promotion rank, EABFU would need to follow the established procedures of the civil service to conduct a promotion exercise. If no suitable candidate could be identified, the Administration would consider other filling arrangements in accordance with the established mechanism, such as open recruitment. Furthermore, members present requested the Government to consult a relevant panel on the policy issues to be undertaken by the new post before submitting the proposal to ESC for endorsement. Members passed two motions at the meeting regarding the recruitment for the post and EABFU's work. The Administration's response to the motion was circulated to all Members on 12 December 2017 vide LC Paper No. CB(4)359/17-18.

The arrangements for panel consultation

79. Mr Jeremy TAM pointed out that at PS Panel's meeting on 20 November 2017, members requested the Government to consult an appropriate panel, such as the Panel on Economic Development ("EDev Panel") and/or Panel on Financial Affairs ("FA Panel"), on relevant policy issues before submitting the proposal to ESC for endorsement. He noted that the Government had referred the proposal to EDev Panel Chairman for consideration, but EDev Panel Chairman commented that the staffing proposal did not fall within the panel's terms of reference, so no arrangement was made for its discussion. Mr TAM enquired whether the Government had referred the proposal to FA Panel for its discussion. The Chairman shared Mr TAM's concern.

Action

80. Acting Government Economist, Financial Secretary's Office ("G Econ(Atg)") advised that staffing proposals relating to EABFU in the past were directly submitted to ESC for endorsement after PS Panel consultation. In response to PS Panel's request, the Government had referred the proposal to EDev Panel Chairman to consider whether further discussion on relevant policy issues by EDev Panel was needed. Subsequently, EDev Panel Chairman commented that the staffing proposal did not fall within the panel's terms of reference, so no further consultation with EDev Panel on the proposal was arranged.

*(Post-meeting note: The Administration had followed up on the members' concern. FA Panel Chairman, after being consulted, commented that the proposal did not fall within FA Panel's terms of reference.)*

Research efforts on enhancing Hong Kong's competitiveness

81. Mr AU Nok-hin opined that the development of education and technology was closely related with a city's competitiveness. He enquired whether the research efforts on international competitiveness and new economic growth drivers undertaken by Section VI to be led by Pr Econ (6) would include education and technology related indexes, particularly whether matters relating to the World Talent Report 2017 published by the International Institute for Management Development ("IMD") in Lausanne, Switzerland would be covered. He also enquired whether Pr Econ (6) would provide analyses and opinions to policy bureaux on enhancing Hong Kong's strategies for talent training in respect of innovation and technology (including cooperating with universities to provide training programmes).

82. G Econ(Atg) replied that Pr Econ (6) would lead Section VI to strengthen its research efforts on new growth drivers and innovation capacity, as well as undertake in-depth analyses of Hong Kong's strengths and weaknesses in the global competitiveness landscape. He pointed out that compared with infrastructure, economic system, business efficiency, etc., Hong Kong's international ranking in respect of competitiveness in innovation and technology was relatively low. In this connection, Section VI expanded its portfolio coverage to the World Intellectual Property Organization's Global Innovation Index, IMD's World Digital Competitiveness Ranking and the World Economic Forum's Global Information Technology Report since last year. Research on education and technology related indexes were covered in these reports. On talent training, G Econ(Atg) cited the lack of talents in respect of science, technology, engineering and mathematics in Hong Kong as an example, and Section VI would analyse and study the impact of those talent training



Action

indicators on competitiveness. G Econ's team would also provide analyses and recommendations to the Human Resources Planning Commission led by the Chief Secretary for Administration to facilitate the formulation of relevant policies by the Commission.

83. The Chairman remarked that as some members were still waiting for their turn to ask questions, the Subcommittee would continue the discussion on this item at the next meeting.

84. The meeting ended at 6:30 pm.

Council Business Division 1  
Legislative Council Secretariat  
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