



**Legislative Council
of the
Hong Kong Special Administrative Region
Finance Committee**

**Report on the examination of the
Estimates of Expenditure 2019-2020**

July 2019

Finance Committee

Report on the examination of the Estimates of Expenditure 2019-2020

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Chapter I : Introduction

1.1 At the Legislative Council meeting of 27 February 2019, the Financial Secretary of the Hong Kong Special Administrative Region Government introduced the Appropriation Bill 2019. Following the adjournment of the Bill at Second Reading and in accordance with Rule 71(11) of the Rules of Procedure, the President of the Legislative Council referred the Estimates of Expenditure to the Finance Committee for detailed examination before the Bill was further proceeded with in the Council.

1.2 The Finance Committee set up under Rule 71(1) of the Rules of Procedure comprises all Members of the Council except the President. The Committee held 21 sessions of special meetings over five days from 8 to 12 April 2019 to examine the Estimates of Expenditure. The purpose of these special meetings was to ensure that the Administration was seeking a provision no more than was necessary for the execution of the policies of the Government for 2019-2020.

1.3 To facilitate the smooth conduct of business, members of the Committee were invited to submit written questions on the Estimates of Expenditure using a web-based application system. A total of 7 109 written questions were received and forwarded to the Administration for replies. The Administration provided replies to the first 3 300 questions before the special meetings and replies to the remaining questions that were in order before the third Budget meeting of 8 May 2019. Members' questions and the Administration's replies have been uploaded onto the Council's website.

1.4 Each session of the special meetings from 8 to 12 April 2019 was dedicated to a specific policy area and attended by the respective Director of Bureau and Controlling Officer. The schedule of the 21 sessions is given in **Appendix I**. At the start of each session, the Director of Bureau/Controlling Officer concerned gave a brief presentation on the spending priorities and provisions sought under his/her programme areas. The Chairman then invited members to put questions to the Administration. The records of the proceedings of the 21 sessions are given in Chapters II to XXII. Supplementary questions and requests for further information from members were referred to the Administration for written replies after the meetings, while broad policy issues raised during the meetings were referred to

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the respective panels for follow up, where necessary.

1.5 A total of 149 supplementary questions and requests for additional information were referred to the Administration for reply after the special meetings. All the written replies to these questions were forwarded to members prior to the third Budget meeting on 8 May 2019. A summary of the number of the questions and additional requests for information is given in **Appendix II**.

1.6 The attendance of members and public officers at the special meetings is given in **Appendix III**. The speaking notes of Directors of Bureaux, the Secretary for Justice and the Judiciary Administrator at the special meetings are contained in **Appendix IV**.

1.7 This report, published in both Chinese and English, would be presented to the Legislative Council on 3 July 2019 in accordance with Paragraph 53 of the Finance Committee Procedure.

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2.1 At the invitation of the Chairman, Mr Joshua LAW, Secretary for the Civil Service ("SCS"), briefed members on the civil service establishment and the financial provisions relating to the policy area of central management of the civil service (Appendix IV-1).

Civil service establishment and grade structure review

2.2 Referring to Annex A to Reply Serial No. CSB019, Dr CHENG Chung-tai sought explanation for the estimated significant decrease by 135 civil service posts in the Hospital Authority ("HA") in 2019-2020 while positive changes were projected in the civil service establishment of most bureaux/departments ("B/Ds") during the same period. SCS explained that due to historical reasons, there were civil servants working in some statutory organizations, such as HA and Hong Kong Monetary Authority. As the related civil service posts would be deleted upon retirement of these civil servants, the reduction in the civil service establishment in HA was estimated based on the projected number of civil servants retiring in the financial year. HA would appropriately fill the subsequent vacancies by its own staff.

2.3 Referring to Reply Serial No. CSB045, Mr Holden CHOW sought information on the number of staff consultation fora held on the grade structure review for the disciplined services grades. SCS explained that at the invitation of the Government, the Standing Committee on Disciplined Services Salaries and Conditions of Services ("SCDS") had commenced work on the review together with the Standing Committee on Directorate Salaries and Conditions of Service, with the latter to advise on the salaries and conditions of service of the heads of the disciplined services. SCDS had met with both the management and the staff side representatives of the disciplined services. The two advisory bodies had invited them to submit proposals by end March 2019. He had also exchanged views with disciplined services staff, including the staff side of the Disciplined Services Consultative Council, on the scope and progress of the review, and other issues of concern to their grades at regular meetings. SCS assured members that the Administration would maintain close communication with disciplined services staff. He was also confident that the two advisory bodies would ensure full participation of the staff side in the course of the review.

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Extension of service of civil servants

2.4 Referring to Annex A to Reply Serial No. CSB023, Mr Jimmy NG sought explanation for the low percentage of eligible civil servants who had opted for extension of service in the Financial Services and the Treasury Bureau and the Innovation and Technology Bureau. SCS advised that serving civil servants who joined the Government between 1 June 2000 and 31 May 2015 were given the option to extend their service by five years, and they could, having regard to their own circumstances, decide whether or not to take this option within the two-year option period which commenced in September 2018. As the option period had only commenced six months ago, it was too early at this stage to analyse the differences in the numbers of eligible civil servants who had taken the option among various B/Ds.

2.5 Noting from Reply Serial No. CSB004 that the Post-retirement Service Contract ("PRSC") Scheme received favourable response, Dr CHIANG Lai-wan asked whether there were part-time positions provided under the Scheme so that applicants could enjoy more flexibility. SCS advised that B/Ds might, having regard to their operational and service needs, engage retired/retiring civil servants on contract terms under the Scheme to undertake ad hoc, time-limited, seasonal or part-time tasks that required specific civil service expertise/experience. Dr CHIANG urged the Administration to provide more part-time positions under the Scheme so as to allow more opportunities for experienced civil servants to continue to make contributions beyond their retirement age.

2.6 Referring to Annex A to Reply Serial No. CSB004, Dr CHENG Chung-tai asked whether the relatively higher number of full-time PRSC staff employed by the Correctional Services Department and the Customs and Excise Department indicated that the two departments were facing succession problem arising from the retirement wave. SCS responded that the PRSC Scheme allowed Heads of Grade/Heads of Department ("HoGs/HoDs") to further employ retired officers according to their own operational needs. It was therefore difficult for the Civil Service Bureau ("CSB") to provide specific reasons for the number of PRSC staff engaged by individual

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B/Ds. Dr CHENG, however, considered that CSB should look into the situation with the relevant departments, particularly the Correctional Services Department as there had been reports of management issues in some correctional institutions.

Civil service training and development

2.7 Noting from Reply Serial Nos. CSB008 and CSB052 that the new civil service college was expected to be completed by 2026, Mr CHAN Chun-ying pointed out that similar civil service training institutes in Singapore and Canada organized training programmes on a wide range of subjects, including finance and information technology, for their own civil servants. He was concerned how currently such professional knowledge could be delivered to civil servants through systematic training and how the expenditures on the relevant training programmes were accounted for in the Estimates before the commissioning of the new civil service college.

2.8 SCS advised that the Civil Service Training and Development Institute ("CSTDI") under CSB focused on training that fulfilled the common training needs of civil servants, such as induction training for new recruits, leadership development, innovation and technology training and national studies. If individual B/Ds considered that there was a need for staff training in specific areas, CSTDI would provide them with necessary support and assistance. As regards the funding arrangement for training programmes organized by CSTDI, SCS advised that the related expenditures were accounted for under the relevant subhead of Head 143- Government Secretariat: Civil Service Bureau.

2.9 Noting that the site for constructing the new civil service college would also accommodate other community facilities, Mr WU Chi-wai enquired about the allocation of space area between the new civil service college and other community facilities. SCS advised that the Administration was currently carrying out the preliminary planning work for the project. Upon completion of the preparatory work, the Administration would submit the funding proposal, which would contain details on the use of floor area, for consideration by the Finance Committee.

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2.10 Dr CHIANG Lai-wan enquired about the financial provision for the relocation of the Shine Skills Centre (Kwun Tong) arising from the construction of the new civil service college. SCS advised that the relevant department had earmarked provision for such purpose.

2.11 Referring to Reply Serial No. CSB007, Dr CHIANG Lai-wan asked whether the contents of national studies training programmes for civil servants were prepared by the Administration or the Mainland universities which organized such programmes. SCS advised that the course contents were formulated by the Administration having regard to the need for enhancing the staff's knowledge in such topics as the Constitution of the People's Republic of China, the Basic Law and the Guangdong-Hong Kong-Macao Greater Bay Area's development, etc.

2.12 Mr LEUNG Che-cheung noted with concern from Reply Serial No. CSB013 that in the past three years only about 710 talks on civil service integrity were organized each year for some 170 000 civil servants, with an average attendance of about 28 200 civil servants per year. SCS stressed that the Administration attached great importance to civil service integrity. In addition to the aforesaid training programmes, web-based learning resources on civil service integrity were available at CSTDI's Cyber Learning Centre Plus. He assured members that, subject to resources availability, CSB would strive to strengthen civil service training on integrity.

2.13 Mr Charles Peter MOK considered that apart from the civil service training courses on innovation and technology set out in Reply Serial No. CSB041, more focused training in this regard should be provided for senior officials including Heads of B/Ds to equip them with the knowledge in the use of innovation and technology so that they could take forward the related policies and public services under the Smart City Blueprint for Hong Kong. SCS took note of Mr MOK's views, and added that a wide variety of training programmes on innovation and technology had been provided for directorate officers and continued efforts would be made in this regard.

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2.14 Referring to Reply Serial No. CSB053, Mr WU Chi-wai sought information on the premises used by each B/D for providing training for their staff, including whether the premises were self-owned or rented and the related rental expenses, etc. SCS explained that individual government departments would use their own facilities and resources to provide suitable training programmes specifically for their staff. As such, CSB had no information in this regard.

Civil service fringe benefits

2.15 Noting from Reply Serial No. CSB062 that the Department of Health ("DH") currently did not provide Chinese medicine ("CM") services for civil service eligible persons ("CSEPs"), Mr CHAN Chun-ying pointed out that some public hospitals were providing such services for members of the public in collaboration with local universities. He asked whether arrangements could be made with these hospitals to include CM services in the scope of civil service medical benefits. Dr CHIANG Lai-wan referred to Reply Serial No. CSB014 and enquired about the time frame for the Administration to complete its study on the introduction of designated CM services as part of the civil service medical benefits.

2.16 SCS responded that the Chief Executive announced in the October 2018 Policy Address that the Administration had decided to explore an appropriate arrangement for providing CSEPs with defined CM services as part of the civil service medical benefits. To this end, the Administration was actively examining the implementation issues, such as the scope of services, mode of services and financial arrangements, with the relevant parties. The initial thinking was that dedicated clinics would be set up to provide free CM services to CSEPs for treatment of diseases. He appealed to members' understanding that it would take some time to work out the implementation details. The Administration would announce the arrangement details to the staff side as soon as possible.

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2.17 Referring to Reply Serial No. CSB061, Mr POON Siu-ping enquired about the respective reasons for the increase in waiting time of CSEPs for appointment for elective consultation for specialized dental services from four to 33 months in 2017 to six to 42 months in 2018; and a much longer range of waiting time in the latter. He also noted with concern that the Administration would not consider at the present stage the suggestion of providing dental services for CSEPs through public-private partnership because of a number of complicated factors of consideration. Citing the introduction of cataract surgery and colon assessment under HA's Public-Private Partnership Programme as examples, he asked when the Administration would re-consider the aforesaid proposal.

2.18 Deputy Director of Health explained that the specialized dental services for CSEPs covered various kinds of services, including Periodontology, Prosthodontics and Orthodontics, etc. and thus the waiting time could vary greatly depending on the type and complexity of related dental treatments. In fact, CSB had provided additional resources for DH to enhance the dental services in view of the huge demand from CSEPs. Subject to resource availability, DH would continue its efforts to further enhance the service capacity with a view to shortening the waiting time.

2.19 Given that the setting up of families clinics required public monies, Mr WU Chi-wai asked whether consideration could be given to opening up DH's families clinics for public use during some of the timeslots. SCS responded that the Administration, as the employer of civil servants, had a contractual obligation to provide civil service medical benefits. Families clinics were operated by DH for the dedicated use by CSEPs, and the limited service capacity of existing families clinics had made them difficult to spare resources to cater for public demands.

2.20 Mr CHAN Chi-chuen considered that the Administration, as the employer of civil servants, should ensure that their same-sex spouses were treated equally as those of opposite sex in accordance with its Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation. In the light of the Administration's new initiative of relaxing the spouse requirement of travelling with

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spouse only under the Long and Meritorious Service Travel Award ("LMSTA") Scheme and allowing awardees to flexibly nominate a travelling companion to receive the travel allowance, he asked whether similar administrative arrangements could be made to extend some of the civil servants' fringe benefits to their same-sex spouses before any changes were made to the statutory definition of spouse.

2.21 SCS responded that the Administration provided fringe benefits for civil servants in accordance with the existing Civil Service Regulations. As there was an ongoing judicial review case on the relevant issue, he considered that any changes in relation to the provision of fringe benefits for same-sex spouses should only be considered after the Court had handed down a decision on the case. As for the relaxation of the travelling with spouse requirement to include any companions for the LMSTA Scheme, SCS explained that the arrangement was made having regard to staff views and various considerations.

Implementation of five-day week

2.22 Noting from Reply Serial No. CSB044 that there was still 25% of civil servants who had yet to work on a five-day week ("FDW") pattern, Mr POON Siu-ping asked whether the Administration would consider conducting a comprehensive review on the implementation progress of FDW for civil servants of individual grades and introducing new policies or measures to facilitate full implementation of FDW in the civil service. SCS responded that the Administration would brief members in detail on the latest position of the implementation of FDW in the Government at the regular meeting of the Panel on Public Service in April 2019.

Employment of persons with disabilities in civil service

2.23 Whilst commending the Administration for its efforts in promoting the employment of persons with disabilities ("PWDs") in the civil service, Mr LEUNG Che-cheung noted with concern from Reply Serial No. CSB005 the low number of civil servants with disabilities serving in some B/Ds, including Security Bureau, Transport and Housing Bureau, Hong Kong Observatory, Information Services

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Department, Invest Hong Kong and Radio Television Hong Kong. He considered that more efforts should be made by CSB to urge these B/Ds to employ a certain proportion of PWDs.

2.24 SCS stressed that CSB had all along been encouraging HoGs/HoDs to recruit PWDs should there be suitable vacancies available for them. In fact, facilitating measures had been put in place by CSB to ensure that candidates with disabilities would enjoy equal opportunities in the recruitment process and be given an appropriate degree of preference for appointment if they were found suitable for employment. He assured members that CSB would continue its efforts to promote the employment of PWDs in the civil service.

Non-civil service contract staff

2.25 Referring to Annex A to Reply Serial No. CSB016, Dr CHENG Chung-tai sought explanation for the relatively large number of full-time non-civil service contract staff eligible for taking paid sick leave for less than four days in the Education Bureau, Electrical and Mechanical Services Department and Hongkong Post. SCS responded that the B/Ds concerned would be in a better position to provide such further information.

Other issue of concern

2.26 Referring to Reply Serial No. CSB039, Ms Claudia MO expressed concern about the increasing use of Mainland terms in the Administration's letters and documents and public officers' speeches, as well as the continuous use of some archaic English words in the daily work of civil servants. She urged the Administration to make improvement in this regard. SCS responded that the Administration would review the civil service language practices from time to time. He took note of Ms MO's views and would relay her concern to the responsible staff for their consideration.

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3.1 At the invitation of the Chairman, Ms Teresa CHENG, Secretary for Justice ("SJ"), and Miss Emma LAU, Judiciary Administrator ("JA") highlighted the major financial provisions and key programmes related to the policy portfolios of administration of justice and legal services (Appendices IV-2-a and IV-2-b).

Matters in relation to the handling of cases by the courts

Measures to enhance protection for complainants in sexual offence cases in court hearings

3.2 Referring to Reply Serial Number JA013, Mr Holden CHOW expressed concern about the low number of cases involving the applications to use screens in legal proceedings involving sexual offences at both the District Court ("DC") and Magistrates' Courts ("MCs"). He hoped the Judiciary would take measures to encourage the wider use of screens for the enhanced protection of complainants in sexual offence cases.

3.3 JA explained that under the current practice, after applications were made by relevant parties, the courts would consider whether to approve the provision of screens in respect of such applications. She pointed out that over the past three years, an overwhelming majority of the relevant applications made to the High Court ("HC"), DC and MCs had been approved.

3.4 Mr SHIU Ka-chun pointed out that the Statute Law (Miscellaneous Provisions) Bill 2017, which was passed in 2018, conferred on the court a discretion to permit a complainant of specified sexual offences to give evidence in proceedings by way of a live television link. In addition, subject to the judge's discretionary approval, the court might also provide screens to prevent the accused and/or the public from seeing the witnesses/complainants as a means to protect the complainants. However, some sexual violence concern groups had relayed to him that there were cases where the court, in view of the objection raised by the defence, rejected the applications to use the aforementioned measures with no explanation given to the applicants, thus putting the complainants/victims under great psychological pressure. He enquired about the measures taken by the

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courts that would allow the complainants to enjoy the rights they were entitled to.

3.5 JA pointed out that under the current procedures, applicants were allowed to apply for the use of screens, and judges would take all relevant factors into account when considering such applications before determining whether approval was to be granted. In view of the principle of judicial independence, it was inappropriate for her to comment on judicial decisions. However, she reiterated that the ratio of approval granted to the applications for the use of screens over the past few years was very high, amounting to 100% for HC and DC and about 99% for MCs.

The time needed for the delivery of judgments

3.6 Mr Dennis KWOK referred to Reply Serial Number JA023, which stated that it took an average of 53 days for the Court of First Instance ("CFI") of HC to deliver judgments in respect of cases of civil trials/substantive hearings. However, according to his personal experience and what people in the legal profession had relayed to him, the actual time taken from the conclusion of hearing to the delivery of judgments at various levels of court was way longer than 53 days, ranging from three to six months. There were even cases where judgments were delivered after a year or two.

3.7 JA explained that the time mentioned in Reply Serial Number JA023 referred to the average time taken. As she pointed out in the reply, the tabulated figures were live data which might vary at different report generation date and time. Normally, the figures for a year would become stable by the end of the subsequent year when judgments for most of the cases concluded in the year were delivered. Mr Dennis KWOK requested supplementary information from the Judiciary Administration on the number of civil trial cases where the time taken for the delivery of judgments exceeded six months.

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Progress of taking forward the Information Technology Strategy Plan

3.8 Dr Junius HO expressed grave concern about the Judiciary's slow progress in taking forward the Information Technology Strategy Plan ("ITSP"). He referred to Reply Serial Number JA016 and pointed out that while electronic means had long been in use for processing court documents in Southeast Asia (e.g. Singapore), Hong Kong was lagging behind the region for at least 10 years in this regard, and yet the Judiciary was still unable to provide a specific timetable for taking forward ITSP. He noted that the Judiciary still needed to introduce a new bill and prepare several sets of court procedural rules and Practice Directions for taking forward ITSP. He enquired if relevant technical issues had matured and whether the Judiciary was able to complete the relevant legislative exercise within the current term of the Legislative Council.

3.9 JA explained that the Judiciary had been working proactively to take ITSP forward in an incremental manner in stages. She said that a component relating to payment collection had been rolled out to DC and the Summons Courts of MCs, and other components as well as various parts of ITSP would be introduced one after another. Work relating to the technicality, operation and legislative amendment for each stage would be carried out concurrently, and that relating to legislative amendment and consultation of stakeholders had also commenced. The Judiciary would consult members of the Panel on Administration of Justice and Legal Services ("AJLS Panel") in its meeting in April 2019 on relevant legislative amendment proposals as well as the post-amendment operations. The legislative proposals relating to the rolling out of ITSP Stage 1 involved amendment to both principal and subsidiary legislation. The Judiciary looked forward to their passage within the current legislative session.

Legislative reviews

3.10 Dr Priscilla LEUNG was concerned about the remarks made by the Chief Justice in early 2019 that the proliferation of cases involving non-refoulement claims had substantially increased the workload of the courts and put much pressure on the courts at CFI level and above, hence the Judiciary would liaise with the Department of

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Justice ("DoJ") with a view to exploring the feasibility of introducing modest legislative amendments so as to facilitate a more efficient handling of such cases. Dr LEUNG enquired about the progress of the study in this regard.

3.11 SJ said that DoJ would provide legal advice on the Judiciary's proposed legislative amendments and had commenced the discussion with the Judiciary on the aforementioned matters. JA added that the legislative amendment proposals in the pipeline were not just applicable to the procedures for handling cases involving non-refoulement claims; instead, they were meant to review ways to enhance the efficiency of civil judicial proceedings. It was the Judiciary's plan to consult AJLS Panel on the proposed legislative amendments shortly.

3.12 Dr Priscilla LEUNG also pointed out that in view of the recent ruling made by the Court of Final Appeal ("CFA") in respect of the prosecutions instituted under "access to computer with criminal or dishonest intent" of section 161 of the Crimes Ordinance, it was necessary for the Administration to examine amending existing law or enacting new legislation with a view to combating the relevant crimes. On the other hand, the Administration also needed to examine amending election-related legislation to provide a clearer legal basis for Returning Officers and relevant officers to handle matters in relation to running in elections, so as to reduce the likelihood of judicial review proceedings and alleviate the workload of the courts.

3.13 SJ advised that DoJ was now proactively engaged with the Security Bureau in examining ways to follow up on the aforesaid CFA ruling. She pointed out that the Review of Sexual Offences Sub-committee of the Law Reform Commission of Hong Kong ("LRC") had been studying the legislative amendment exercises relating to sexual offences. In addition, LRC had set up a sub-committee in January 2019 to undertake a study on the subject of cybercrime to review, among others, existing legislation and other relevant measures.

3.14 Dr Priscilla LEUNG drew DoJ's attention as to whether the estimated expenditure for manpower enhancement was sufficient to address the aforesaid legislative review exercises.

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Introduction of a system for same-sex marriage or homosexual couples and the law reform exercise in relation to gender recognition

3.15 Mr CHAN Chi-chuen noted from Reply Serial Number SJ003 that the Inter-departmental Working Group on Gender Recognition ("IWG") had been briefed in late August 2018 by its Secretariat on a preliminary report in respect of the submissions from the public consultation. Currently, IWG was analyzing the submissions received and deliberating over various options. Upon completing the first part of the study on gender recognition, IWG would report on the results of the public consultation (including the specific numbers and categories of individual and group submissions) and the proposed way forward. He enquired about the time for publishing the report as well as the way forward for IWG (including whether a second-stage public consultation would be conducted).

3.16 In response, SJ pointed out that the work of IWG had been going on, and that while its preliminary study report had been completed by the end of August 2018, meetings had been held to analyze and discuss the submissions collected. She expected that a report would be submitted to relevant government policy bureaux for consideration within 2019. She pointed out that IWG would determine how its next step should be taken only after it had concluded the first stage and mapped out its way forward.

3.17 Mr CHAN Chi-chuen considered that the Administration should provide funding to expeditiously study the preparatory work needed once a system for same-sex marriage or homosexual couples was introduced in Hong Kong. He held that it would be too late to start the relevant work after judgments were made by the court on such judicial review cases, given the long lead time it took to complete the course of introducing such system.

3.18 SJ advised that matters relating to any study on a system for same-sex marriage or homosexual couples should be steered by relevant policy bureaux, and DoJ would provide legal advice upon their request.

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Proposed amendments to the Fugitive Offenders Ordinance (Cap. 503) and the Mutual Legal Assistance in Criminal Matters Ordinance (Cap. 525)

3.19 Dr KWOK Ka-ki pointed out that after the homicide case in Taiwan involving Hong Kong residents last year, the Taiwanese government had requested the Hong Kong Government to surrender the suspect from Hong Kong in the case on various occasions, but it was not until recently that the Administration raised proposed amendments to the Fugitive Offenders Ordinance ("FOO"). He enquired SJ about the role played by DoJ in how the Hong Kong Government responded to the Taiwanese authorities' requests and in putting forward the proposed legislative amendments.

3.20 Dr KWOK Ka-ki further pointed out that the proposed amendments to FOO were of concern not only to the people of Hong Kong and the business sector, overseas countries were also concerned that this might undermine "one country, two systems" and thus cause Hong Kong to lose sovereignty over the rule of law gradually. He considered that amending FOO would affect Hong Kong's economic status in the international arena. Dr KWOK enquired whether SJ had consulted foreign governments which maintained close business association with Hong Kong on the proposed legislative amendments; and communicated with the Mainland government to reflect different parties' worries over the amendment of FOO.

3.21 In reply, SJ said that the aforesaid proposed legislative amendment exercise was led by the Security Bureau and the Secretary for Security had explained this matter to Members. She advised that Hong Kong, as a society that upheld the rule of law, needed to put in place a system allowing Hong Kong and other jurisdictions to surrender fugitive offenders to each other. The current proposed legislative amendments aimed at refining FOO and the mechanism for surrender of fugitive offenders, so as to deal with the aforesaid homicide case in Taiwan as soon as possible.

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3.22 Dr KWOK Ka-ki referred to Reply Serial Number SJ031. He enquired about the number of visits to the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region ("the Liaison Office") made by SJ each year; among them, the number of times for which the aforesaid proposed legislative amendments were discussed. In reply, SJ said that she would make visits to the Liaison Office out of operational needs, but she had not compiled statistics on the number of visits.

3.23 Mr CHU Hoi-dick referred to Reply Serial Number SJ012. Regarding the 23 persons who "were not surrendered or had not yet been surrendered" from 2014 to 2018, he enquired about the number of them who had not been detained, as well as whether there were persons who were still detained at present. In addition, among the aforesaid 23 applications for surrender, the number of those in which surrender was refused during trials in Magistrates' Courts. SJ replied that as among the 23 cases there were cases to be handled or being handled, it was not appropriate for DoJ to provide comments in this regard on each case. Mr CHU Hoi-dick requested DoJ to provide supplementary information on the aforesaid issue he raised.

3.24 Mr CHU Hoi-dick enquired, under the proposed amendments to FOO, at what stage the police could detain the persons concerned before court hearings were conducted. SJ said that after the government of another jurisdiction made a request for surrender of fugitive offender(s) to the Hong Kong Government, DoJ would first examine whether the prima facie evidence of the case justified the continuation of the relevant procedure before making recommendations to the Chief Executive ("CE") who, upon her agreement, would issue an authority to proceed. Under such circumstance, the police could apply to a magistrate for an arrest warrant to arrest the person concerned, who would then be brought before the Court for a committal proceeding. As a final step, CE would decide if a surrender order would be made.

3.25 Ms Tanya CHAN referred to Reply Serial Number SJ012. She enquired whether Hong Kong had signed long-term surrender of fugitive offenders agreements with Romania. SJ confirmed that Hong Kong had not signed long-term surrender of fugitive offenders agreements with Romania. She advised that Romania's application

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was filed under the United Nations Convention Against Transnational Organized Crime ("the Convention"). She pointed out that the Convention was implemented under one of the subsidiary legislations under FOO. As the Convention was applicable to Romania and Hong Kong, Romania could apply for surrender of fugitive offenders from Hong Kong in accordance with the Convention.

3.26 Ms Tanya CHAN noted from Reply Serial Number SJ012 that among the offences involved in cases where persons were surrendered by Hong Kong to Romania and Singapore in the past five years, there were a number of offences involving commercial activities, but in the amendments to FOO and the Mutual Legal Assistance in Criminal Matters Ordinance ("MLAO") as proposed by the Administration recently, nine offences relating to commercial crimes were excluded. She enquired about the reasons for excluding the commercial crimes concerned. She further enquired about the anticipated impact on the Government's workload after the amendment of FOO and MLAO.

3.27 SJ advised that as various countries would only file the relevant applications for surrender of fugitive offenders to the Hong Kong Government when necessary, it was very difficult to predict the impact on manpower resources after the legislative amendment. The actual number of applications received by DoJ in the past five years in relation to requests for surrender of fugitive offenders was set out in Reply Serial Number SJ012. She explained that upon receipt of requests for surrender, the requests had to go through the procedure as mentioned in paragraph 3.24 above. The annual number of applications for surrender of fugitive offenders received by DoJ was more than that of persons surrendered.

Department of Justice's briefing out system

3.28 Mr Dennis KWOK referred to Reply Serial Number SJ041, and requested the Administration to provide information on the offices to which the briefed out counsels who were instructed for handling civil cases, construction cases and judicial review cases under DoJ's briefing out system belonged. SJ undertook to provide the relevant information after the meeting.

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3.29 Dr CHENG Chung-tai noted from Reply Serial Number SJ015 that among the cases in respect of which outside legal advice was sought by DoJ before making a prosecutorial decision, the number of those that did not involve member(s) of DoJ was obviously decreasing after the incumbent SJ's assumption of office. Particularly, he was concerned about DoJ's not seeking outside legal advice before deciding not to prosecute the former CE Mr Leung Chun-ying. Dr CHENG enquired whether DoJ had put in place relevant guidelines on seeking outside legal advice; if so, whether the relevant guidelines were changed after the incumbent SJ took office.

3.30 Dr Priscilla LEUNG Mei-fun considered that from the perspective of public interest and according to the established traditions, it was not necessary for DoJ to seek outside legal advice for all cases.

3.31 SJ said that Reply Serial Number SJ014 had listed in detail the circumstances under which DoJ would brief out cases. She pointed out that DoJ would decide whether there was a need to seek outside legal advice before making prosecution decisions having regard to manpower resources and the specific circumstances of each case. If cases involved member(s) of DoJ, DoJ would normally seek outside legal advice. Having regard to the needs of cases, DoJ would also brief out cases under certain circumstances, for example, need for expert assistance or avoidance of conflict of interests. She stressed that not all cases involving public officers or politically exposed persons would have to be briefed out.

3.32 Referring to Reply Serial Number SJ014, Dr CHENG Chung-tai expressed concern that the Administration's briefing-out expenses incurred in the review of the qualifications of elected Legislative and District Councillors were substantial. This was in contrast to the trend of a decreasing number of cases where DoJ sought outside legal advice before making prosecution decisions. He asked about the reasons for that. Dr CHENG also enquired about the list of law firms instructed to handle the type of cases in question, and whether guidelines had been set in respect of briefing out the cases which involved the review of elected councillors' qualifications.

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3.33 SJ explained that the numbers set out in Reply Serial Number SJ015 were the number of cases in respect of which outside counsel's advice had been obtained before DoJ made the prosecutorial decisions, while the numbers set out in Reply Serial Number SJ014 were about legal proceedings initiated by the Government on the review of elected councillors' qualifications (including appellate proceedings arising therefrom brought by the councillors concerned) and the briefing-out expenses incurred in relation to the cases concerned. The legal proceedings in this respect were dealt with by the Civil Division.

Provision of legal advice by the Department of Justice

3.34 Mr AU Nok-hin referred to Reply Serial Number SJ001, which was related to disqualification from holding office as a Member and of candidature. He requested DoJ to explain "the number of items of legal advice given (by DoJ) is in fact demand-driven" as mentioned in its reply. He also enquired whether the relevant demand was actually the referrals from Returning Officers, or the provision of legal advice to the Registration and Electoral Office ("REO") by the Constitutional Development and Elections Unit ("CD&EU") in the Legal Policy Division of DoJ on its own initiative.

3.35 SJ replied that one of the duties of DoJ was to provide legal advice for the Government on legal issues of civil matters. At the request of various government bureaux and departments (including REO), DoJ would provide legal advice for them.

3.36 Mr AU Nok-hin noted that under Programme 3 (Legal Policy), from 2019, the description "items of legal advice given on" had been amended by DoJ as "items of legal advice (including legal policy work) given on". He enquired how DoJ defined "the pure provision of legal advice" and "the provision of legal advice on legal policy work", how the totally 797 items of legal advice on "constitutional development and election matters" given by DoJ in 2018 were calculated, and how many of them were "pure legal advice" and "advice on legal policy work" respectively.

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3.37 Solicitor General, DoJ explained that the main reason for amending the description "items of legal advice given on" as "items of legal advice (including legal policy work) given on" was that provision of legal advice on legal policy work might not necessarily be included in the calculation of the work item on "Mainland law and related matters" in the past financial years. From 2018 onwards, legal policy work that ventured beyond mere provision of legal advice had also been included in the calculation of such work item. The aforesaid amendment aimed at stating more clearly that the relevant work involved legal policy work rather than mere provision of legal advice, and aligning with the counting method for the work of the rest of the Division. As regards the statistics on the indicators for the legal advice provided by CD&EU that Mr AU Nok-hin referred to, the counting method was no different from those in the previous years.

3.38 Dr KWOK Ka-ki enquired about the resources and time used by DoJ to provide Returning Officers with legal advice on the validity of nominations of candidates. In reply, SJ said that DoJ did not maintain the relevant records.

Combating human trafficking

3.39 Mr Dennis KWOK referred to Reply Serial Number SJ038 in which the Administration advised that in respect of combating human trafficking, the existing laws were extensive and detailed. However, he pointed out that in the judgment in *ZN v. Secretary for Justice and others*, (case number: *CACV 14/2017*), the High Court stated that the Government had not properly fulfilled its investigatory obligations under Article 4 of the Hong Kong Bill of Rights. He enquired about DoJ's follow-up actions in respect of this criticism, and what additional measures the Administration would adopt for combating human trafficking.

3.40 In reply, SJ said that DoJ would review the existing legislation and actual situation in the light of the aforesaid judgments of the High Court and take follow-up actions when necessary. She stressed that the Hong Kong Government did not tolerate human trafficking criminals, and there were also relevant legislation in Hong Kong enabling enforcement departments to carry out law enforcement

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actions at present. She pointed out that among the human trafficking cases over the past five years, grants of immunity were given in accordance with the relevant code to the persons trafficked to Hong Kong (one case) and to the foreign domestic helpers exploited (four cases), so that these persons could testify before the Court against the criminals.

3.41 SJ supplemented that in order to combat human trafficking, the Government had established a high-level inter-departmental Steering Committee, which was chaired by the Chief Secretary for Administration, to follow up the relevant issues. DoJ had also set up a task force dedicated to handling issues relating to human trafficking. She pointed out that the department to which the task force belonged was led by a directorate officer. Apart from being responsible for conducting trials on cases concerning trafficking in persons, it would also carry out promotion work, strive to enhance staff training, and combat human trafficking through targeted measures in areas including victim identification.

3.42 Mr Dennis KWOK enquired whether there were only two prosecutors for handling the problem of human trafficking in the aforesaid task force. SJ replied that there were currently two officials responsible for the relevant prosecution work. If necessary, DoJ would deploy other manpower to handle the relevant issue.

The issue of using the estate of the late Ms Nina Kung for charitable purposes

3.43 Mr Paul TSE Wai-chun referred to Reply Serial Number SJ073. He was concerned about the reasons why the case relating to the issue of using the estate of the late Ms Nina Kung for charitable purposes had been dragged on for a long time without being finalized. He opined that if the relevant issue could not be handled timely due to manpower shortage, DoJ could consider briefing out the relevant issue to speed up the process. He believed that the public would accept that the relevant briefing-out cost could be deducted from the estate or the trust fund.

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3.44 SJ explained that DoJ had discussed with the Chinachem Charitable Foundation's responsible persons, but the parties were unable to reach consensus on fundamental issues. After obtaining legal advice, DoJ had put forward proposals regarding the scheme of administration of the estate, and had made an application to the Court in the hope that the Court could provide directions as soon as possible, such that DoJ might continue to complete the remaining tasks. She pointed out that the relevant matters involved interpretation of the wishes in the Will, the appropriateness of DoJ's proposals regarding the scheme of administration and so on. As the relevant court proceedings had been initiated, it was not appropriate to have detailed discussion at this stage.

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4.1 The Chairman welcomed the representatives of the Administration Wing, Audit Commission, Chief Executive's Office ("CEO"), Independent Commission Against Corruption ("ICAC"), Legislative Council ("LegCo") Secretariat and the Office of The Ombudsman to attend the session.

Administration Wing

Policy Innovation and Co-ordination Office

4.2 Mr CHAN Chi-chuen was concerned that the relatively low transparency of the work of the Policy Innovation and Co-ordination Office ("PICO") had made it difficult for LegCo to monitor PICO's work. He asked whether PICO could give an account of its work progress and achievements at a special meeting of the House Committee of LegCo or at meetings of relevant Panel(s) in future.

4.3 Mr Charles Peter MOK and Mr YIU Si-wing asked about the role of PICO in reviewing laws that impeded innovation and technology ("I&T") as well as economic development. Referring to Reply Serial No. CSO046, Mr MOK doubted that PICO had failed to achieve the objective of removing various restrictions and regulations in the outdated policy and legislation. Citing as examples, he said that the Administration had proposed amendments to the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) to combat unlicensed hotels and guesthouses, and to the Road Traffic Ordinance (Cap. 374) to increase the penalties on white licence cars. The aforesaid amendments would affect the livelihood of members of the industries concerned, running against the Administration's objective of fostering the development of a new economy. He stated that according to the Administration's reply, PICO was rather passive in that it merely passed the research information on the policy and legislation adopted by other places on to relevant policy bureaux and departments for reference. He asked whether PICO would proactively urge policy bureaux and departments to remove various restrictions and regulations in the relevant policy and legislation.

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4.4 In response, Head of Policy Innovation and Co-ordination Office ("H/PICO") said that reviewing existing legislation and regulations to remove outdated provisions that impeded I&T and economic development was the major work of PICO, and was one of the eight major areas for I&T development. In this connection, PICO would proactively examine various laws, and conduct studies in the light of stakeholders' suggestions. She stressed that the Administration would, in its review of relevant legislation, take into account the views of various stakeholders on such legislation, including the motion on "Reforming outdated legislation and promoting the development of innovation and technology" moved by Mr Charles Peter MOK and subsequently passed by LegCo at the meeting of 5 July 2017, as well as the legislation and regulations that needed to be reviewed as proposed by Members.

4.5 Responding to Mr YIU Si-wing's enquiry on how PICO would intervene in requesting relevant policy bureaux to implement reforms, H/PICO stressed that PICO must develop a partnership with various policy bureaux, and try its best to convince policy bureaux to accept PICO's views. PICO was in no position to force any policy bureaux to implement reforms. Nevertheless, PICO would request relevant policy bureaux to follow up on those major policy proposals which had been considered and endorsed by the Chief Executive ("CE"). She pointed out that the interpretations adopted by some policy bureaux or departments in respect of certain laws might be too narrow. The effect of removing restrictions and regulations could be achieved simply by adopting more flexible and updated interpretations of certain laws, and amending certain administrative guidelines or rules. It might not be necessary to propose legislative amendments.

4.6 Regarding the two legislative amendments mentioned by Mr Charles Peter MOK, H/PICO stated that information on overseas practices had been provided to relevant policy bureaux and departments for their reference, but as LegCo had started its scrutiny of the relevant Amendment Bills, the relevant policy bureaux considered that Members could give views at meetings of the relevant Bills Committees. She supplemented that regarding the Road Traffic Ordinance, PICO had been, in collaboration with the Transport and Housing Bureau, proactively studying the Ordinance and its subsidiary

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legislation to see how the legislation could support the application and development of autonomous vehicles and telematics in Hong Kong.

4.7 Referring to Reply Serial No. CSO005 which stated that among the 17 proposals that were received and assessed under PICO's "Strategic Public Policy Research Funding Scheme" in 2018-2019, nine of them were related to the development of the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") or the "Belt and Road" Initiative, Mr CHAN Chi-chuen asked whether the Administration was biased towards the aforesaid research topics, or whether the community was indeed so interested in the topics.

4.8 H/PICO replied that out of the aforesaid 17 proposals, nine were related to the Greater Bay Area development, and it certainly reflected that quite a number of research institutes were interested in this topic. The scope of study of the three funded proposals was quite extensive, including how to foster the sharing of construction waste in the Greater Bay Area and facilitate the connectivity of the flow of people and goods in the Greater Bay Area. She also pointed out that in 2018-2019, among the 92 proposals received and assessed by the "Public Policy Research Funding Scheme", another funding scheme under PICO, only two funded proposals were related to the Greater Bay Area development.

4.9 Mr CHAN Chi-chuen and Dr CHENG Chung-tai were concerned about PICO's criteria for assessing and approving research funding. Dr CHENG referred to Reply Serial No. CSO051 and asked if PICO could allocate more resources for funding research projects.

4.10 H/PICO stated that PICO assessed and approved proposals submitted under the two aforesaid funding schemes through an Assessment Panel comprising scholars who were familiar with public policy or related research areas. PICO had earmarked \$30 million for the two funding schemes, and the total funding amount awarded to date was \$24.8 million. Should actual needs arise in future, PICO would have room for manoeuvre in deploying other resources to fund certain innovative and outstanding research projects. Regarding Mr CHAN Chi-chuen's enquiry on why the amounts of approved funding for some projects were not set out in the Administration's reply, H/PICO

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explained that funding for these applications had been rejected after assessment by the Assessment Panel.

4.11 Mr YIU Si-wing referred to Reply Serial No. CSO057 which stated that PICO provided "first-stop and one-stop" project consultation and coordination services for eight projects in 2018-2019. He asked about the criteria based on which PICO provided assistance, and whether or not the work concerned would overlap with the work of other policy bureaux or departments.

4.12 H/PICO stated that Guidance Notes for "first-stop and one-stop" project consultation and coordination services were uploaded onto PICO's website in January 2019. The Guidance Notes specified that projects proposed should bring broader social or economic benefits to society, the land to be used should be readily available without major constraints, and the project proponents should be responsible for the recurrent financial implications of the projects. As long as the aforesaid conditions were met, both private enterprises and non-governmental organizations were welcome to make applications. PICO would make appointments for them to meet with the relevant government departments, and conduct internal assessments for their proposed projects, with a view to commencing the projects concerned expeditiously.

Provision of support services to former Chief Executives

4.13 Following up on Reply Serial No. CSO001, Mr AU Nok-hin, Ms Claudia MO, Mr Jeremy TAM and Dr CHENG Chung-tai expressed concern about the substantial increase in the expenditure for provision of services to former CE's over the past five years, from \$5.59 million in 2014-2015 to a revised estimate of expenditure of \$10.81 million in 2018-2019. They requested the Administration to provide the expenditure incurred by each CE. Mr AU further advised that back in 2005 when funding approval was sought from the Finance Committee ("FC") for the provision of support services to the former CE, it was then estimated that the recurrent expenditure involved would only be \$2.2 million at full year cost. He enquired whether reviews would be conducted to reduce unnecessary expenditure.

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4.14 Acting Director of Administration ("Atg D of Admin") explained that at present the Office of Former Chief Executives ("FCEO") had to provide support services to the three former CEs, thus the expenses incurred were different from those in the funding proposal submitted to FC in 2005. For instance, the actual expenditure of FCEO for 2017-2018 was \$9.11 million, an increase of 41% from \$6.43 million in 2016-2017. It was because the third former CE moved into FCEO in 2017-2018, and it was necessary to provide him with support services. As for the further increase of the revised estimate of expenditure to \$10.81 million in 2018-2019, it was because the third former CE used the services provided by FCEO throughout the year while such services were provided to him for nine months only in 2017-2018. He further advised that each former CE was currently supported by three staff members, namely one Senior Personal Assistant, one Assistant Clerical Officer and one Chauffeur, and the annual expenditure incurred was about \$1.4 million to \$1.6 million. However, as there were other daily expenses incurred by FCEO, such as general departmental expenses as well as building maintenance fees, it would be difficult to break down such expenses and credit the respective amounts under the name of each former CE.

4.15 Ms Claudia MO and Mr Jeremy TAM were concerned about whether the former CE, Mr LEUNG Chun-ying, had made use of FCEO's resources, including the abovementioned Senior Personal Assistant and Assistant Clerical Officer, to help him manage his personal Facebook page. Mr TAM doubted that Mr LEUNG Chun-ying's criticism towards Apple Daily posted daily on his Facebook page was tantamount to using public funds to attacking a commercial entity, which was against the principle of the use of public funds. Mr AU Nok-hin considered that as Mr LEUNG Chun-ying was also the Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference ("CPPCC"), if he handled CPPCC-related matters in FCEO, the expenditure thus incurred should not be paid by the Administration.

4.16 Atg D of Admin replied that the operation and functions of FCEO had all along complied with the funding requirements for providing former CEs with support services approved by FC in 2005. The former CEs could, according to their needs, arrange the work of

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their Senior Personal Assistants and Assistant Clerical Officers. If the former CEs considered it necessary to purchase newspapers or procure other information, the expenses incurred would be included in the general expenditure for the year. However, the Administration Wing did not maintain detailed records of expenses incurred by individual CEs.

4.17 Noting that the former CE, Mr Donald TSANG Yam-kuen, had been convicted of the offence of misconduct in public office and sentenced to imprisonment, Mr AU Nok-hin, Mr CHU Hoi-dick and Dr CHENG Chung-tai doubted whether it was reasonable for FCEO to provide him with support services during the aforesaid period. Mr AU asked why expenses were still incurred as Mr TSANG, who was jailed in 2017, would not make use of FCEO and its support services. Mr CHU asked whether any mechanism was currently put in place for suspending the provision of support services for former CEs.

4.18 Atg D of Admin advised that FCEO had all along assisted former CEs to attend promotional and protocol-related activities in accordance with the funding requirements approved by FC in 2005, and redeployment of resources would be considered if individual former CEs advised that attendance of such activities would no longer be necessary. Regarding the expenditure mentioned by Mr AU, Atg D of Admin explained that since the support teams for all former CEs performed duties at FCEO in the past five financial years, the relevant expenditures incurred had to be taken into account.

4.19 Dr CHENG Chung-tai noted that the annual number of promotional/protocol-related activities attended by former CEs had substantially increased from around 100 in 2014-2015, 2015-2016 and 2016-2017 to 476 in 2017-2018 and 1 177 in 2018-2019. He enquired whether the aforesaid increase was attributable to the activities attended by Mr LEUNG Chun-ying in the capacity of the former CE after his departure from office in 2017. He requested a breakdown of the number of promotional/protocol-related activities respectively attended by the three former CEs.

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4.20 Atg D of Admin replied that in 2017-2018, 200 promotional /protocol-related activities were attended by Mr TUNG Chee-hwa, 142 by Mr Donald TSANG Yam-kuen and 134 by Mr LEUNG Chun-ying, while the respective numbers of activities attended by them in 2018-2019 were 536, 93 and 548.

Expenses for and operation of Government Records Service

4.21 Referring to Reply Serial No. CSO042, Mr MA Fung-kwok commended the Government Records Service ("GRS") for its allocation of additional resources in 2018-2019 to procure a number of records on important subjects relating to Hong Kong opened by the National Archives of the United Kingdom ("TNA"). However, given that the mere procurement of copies of the aforesaid archival records from TNA had cost \$550,000, he doubted that a provision of \$400,000 earmarked by GRS for procurement of Hong Kong-related archival records for 2019-2020 was inadequate. He enquired whether GRS would increase the estimated expenditures concerned.

4.22 Atg D of Admin advised that as GRS was under the Administration Wing, other resources under the purview of the Administration Wing could be redeployed in the light of practical needs in future; therefore, the number of records that could be procured would not be constrained by the amount of earmarked resources. He supplemented that GRS would estimate the number of records to be procured each year by keeping in view the number and contents of records that would be opened by overseas archives in that year. It was uncommon that unforeseen needs of procurement of large quantity of records led to substantial increase in expenditure.

4.23 Mr MA Fung-kwok was pleased to note that GRS had accepted his views. As a trial scheme, GRS planned to open the Search Room on Saturday mornings for the public to use and access records by appointment in 2019. He enquired about the additional expenditure involved for taking forward the scheme, and whether the Administration would consider regularizing the service if the trial scheme was well received.

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4.24 In response, Atg D of Admin said that no additional costs would be incurred as the above trial scheme would be implemented through internal redeployment of resources. The Government would actively consider regularizing the service if the six-month trial scheme was well received.

Chief Executive's Office

Expenses for the Chief Executive's duty visits

4.25 Referring to Reply Serial No. CEO001, Mr Gary FAN asked whether there were guidelines on CE's visits to foreign countries and the Mainland, in which the budgets and ceilings for the expenses of such visits were set out to ensure the cost effectiveness of such expenses.

4.26 In reply, Permanent Secretary, Chief Executive's Office ("Perm Secy/CEO") stated that the expenses of such visits depended on the destinations and dates of visits, the activities in the visit programmes and the sizes of entourage. CEO would follow relevant in-house requirements to ensure their compliance with the principle of prudent use of public money.

4.27 Following up on Reply Serial No. CEO002, Ms Claudia MO enquired about the details of sponsorship regarding CE's visits to the Mainland in respect of which the transportation and accommodation were sponsored, as well as whether CE was required to declare such sponsorship. She said that regarding CE's visit to Guangzhou in September 2018 to host the opening ceremony for the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"), while the visit received no sponsorship, no expenses had been incurred as well; on the contrary, regarding CE's visit to Zhuhai in October 2018 to attend the opening ceremony of the Hong Kong-Zhuhai-Macao Bridge, while the accommodation and transportation for the full delegation were sponsored, a sum of over \$1,500 under other expenses was incurred. She asked the Administration to explain the reasons for it.

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4.28 Perm Secy/CEO said that CEO published quarterly reports on its website, setting out the information on the passage of CE's duty visits outside Hong Kong. Sponsorship for such visits depended on whether sponsorship arrangements were offered by the governments or the host organizations of the visit venues. For instance, regarding CE's visit to Hainan in April 2018 to attend the Boao Forum for Asia Annual Conference, the local transportation for the full delegation and two nights of accommodation for CE and three members of her entourage were sponsored by the host organization. Regarding CE's visit to Guangzhou to host the opening ceremony for XRL as mentioned by Ms Claudia MO, as CE took a ride on XRL from Hong Kong to Guangzhou and returned to Hong Kong on the same day on XRL, no expenses had been incurred.

4.29 Also referring to Reply Serial No. CEO002, Mr Gary FAN said that among all visits made by CE to the Mainland in 2018-2019, five such visits were related to the Greater Bay Area development. He pointed out that according to the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, Hong Kong should play a leading role in gearing all municipalities in the Greater Bay Area to move towards internationalization. He therefore doubted that in making frequent visits to the Mainland, CE had run against the aforesaid initiative. He was of the view that CE should lead or accompany Mainland officials in making visits and study tours to foreign countries, instead of making frequent visits to Mainland municipalities.

4.30 In response, Perm Secy/CEO said that visits to foreign countries and the Mainland were equally important. Take the Greater Bay Area development as an example, the Government had to maintain contact with officials of Mainland municipalities. CE had also, during her recent visit to Japan with Mainland officials, promoted the Greater Bay Area development.

Information Co-ordinator

4.31 Referring to Reply Serial No. CEO005, Ms Claudia MO was concerned that the post of Information Co-ordinator had been left vacant for some time. She asked whether the prolonged period for

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which the post had been left vacant was attributable to CE's views that it was unnecessary to employ a person to take up this post, or to the absence of candidates who were willing to take up this post.

4.32 Perm Secy/CEO said that the authorities would continue with their efforts to identify a suitable candidate for appointment as Information Co-ordinator.

Independent Commission Against Corruption

Corruption Prevention Guides and related work

4.33 Following up on Reply Serial No. ICAC009, Mr LAM Cheuk-ting alleged that a number of major construction projects in Hong Kong had, in recent years, experienced various serious quality problems, such as shoddy works and missing site records, jeopardizing the confidence of the public and the international communities in the quality of the construction works carried out in Hong Kong. Having regard to various recent incidents, such as the incidents relating to the works undertaken by the MTR Corporation Limited ("MTRCL"), he considered that ICAC should update the corruption prevention guides for the engineering sector. He asked how ICAC would prevent government officers and staff members of public bodies or private enterprises from receiving advantages and condoning shoddy works, and whether ICAC would increase its resources and manpower dedicated to intelligence gathering and corruption prevention.

4.34 Commissioner, Independent Commission Against Corruption stressed that ICAC had all along been providing advices and services on corruption prevention for the engineering and construction industries, but some members of the industries did not fully comply with such corruption prevention guides. He said that in the coming year, ICAC would create two additional posts to assist the Government and public bodies to enhance their corruption prevention efforts. The Operations Department of ICAC would also step up its information collection and investigation work. He would not comment on the incident relating to MTRCL as mentioned by Mr LAM.

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The Legislative Council Commission

Vehicle for use by the President of the Legislative Council

4.35 Following up on Reply Serial No. LC001, Mr Jeremy TAM and Mr AU Nok-hin asked why the LegCo Secretariat ("the Secretariat"), in replacing the LegCo President's car, did not buy an electric or hybrid one but chose a fuel-engined Lexus LS500 Executive. Mr TAM considered that as the car park in the LegCo Complex was equipped with charging facilities for electric vehicles, the Secretariat should promote the use of electric vehicles. Noting that the previous car for use by the LegCo President was a hybrid one, he considered that from an environmentally friendly perspective, it was a step backward to switch back to the use of a fuel-engined vehicle.

4.36 In response, Secretary General, Legislative Council Secretariat ("SG/LCS") said that the Secretariat had considered purchasing a hybrid vehicle during the discussion on this matter, but decided to choose the aforesaid car model for use by the LegCo President after drawing reference from the guidelines issued by the Government on the procurement of vehicles for use by government officials, and comparing the expenses required for purchasing fuel-engined, hybrid and electric vehicles. He said that the Secretariat would take members' views into account in the next procurement exercise.

4.37 Mr Jeremy TAM further enquired whether the LegCo President had been involved in making the decision on the procurement of vehicle for his use. He also asked about the government officials whose cars were of the same model as the vehicle for use by the LegCo President.

4.38 In reply, SG/LCS said that the Secretariat procured the LegCo President's car according to the relevant guidelines issued by the Government. The LegCo President was not involved in the procurement process. It was understood that at present, the models of the cars for use by the three Secretaries of Departments and some judges were on a par with that of the LegCo President's car.

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Expenditures under the Capital Account

4.39 Referring to Reply Serial No. LC002, Dr CHENG Chung-tai pointed out that there was a capital item entitled "Procurement of hardware, software and database for the redevelopment of the LegCo Website and the provision of new online information services" in the Capital Account of The Legislative Council Commission ("the Commission") for 2019-2020, involving an estimate of nearly \$10 million. He requested a breakdown of the aforesaid expenditure. In addition, given that a number of media practitioners and other persons had reflected that the speed of the Wi-Fi System in the LegCo Complex was rather slow, he asked whether the sum of \$4.8 million reserved for upgrading the Wi-Fi System in 2019-2020 was adequate.

4.40 SG/LCS said that about half of the budgeted expenditure for upgrading the LegCo Website would be used for the procurement of hardware, while the other half would be spent on the development of software. The speed of the Wi-Fi System varied subject to the number of Members, media practitioners and members of the public who were inside the LegCo Complex and used the Wi-Fi System. The Secretariat was actively exploring various feasible solutions to increase the capacity of the Wi-Fi System. He also appealed for members' understanding that if the capacity of the Wi-Fi System was to be set at a high level on a long-term basis, the relevant expenditures would increase substantially.

Remuneration package for cleaners

4.41 Following up on Reply Serial No. LC014, Mr CHU Hoi-dick enquired about the hourly wage of the cleaners employed by the cleansing contractor engaged by the Secretariat, and urged the Secretariat to raise the wage level of these outsourced cleaners. For instance, the Secretariat might stipulate in the tender document that the cleansing contractor must adopt the minimum hourly wage proposed by Oxfam Hong Kong, i.e. \$54.7 per hour.

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4.42 In response, SG/LCS said that as mentioned by the Secretariat in Reply Serial No. LC034, between December 2018 and March 2019, the provisional wage for outsourced cleaners was \$9,200 per month which might be adjusted when the relevant quarterly reports of wage and payroll statistics were published by the Census and Statistics Department. At present, the Secretariat provided cleansing services through tendered contractors, and the employment conditions so determined had taken into account the guidelines issued by the Administration on the hiring of outsourced service contractors.

4.43 Referring to Reply Serial No. LC034, Dr CHENG Chung-tai said that the Commission had decided to, in the next cleansing service contract, adopt the Administration's new initiatives to enhance the labour benefits of outsourced cleaners. He asked whether the relevant employees could, under the new contract, enjoy the same benefits to which non-skilled employees hired under government service contracts were entitled, e.g. paid statutory holidays after being employed for at least a month. He also requested the Secretariat to explain the reasons why cleaners could not enjoy paid meal breaks.

4.44 SG/LCS said that having thoroughly discussed the remuneration package for outsourced cleaners, the Commission decided to adopt the Administration's new initiatives to enhance the benefits of outsourced cleaners by, inter alia, mandating the provision of contractual gratuity to cleaners, and increasing the technical weighting and weighting of wage level in the marking schemes for tender assessment. On the issue of paid meal breaks, in case the Administration implemented relevant improvement measures in future, the Secretariat would follow suit.

Working environment of staff in the Legislative Council Secretariat

4.45 Regarding Reply Serial No. LC040, Mr CHAN Chi-chuen enquired whether the Secretariat had compiled statistics on the respective numbers of staff members who sustained injuries when handling disorderly conduct by members of the public and those who sustained injuries when handling disorderly conduct by LegCo Members. He considered that if LegCo Members had to be removed immediately in the event of confrontations or on occasions of

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disorderly conduct, that would easily lead to injuries. He also enquired whether, other than handling confrontations and carrying out duties in connection with the maintenance of order, there were other occasions that had caused injuries to Secretariat staff; if so, of the relevant figures.

4.46 SG/LCS said that the Secretariat had not compiled the statistics requested by Mr CHAN.

4.47 Noting that the security guard post at Public Entrance 2 of the LegCo Complex was an additional post created in the wake of the Occupy Movement in 2014, Mr CHAN Chi-chuen asked whether it was a temporary or permanent post, and whether facilities such as windproof screens or glasshouses could be installed to improve the working environment of the staff members concerned.

4.48 SG/LCS said that as the area of the reception counter at Public Entrance 2 of the LegCo Complex was too small to accommodate the X-ray security screening machine, the machine could only be placed outdoors, and the relevant staff had to perform outdoor duty. The site was rather windy during winter, and the Secretariat had procured cold weather outfits and small heaters for use by the relevant staff. As to whether other permanent facilities could be installed in future, the Secretariat had to examine the issue with the Architectural Services Department before a decision could be made.

Chapter V : Financial Services

5.1 At the invitation of the Deputy Chairman, Mr James LAU, Secretary for Financial Services and the Treasury ("SFST") briefed members on the main initiatives and expenditure relating to the policy area of financial services in 2019-2020 (Appendix IV-3).

Developing financial market and enhancing financial co-operation with the Mainland

5.2 Mr Christopher CHEUNG enquired about the reasons why even though the research on Primary Equity Connect ("PEC") had been taken forward over the past two years, the relevant arrangements had yet to be implemented. He also asked about the future development strategies of the securities market in Hong Kong when facing competition from its counterparts in the Mainland, and the measures the Government had in place to further strengthen Hong Kong's position as an international financial centre.

5.3 SFST advised that as the Mainland's capital account was not fully open, investors of the two places could trade qualifying financial products under the mutual access arrangement between the two places where risks were controllable. As there was no past trading record of the newly-listed stocks, the regulatory bodies were particularly concerned about the risks of PEC. The Administration would continue to maintain communication with the relevant regulatory bodies in the Mainland on this subject. He added that the Administration was also actively striving to extend the Bond Connect to cover Southbound Trading. Regarding market development, SFST responded that the Administration strived to protect investors on the one hand and promote market development on the other. Among others, the Hong Kong Exchanges and Clearing Limited ("HKEx") planned to introduce futures contracts for A-share index with a view to further developing the derivative market.

5.4 Mr AU Nok-hin pointed out that since the introduction of the "weighted voting rights" initiative, some companies from the "new economy" or biotechnology sectors that had been listed in Hong Kong had been sustaining losses or had changed the emphasis of their businesses. In this connection, he enquired about the measures the Government had in place to enhance investor protection.

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Furthermore, he criticized that the existing Listing Rules did not provide a clear guideline on "a sufficient level of operations", causing difficulties for quite a number of listed companies to prove that they had "a sufficient level of operations" upon receiving a direction of delisting from HKEx.

5.5 Permanent Secretary for Financial Services and the Treasury (Financial Services) ("PS(FS)") advised that the regulatory regime for listing in Hong Kong was disclosure-based, which meant that a listing company was required to disclose the relevant important information to the market for investors to make informed decisions; and the pricing of new shares as well as the rise and fall in stock prices would be left to the market and not to be interfered by the Government or the regulatory bodies.

5.6 Mr AU Nok-hin was concerned that failures of online selling platforms in recent years had caused substantial losses to goods sellers. He enquired about how the provisions in respect of insolvency under the statutory corporate rescue procedure being prepared by the Administration could resolve the problem of erosion of compensations due to creditors.

5.7 PS(FS) advised that the Administration was drafting a bill on the introduction of a statutory corporate rescue procedure to provide corporates with a sustainable way of operation in addition to filing for insolvency under the existing insolvency regime. The Administration planned to introduce the bill to the Legislative Council ("LegCo") by the end of 2019.

Development of financial technologies

5.8 Noting that the Administration was planning for the use of the Faster Payment System ("FPS") to provide the public with greater convenience in paying taxes, rates and water charges, Mr Tony TSE enquired about the factors to be taken into consideration in deciding whether to include a fee in the FPS services.

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5.9 SFST advised that various government departments were encouraged to use FPS to provide the public with convenience in paying fees of public services. However, when making payments by FPS, the bills concerned needed to be printed with QR codes, thus it took time for the departments to update their computer systems in order to process the FPS payments.

5.10 Dr Elizabeth QUAT pointed out that the Electronic Identity ("eID") project launched by the Administration was conducive to deepening the mutual access between financial markets in Hong Kong and the Mainland. Noting that electronic business registration and electronic contracts had been adopted in the Mainland to verify companies' information and conduct transaction, she asked if the Administration had any plan to develop similar services in Hong Kong, and to establish a sandbox for financial technology in the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") with additional resources allocated for this purpose.

5.11 SFST advised that the development of technology projects was under the purview of the Innovation and Technology Bureau ("ITB"). ITB was actively preparing for providing all Hong Kong residents with eID free of charge, and the progress of which was satisfactory. The Financial Services and the Treasury Bureau ("FSTB") welcomed Members to give views on the development of technology projects. FSTB would maintain close liaison with ITB and set priorities for the development projects.

5.12 Mr Charles Peter MOK pointed out that the Securities and Futures Commission ("SFC") published a statement regarding fund-raising through initial coin offerings ("ICO") at the end of last year, indicating its intention to bring funds and distributors of virtual assets (such as cryptocurrencies) into its regulatory net. The technology industry, especially start-ups, was concerned that SFC had not provided further information on the proposed licensing requirements, nor had it established a sandbox for testing for the industry. Noting that some countries, such as Singapore, had already established a sandbox for ICO, he enquired about the work progress on the regulation of ICO and the measures the Government had in place to attract members of the industry to issue ICO in Hong Kong.

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5.13 PS(FS) advised that last year, SFC announced an exploratory regulatory approach under the sandbox environment to explore whether it was suitable to regulate certain platforms trading virtual assets issued through ICO. As the Government understood, quite a number of trading platforms of this type had already indicated to SFC their interests in participating in the regulatory framework concerned. SFC was actively reviewing certain more mature cases, so as to try out, within its regulatory power, regulating through the licensing approach.

Promoting bond market development

5.14 Mr Kenneth LEUNG noted that a three-year Pilot Bond Grant Scheme ("PBGS") had been launched in May last year to attract enterprises to issue bonds in Hong Kong. He enquired about the number of enterprises that had applied for grants under PBGS to issue bonds in Hong Kong, and the total issuance size.

5.15 PS(FS) replied that as at the end of February 2019, 12 applications made by eligible enterprises had been received under PBGS, the total issuance size amounted to US\$4,030 million and the amount of grant involved was HK\$27.5 million.

5.16 Given that the inflation-linked retail bonds ("iBond") issued by the Administration were well received by the public, Mr WU Chi-wai asked whether the Administration would consider offering retail bonds when issuing bonds (including green bonds) in future, so as to enable retail investors' direct subscriptions.

5.17 Mr AU Nok-hin sought details on the first batch of green bond issued under the Government Green Bond Programme, including the expected date and size of issuance.

5.18 SFST advised that apart from offering iBond on a retail basis, the Administration would issue another Silver Bond to Hong Kong senior residents aged 65 or above in 2019. In addition, the Administration was in active preparation for the issuance of the first batch of green bond for institutional investors' subscriptions. He said that the Administration would study whether it would be appropriate to offer retail green bonds for public's direct subscriptions upon the

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issuance of the first few batches of green bond. Deputy Secretary for Financial Services and the Treasury (Financial Services) 1 ("DS(FS)1") added that it was envisaged that the first batch of green bond would be issued in 2019, and the planned issuance size was between US\$500 million and US\$1 billion subject to the prevailing market situation.

Mandatory Provident Fund System

5.19 Expressing concern over the low participation rate of the Employee Choice Arrangement ("ECA") under the Mandatory Provident Fund ("MPF") schemes, Mr LUK Chung-hung was of the view that investigation should be conducted to get a better understanding of the reasons why MPF members did not participate in ECA. Furthermore, he noted that the Administration and the Mandatory Provident Fund Schemes Authority ("MPFA") were preparing for the setting up of an eMPF Centralized Platform ("CP"), and the Administration also planned to implement the abolition of the arrangement of offsetting severance payment ("SP") and long service payment ("LSP") with employers' mandatory contributions ("the offsetting arrangement"). The above two initiatives would facilitate the realization of MPF "full portability". Mr LUK expressed concern over the offsetting arrangement to be put forward by the Government, under which an employer was still allowed to offset the SP/LSP entitlement for the employee's employment period before the effective date of abolition with the employer's contributions made to his/her employee's MPF both before and after the effective date, and opined that this might hinder the implementation of a full portability arrangement of MPF, as the said arrangement would impose restrictions on the transfer of contributions available for offsetting. In addition, Mr LUK was also concerned about the fees and charges of MPF and the Default Investment Strategy ("DIS"). He considered that the current fund expense ratio of 1.3% was still quite high, and asked if the Administration had set any targets in relation to reasonable levels of MPF fees and charges (such as setting the lowest possible level of fees and charges upon the implementation of the full portability arrangement of MPF and the setting up of an eMPF platform). Regarding DIS, Mr LUK enquired about the timetable for its review and the scope of such review.

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5.20 Mr Kenneth LAU shared the concern over the low participation rate of ECA, and sought explanation on the reasons for it. He enquired about the progress of eMPF CP and the expected time for the platform to commence operation.

5.21 Mr WU Chi-wai enquired about the concrete timetable for phased operation of eMPF as well as that for full operation of eMPF, and the reduced level of fees and charges of funds (including fees based on fixed costs and variable costs) to be expected along with the gradual reduction in MPF schemes' operating costs upon eMPF coming into operation in various phases.

5.22 Deputy Secretary for Financial Services and the Treasury (Financial Services) 2 ("DS(FS)2") advised that since the implementation of ECA in November 2012, MPFA had been conducting the relevant promotion and publicity activities. It was believed that MPF members would have gained some understanding of ECA. He emphasized that ECA aimed to provide MPF members with an option which would allow them to decide whether or not to transfer their MPF benefits from their existing trustees to other trustees upon taking into account factors such as trustees' services, fees and charges, and fund performances. The failure of some MPF members to actively manage their MPF accounts might also be one of the possible reasons for the low participation rate of ECA. Thus, the effectiveness of ECA should not be determined merely by its participation rate. He further said that the Administration and MPFA had been facilitating market competition through various measures, with a view to providing trustees with additional incentives to adjust their fees and charges downwards. Since the implementation of ECA and DIS, the average fund expense ratio had been reduced to 1.52% (as at February 2019). Regarding the development of the eMPF platform, DS(FS)2 advised that MPFA was consulting overseas and local scheme administrators with relevant experience on tender exercise. Such consultation exercise would end on 3 May 2019. Two briefing sessions would be held, during the consultation period, for scheme administrators who were interested in participating in the tender exercise. As for the review on DIS, DS(FS)2 advised that the Administration and MPFA were collecting data for a review on the fee caps of DIS, with a view to further lowering such fee caps.

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5.23 DS(FS)2 advised that the milestones of the Administration were to award the tender of eMPF in the first quarter of 2020, commence system design and development of CP by phases in mid 2020, carry out data cleansing and standardization, implementation of business process reengineering in preparation for transition to CP in 2022, and conduct data migration and phased migration of administrative work of MPF schemes to CP after 2022. It was expected that the majority of the administrative work of MPF schemes could be migrated to the eMPF platform between 2024 and 2025. He advised that the current decentralized administration work of trustees was the main reason for the high administrative costs of MPF schemes. The implementation of eMPF could effectively facilitate standardization, streamlining and automation of MPF scheme administration processes to maximize operational efficiency of MPF schemes so as to create room for fee reduction. Besides, MPFA had been striving to enhancing the transparency of fees and charges of MPF funds and educating scheme members about the importance of fees and charges in investment decisions, with a view to further reducing the fees and charges through market forces.

Enhancing Hong Kong's status as an international insurance hub

5.24 Mr Frankie YICK noted that to promote the development of marine insurance and the underwriting of specialty risks in Hong Kong, the Administration planned to provide tax concessions at 50% of the profits tax rate for the said businesses and targeted to introduce the relevant amendment bill into LegCo in due course. He enquired about the concrete legislative timetable, and urged the Administration to complete the legislative work concerned as soon as possible to help with the further development of the maritime industry. In addition, he pointed out that in a research report entitled "Turning Crisis into Opportunities: Hong Kong as an Insurance Hub with Development Focuses on Reinsurance, Marine and Captive" released by the Financial Services Development Council ("FSDC") in March 2017, apart from the recommendation of providing tax concessions for marine insurance and the underwriting of specialty risks in Hong Kong, some other suggestions were also put forward to help Hong Kong develop into a marine insurance centre. He enquired about the Administration's follow-up work on FSDC's report.

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5.25 Mr Holden CHOW was of the view that the Administration should increase resources to implement measures to attract more marine insurance organizations, international arbitral institutions and ship finance companies to establish their presence in Hong Kong, so as to further consolidate Hong Kong's competitive edge in the marine insurance industry and high value-added maritime services.

5.26 SFST advised that the Administration was working out the implementation details and legislative proposals with a view to providing tax concessions of the profits tax rate for marine insurance and the underwriting of specialty risks, and liaising with the stakeholders in the process. The Administration would finish drafting the relevant legislation as soon as possible, and was planning to introduce the amendment bills into LegCo in the 2019-2020 legislative session. Regarding the FSDC's research report and Mr Holden CHOW's suggestion of promoting the marine insurance industry and high value-added maritime services in Hong Kong, SFST pointed out that a dedicated task force had been set up under the Transport and Housing Bureau to take follow-up actions.

5.27 Mr Holden CHOW noted that the Administration was discussing with the relevant Mainland authorities the introduction of a Financial Product Connect, i.e. mutual trading of wealth management and investment products between the two places. According to the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area, the relevant claims settlement and after-sales services of insurance products of Hong Kong could be provided in the Greater Bay Area. He enquired about the specific details and progress of the discussion between the Administration and the relevant Mainland authorities on cross-boundary sale of insurance products, including the cross-boundary insurance products to be covered, and whether insurance products of Hong Kong would be permitted to be sold directly in the Greater Bay Area.

5.28 SFST advised that during the discussion on the sale of cross-boundary insurance products, the Mainland regulatory authorities were more concerned about insurance business that was related to the people's livelihood and with high protective element, thus issues relating to the cross-boundary sale of motor and medical insurance

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products would be studied first. The Administration was actively striving for the establishment of after-sales service centres in the Greater Bay Area by insurance institutions of Hong Kong, with a view to further expanding the services of the Hong Kong insurance industry therein.

Work of the Financial Reporting Council

5.29 Mr Kenneth LEUNG pointed out that the Financial Secretary announced in his Budget that the Financial Reporting Council ("FRC") would be provided with a seed capital of \$400 million to facilitate its transition to the new regulatory regime, and to exempt the levies for the first two years upon the implementation of the new regime. Furthermore, he noted that the contract of the Chief Executive Officer ("CEO") of FRC would not be renewed upon its expiry. Mr LEUNG sought information on the amount involved in the exemption of levies for the first two years, the progress of recruiting a new CEO for FRC, and the annual salary of the former CEO.

5.30 PS(FS) advised that the amount involved in the exemption of levies payable by FRC for the first two years after its transition to the new regulatory regime was about \$100 million annually. The former CEO of FRC had left office at the end of March 2019. FRC was in active preparation for the recruitment of a new CEO, including conducting open recruitment. The annual salary of the former CEO of FRC should be comparable to those of the CEOs of other supervisory bodies of similar nature. The relevant supplementary information would be provided after the meeting.

Statistical information on rent and income

5.31 Referring to Reply Serial Nos. FSTB(FS)077, 080 and 081, Mr Tony TSE enquired about the difference between "private permanent housing" and "private housing" in the survey conducted by the Census and Statistics Department ("C&SD"), and whether "sub-divided units ('SDUs')" and "SDUs in industrial buildings" were covered in C&SD's survey on rent.

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5.32 Commissioner for Census and Statistics responded that "private permanent housing" did not include temporary residential units, such as rooftop structures. He said that C&SD had collated information on the population and number of households residing in SDUs, as well as their socio-economic characteristics in the 2016 Population By-census ("16BC") and the results had been released. While C&SD had attempted to count the population residing in SDUs in industrial buildings in 16BC, given that a fire had broken out in an industrial building during the by-census, the issue of "SDUs in industrial buildings" became more sensitive, resulting in a low rate of response to "SDUs in industrial buildings" at that time. As such, an accurate breakdown of households living in industrial buildings could not be compiled and released separately. C&SD would continue to gather statistical information on SDUs, including those in industrial buildings, in the 2021 Population Census, and was planning to seek assistance from the relevant non-governmental organizations in gathering statistical information on "SDUs in industrial buildings".

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6.1 At the invitation of the Deputy Chairman, Mr James Henry LAU, Secretary for Financial Services and the Treasury ("SFST"), briefed members on the main initiatives and expenditure of the Treasury Branch of the Financial Services and the Treasury Bureau and the relevant departments relating to the area of public finance in 2019-2020. (Appendix IV-4)

Work of the Tax Policy Unit

6.2 Mr Michael TIEN pointed out that the Administration's main purpose in setting up the Tax Policy Unit ("TPU") in 2017 was to study ways to broaden Hong Kong's tax base to address the problem of population ageing. However, the Government advised that the top priority of TPU at present was to leverage Hong Kong's tax policy to promote the development of the industries and economy; and the Budgets in recent years no longer mentioned the issue of exploring ways to broaden Hong Kong's tax base but only emphasized that the Government would continue implementing tax reduction measures. Mr TIEN questioned whether the work of TPU had changed completely.

6.3 SFST said that one of the duties of TPU was to study ways to broaden Hong Kong's tax base, and its work was initially focused on leveraging the tax policy to promote the development of the industries and economy, and assisting other policy bureaux in studying tax measures in their policy areas. In proposing various tax reduction measures in the Budgets in recent years, the Financial Secretary ("FS") hoped to promote the development of industries with potential through the tax policy.

Future Fund

6.4 Mr Kenneth LEUNG noted that FS had invited a number of experienced persons in the financial services sector to advise him on the investment strategies and portfolio of the Future Fund, as well as the ways to achieve more diversified investments. Given that the Future Fund was currently placed with the Exchange Fund for investment, Mr LEUNG asked whether FS was required under section 3(1) of the Exchange Fund Ordinance (Cap. 66) to consult the

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Exchange Fund Advisory Committee on the advices given by those experienced persons in the financial services sector, and whether the Hong Kong Monetary Authority ("HKMA") had the final say on the Future Fund's investments. Mr LEUNG also enquired about the details of the more diversified investments of the Future Fund, including its proposed investment projects, the industries involved, the geographical distribution of the investments, and the target rates of return.

6.5 SFST replied that the Future Fund was an integral part of the fiscal reserves of the Government, and FS was not required by the law to consult the Exchange Fund Advisory Committee on the investment strategies and portfolio of the Future Fund. While HKMA was currently responsible for managing the Future Fund's investments, it did not have the final say on such investments. At present, 60% of the Future Fund's assets were placed with the Long-Term Growth Portfolio ("LTGP"), with the remaining 40% placed with the Investment Portfolio. LTGP mainly involved overseas investments, and some Members had previously suggested that the Future Fund should increase its local investments. The financial veterans invited by FS were currently studying the issue of diversifying the Future Fund's investments, including how to expand its investments in terms of the projects and industries involved, the geographical distribution etc..

Public finance management

6.6 Noting that FS had decided to bring back the Housing Reserve to the fiscal reserves over four years, Mr CHU Hoi-dick asked what existing funds/reserves were similar to the Housing Reserve and could be brought back to the fiscal reserves. Mr CHU also noted that the Government would ensure that the resources available were directed towards areas of most benefit to the community, with due regard to government affordability and fiscal sustainability; and aimed to achieve a fiscal balance and maintain an overall strong fiscal position. He enquired how the Government would determine its affordability, and whether it would strive for a balance in both the recurrent and non-recurrent accounts.

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6.7 SFST advised that earmarked provisions were part of the fiscal reserves, and there was no question of bringing back such provisions. At present, only the Housing Reserve was kept outside the fiscal reserves, and so it was the only amount of capital that could be brought back to the fiscal reserves. In addition, he said that the Government would strive to achieve an overall fiscal balance, without deliberately pursuing a balance in both the recurrent and non-recurrent accounts.

6.8 Mr CHU Hoi-dick stated that according to the Medium Range Forecast of the Administration, the income of the Capital Works Reserve Fund ("CWRP") would account for about 18% of government revenue in both 2022-2023 and 2023-2024. He enquired whether the Government would continue to maintain its revenue through its high land price policy. Mr CHU also sought supplementary information on how the Administration estimated the income of CWRP for 2022-2023 and 2023-2024. SFST clarified that the Administration did not have a high land price policy, and would sell land at market prices.

Government procurement policy

6.9 Mr Charles Peter MOK welcomed the Government's introduction of a pro-innovation government procurement policy. He said that the industry had doubts about the implementation details of the policy, particularly the weight given to innovative proposals under the tender marking scheme, as well as the marking criteria. The industry also urged the Administration to step up its promotional and publicity efforts targeted at the industry, organize more briefing sessions, and strengthen its liaison with industry associations so as to enhance the transparency and public awareness of the new procurement policy. Mr MOK also pointed out that as quite a number of innovation and technology start-ups and small and medium enterprises were not operating in Cyberport or the Hong Kong Science Park ("HKSP"), the Government should not conduct its promotional and publicity activities only in Cyberport and HKSP.

6.10 SFST undertook that the Administration would organize more briefing sessions to explain the details of the new procurement policy to the industry. He stressed that the new procurement policy would not

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be biased towards certain members of the industry, and that the Government would strive to enhance the transparency and public awareness of the procurement policy. As the meaning of "innovation" was subject to interpretation, the Administration would organize briefing sessions for various policy bureaux/departments to assist them in getting to grips with the new policy and drawing up suitable marking criteria having regard to their specific procurement needs.

Taxation arrangement for Hong Kong residents on the Mainland

6.11 Mr Gary FAN noted that, regarding taxpayers who had previously applied for tax credits under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income ("the Comprehensive Arrangement"), the Inland Revenue Department ("IRD") did not keep the relevant information (such as the number of applications and the amounts of the tax credits concerned), nor did it keep statistics on the average number of days for which those Hong Kong tax residents who benefited from tax credits were present on the Mainland. He expressed his disappointment at this situation, and urged IRD to collect such information. Mr FAN said that the Mainland authorities had recently announced eight policy measures to take forward the development of the Guangdong-Hong Kong-Macao Greater Bay Area, including amending the definition of "the number of days of residence of a Hong Kong resident on the Mainland" (i.e. any presence on the Mainland for less than 24 hours in a day would not be counted as a day of residence). He was concerned about how the impact of the new measures was to be assessed if the Government did not have statistical data on the number of days of presence of Hong Kong tax residents on the Mainland. Mr FAN also pointed out that under the Individual Income Tax Law of the People's Republic of China amended in 2018 by the Mainland authorities, an individual who had resided on the Mainland for an aggregate of 183 days was required to pay individual income tax to the Mainland authorities on his or her income derived from sources within and outside the Mainland. In this connection, he enquired whether the amended law and the Comprehensive Arrangement were in conflict.

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6.12 Regarding the keeping of information, the Commissioner of Inland Revenue ("CIR") advised that currently, when handling tax credit applications involving territories with which Hong Kong had entered into double taxation relief arrangements/agreements, IRD would decide whether to give tax credits only on the basis of whether the applications fulfilled the eligibility criteria, without having to analyse the tax jurisdictions to which the credits related, and therefore it did not keep the information mentioned by Mr Gary FAN. IRD would consider collecting such information in the future. He said that IRD would consider a host of factors when handling tax credit applications, which could be made by individuals or companies, but the number of days of residence was only relevant to applications made by individuals. According to the international standard, if a Hong Kong resident had resided in another tax jurisdiction for an aggregate of 183 days, that tax jurisdiction would have the right to tax that Hong Kong resident. He pointed out that the Ministry of Finance and the State Administration of Taxation of China had issued documents stating that if the tax concessions provided by the relevant law and regulations of the Mainland (including the Individual Income Tax Law of the People's Republic of China) were different from those offered by the Comprehensive Arrangement, Hong Kong residents could opt for the more preferential tax arrangements.

Acquisition of properties in Hong Kong by the organs of the Central People's Government in Hong Kong

6.13 Mr James TO asked whether the organs of the Central People's Government ("CPG") in Hong Kong could apply for exemption from all stamp duties payable under the Stamp Duty Ordinance (Cap. 117) for the acquisition of properties in Hong Kong, and whether IRD had ever refused any application for such exemption. Citing recent media reports on the acquisition of a number of local properties by CPG's organs in Hong Kong, Mr TO queried whether the amounts of stamp duty remitted for CPG's organs in Hong Kong and the numbers of properties involved as set out by the Government in Reply Serial No. FSTB(Tsy)042 reflected the actual situation. Ms Claudia MO also expressed similar concerns, and asked the Administration for the particulars of the "subsidiary companies of CPG's organs in Hong Kong" that were exempt from stamp duty as

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referred to in Reply Serial No. FSTB(Tsy)032. In addition, she also enquired whether the Administration would consider capping the number of local properties that CPG's organs in Hong Kong were allowed to acquire.

6.14 CIR confirmed that CPG's organs in Hong Kong were exempt from the payment of all stamp duties for the acquisition of properties in Hong Kong under section 41(1) of the Stamp Duty Ordinance. There was no specified condition for such exemption, and IRD had never refused any application for such exemption. He pointed out that the information given by the Administration in Reply Serial No. FSTB(Tsy)042 merely reflected exemption applications already processed, and did not cover those being processed. All exemption applications would be processed in accordance with the relevant legislation. For privacy reasons, IRD would not disclose specific information on individual cases. SFST added that CPG's organs in Hong Kong were exempt from the payment of stamp duty for the acquisition of properties in Hong Kong pursuant to the law, and the Administration had no intention of capping the number of such properties.

Enhancing the information systems of the Architectural Services Department

6.15 Mr Tony TSE noted that the Architectural Services Department ("ArchSD") would enhance existing and develop new information systems by undertaking various tasks, including upgrading the operating systems of personal computers in the department and enhancing information security, as well as updating computer hardware to support the implementation of Building Information Modelling ("BIM"). Mr TSE enquired why it would take two years to complete the task of upgrading the systems of personal computers in the department, and whether ArchSD could expedite the task. He also asked whether ArchSD had set aside resources for training its staff to use BIM.

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6.16 Director of Architectural Services ("D Arch S") advised that as the task of upgrading the operating systems of personal computers in the department and enhancing information security involved updating computer hardware and software, coupled with the need to run tests, it was expected that the task would not be completed until mid-2020. She pointed out that ArchSD would progressively update the systems for its different divisions according to work priorities, and expedite the task as far as practicable. D Arch S also confirmed that ArchSD had set aside resources for training its staff to use BIM.

Use of government quarters sites

6.17 Mr Tony TSE requested the Administration to, after the meeting, provide supplementary information on the Government's plans to make the best use of surplus non-departmental quarters and the relevant sites.

Chapter VII : Constitutional and Mainland Affairs

7.1 At the invitation of the Deputy Chairman, Mr Patrick NIP, Secretary for Constitutional and Mainland Affairs ("SCMA"), briefed members on the main points of the estimates of expenditure under the purview of the Constitutional and Mainland Affairs Bureau ("CMAB") in 2019-2020 (Appendix IV-5).

Operation of the Equal Opportunities Commission

7.2 Referring to Reply Serial No. CMAB062, Ms Claudia MO expressed grave concern that among the complaint cases received by the Equal Opportunities Commission ("EOC") pursuant to the Race Discrimination Ordinance (Cap. 602) ("RDO"), there had been no successful conviction since 2014. Ms MO was also concerned that the number of complaints on racial discrimination against public organizations (including government departments) rose from four in 2014 to 13 in 2018. She requested that all government functions and powers should be brought within the scope of RDO.

7.3 SCMA advised that the newly appointed EOC Chairperson would brief the Panel on Constitutional Affairs on EOC's work in the following month. Besides, the Administration planned to improve the Administrative Guidelines on Promotion of Racial Equality and make it applicable to all government bureaux and departments as well as related organizations providing services to ethnic minorities. SCMA further advised that the Discrimination Legislation (Miscellaneous Amendments) Bill 2018 sought to implement eight recommendations of priority in the EOC's Submissions to the Government on the Discrimination Law Review ("DLR") that were relatively less complex or controversial. The remaining recommendations under DLR (including amendment to RDO outlawing discrimination by the Government in performing its functions and exercising its powers) would be followed up at a later stage.

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7.4 Referring to Reply Serial No. CMAB026, Mr AU Nok-hin raised concern that EOC had spent nearly \$3 million on the emolument of the Chief Project Manager ("CPM") to undertake a review of EOC's complaint-handling functions. He questioned whether the incumbent CPM, who lacked relevant experience in enforcing anti-discrimination and human rights laws, was suitable for the position. SCMA replied that EOC had conducted the aforementioned review independently. CMAB would duly follow up if EOC had any practical problems in implementing its statutory role and functions.

Tackling discrimination on grounds of sexual orientation and gender identity

7.5 Mr CHAN Chi-chuen expressed dissatisfaction with the Administration's failure to take forward the proposal of enacting legislation to outlaw discrimination on grounds of sexual orientation and gender identity. Referring to Reply Serial No. CMAB002, Mr CHAN raised concern that the number of organizations pledging to adopt the Code of Practice against Discrimination in Employment on the Ground of Sexual Orientation ("the Code") had only increased to over 350 from over 330 in the previous year. He asked whether a new communication platform would be set up for the exchange of views with sexual minorities on relevant issues after the expiry of the terms of appointment of the Advisory Group on Eliminating Discrimination against Sexual Minorities ("the Advisory Group").

7.6 SCMA explained that the issue of whether legislation should be enacted to protect sexual minorities against discrimination was controversial. The Administration was conducting a further study on the experience of other jurisdictions in tackling discrimination through legislative and administrative measures. The findings would provide more information to facilitate more in-depth discussion in the community on the issue and the Administration would map out the way forward accordingly. SCMA added that compared with the previous year, the total number of employees in organizations pledging to adopt the Code had increased by 50 000. The Administration would continue to encourage more organizations to adopt the Code and listen to stakeholders' views on relevant subjects expressed through various channels.

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7.7 SCMA further advised that the Administration was actively taking forward the strategies and measures recommended by the Advisory Group, which included providing training for personnel in specific fields to raise their sensitivity towards sexual minorities. In response to Mr CHAN Chi-chuen's enquiry, SCMA said that the relevant training resources to enhance the sensitivity of medical and healthcare personnel were introduced in December 2018 and the Administration was currently preparing the training resources targeting at social workers. Deputy Secretary for Constitutional and Mainland Affairs (1) ("DSCMA(1)") supplemented that those training resources would be provided to relevant organizations upon request.

7.8 Mr CHAN Chi-chuen welcomed the setting-up of PRIDE Line, i.e. a 24-hour hotline for sexual minorities operated by the Tung Wah Group of Hospitals ("TWGHs"). He suggested that TWGHs should keep disaggregated statistical data about the nature of the calls received by the hotline for service evaluation. SCMA and DSCMA(1) advised that the Administration would keep the hotline service under review in the light of the relevant statistics. In response to Mr CHAN's further enquiry, DSCMA(1) advised that over \$1 million would be earmarked each year to subsidize the hotline for three years.

Handling of electors' personal data

7.9 Ms Claudia MO, Mr Charles MOK, Ms Alice MAK and Dr CHENG Chung-tai expressed grave concern that despite the Administration's response given in Reply Serial No. CMAB082, the Registration and Electoral Office ("REO") had recently failed to locate a Register of Electors of a polling station in Kwai Tsing in the 2016 Legislative Council ("LegCo") General Election. They queried what measures would be taken to ensure the confidentiality of electors' particulars and restore the public confidence in the voter registration ("VR") system.

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7.10 SCMA apologized to the electors affected by the incident which, in his view, was unacceptable. He said that the Administration would learn from the incident so as to prevent recurrence of similar incidents. The Administration would also strive to ensure that public elections would be held in an open, fair and honest manner. To this end, the Administration had undertaken to implement various follow-up measures in a serious manner:

- (a) REO had reported the incident to the Police and notified the Office of the Privacy Commissioner for Personal Data, which had initiated a compliance check in relation to the incident;
- (b) REO had notified the affected electors of the incident and issued letters to government departments and organizations which would likely process or receive personal data to alert them to the incident;
- (c) REO would review the VR information of affected electors and if there were unusual changes to their particulars, REO would contact the electors concerned and verify the registrations as appropriate;
- (d) REO would submit a detailed report to CMAB and the Electoral Affairs Commission ("EAC") on the incident. If deliberate cover-up or human errors were found to be involved, actions would be taken in strict accordance with the established disciplinary mechanism;
- (e) EAC would also conduct a comprehensive investigation into the incident to identify deficiencies in the electoral arrangements as well as overall management of REO with a view to making improvement recommendations; and
- (f) the findings of the relevant investigation would be reported to LegCo in due course.

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7.11 Mr CHU Hoi-dick enquired whether SCMA would be held accountable for the incident and resign accordingly. SCMA stressed that he would be responsible to ensure that a thorough investigation into the incident would be conducted.

7.12 In reply to Mr CHU Hoi-dick's further enquiry, Chief Electoral Officer supplemented that in line with the established practice, the Principal Electoral Officer ("PEO") of REO had led a review of the workflow after the 2016 LegCo General Election. Whether the above review was directly related to the loss of the Register of Electors would be a subject of the subsequent investigation.

7.13 Referring to Reply Serial No. CMAB084, Ms Alice MAK considered it undesirable for REO to engage around 500 contract staff to carry out duties relating to VR during the peak period of the VR cycle, as these duties involved the handling of electors' personal data. SCMA said that to enhance the operation of REO, the supernumerary PEO post of REO had been converted into a permanent one. This would enable the planning and operational aspects of electoral activities to be overseen more effectively, and that valuable experience could be retained for sustainable review and improvement of the electoral system.

7.14 In light of the loss of a Register of Electors of REO, Dr Helena WONG urged the Administration to abandon its plan to launch the pilot scheme of advance polling in the 2020 LegCo General Election, pointing out that the marked ballot papers used on the advance polling day would be subject to high security risk. SCMA said that the Administration would take into account various views expressed by Members when finalizing the pilot scheme.

7.15 Dr CHENG Chung-tai asked if disciplinary action had been taken against any civil servant in the computer theft incident of REO occurred in March 2017. SCMA reiterated that if there was any evidence of breach of internal administration codes or any regulations by any member of the REO staff, disciplinary action would be taken in accordance with the established procedure set out by the Civil Service Bureau ("CSB").

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Review of electoral legislation

7.16 Referring to Reply Serial No. CMAB050, Mr CHU Hoi-dick enquired whether the internal research to review whether there were needs to rationalize the laws concerning elections at various levels would be completed in time for the coming District Council ordinary election and LegCo general election. SCMA said that the validity of a candidate's nomination was determined by the Returning Officer according to the legal requirements and relevant procedures. The aforementioned research would be conducted with reference to the Basic Law and the relevant interpretation by the Standing Committee of the National People's Congress and the Court's rulings of the relevant election petitions. SCMA advised that the research was still ongoing pending the outcome of some election petition cases.

Mainland and Taiwan Offices

7.17 Referring to Reply Serial No. CMAB076, Mr AU Nok-hin raised concern that the Administration had allocated fewer resources to the Hong Kong Economic, Trade and Cultural Office ("HKETCO") in Taiwan compared to the Mainland Offices of the Hong Kong Special Administrative Region ("HKSAR") Government. He enquired whether HKETCO had adequate manpower to handle requests from Taiwanese authorities for assistance regarding the earlier homicide case in Taiwan involving Hong Kong residents.

7.18 SCMA explained that in determining the staff establishment of Mainland Offices and HKETCO, the scope of their work would need to be considered. HKETCO's main functions included promoting economic, trade and cultural exchanges between Hong Kong and Taiwan. Its staff establishment and level of provision were commensurate with its roles and functions. The aforementioned homicide case in Taiwan bore no relation to the size of staff establishment of HKETCO and the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council and the Taiwan-Hong Kong Economic and Cultural Co-operation Council would continue to serve as the platform for communication between Hong Kong and Taiwan.

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7.19 Mr Jeremy TAM expressed serious concern that the position of Director of HKETCO had been vacant for a long period of time, and sought details about the relevant posting arrangements. Permanent Secretary for Constitutional and Mainland Affairs ("PSCMA") confirmed that the above post had been vacant since July 2018 and relevant personnel appointment matters were underway. PSCMA added that as a general practice, if no suitable officer could be identified from the Administrative Officer Grade, the post would be opened to other civil service grades.

7.20 In the light of the above, Mr Jeremy TAM questioned why the Director General designate of the Taipei Economic and Cultural Office in Hong Kong had been unable to come to Hong Kong to take office since July 2018 for failure to obtain an employment visa issued by the HKSAR Government. SCMA stressed that this had nothing to do with the vacancy of the Director of HKETCO post. He added that the HKSAR Government would not comment on individual cases. The Immigration Department would act in accordance with the laws and policies in handling each application.

7.21 Mr LUK Chung-hung sought details of how the Mainland Offices handled requests for assistance from Hong Kong residents involving civil disputes (including property transaction disputes). SCMA and PSCMA explained that the Mainland Offices included the Beijing Office, four Hong Kong Economic and Trade Offices ("HKETOs"), as well as 11 liaison units. Other than promoting exchange and cooperation in economic and trade between Hong Kong and the Mainland, the Mainland Offices also provided practical assistance to Hong Kong residents in distress in the Mainland (including providing HKSAR passport replacement services). In particular, the HKETO in Guangdong provided a free legal advisory service to those in need. Mr LUK suggested that HKETOs should be renamed to avoid giving an impression that they only dealt with economic and trade affairs. He also suggested that the free legal advisory service should be made available in more locations. SCMA undertook to consider Mr LUK's suggestions.

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Guangdong-Hong Kong-Macao Greater Bay Area

7.22 Noting from Reply Serial No. CMAB016 that a series of publicity programmes had been launched to raise public interest in the development of the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area"), Mr Gary FAN enquired whether the Administration had given due consideration to young people's sentiments towards the Mainland. He also asked how the Administration would boost young people's confidence in the upholding of the "One Country, Two Systems" principle in Hong Kong.

7.23 Referring to Reply Serial No. CMAB010, Mr Christopher CHEUNG enquired how the Administration would step up publicity to promote the development of the Greater Bay Area to young people. He also asked how the Administration would address fears about the assimilation of Hong Kong into the Mainland.

7.24 SCMA said that the "One Country, Two Systems" principle was vital in the development of the Greater Bay Area. To improve young people's understanding about the actual situation in the Greater Bay Area, the Administration would use various publicity channels including the social media. For example, the Facebook page on the Greater Bay Area (namely "拾壹城話") was set up to provide information on the culture, arts and history of the 11 cities in the Greater Bay Area so as to appeal to young people. In fact, the young people in Hong Kong had become more familiar with the Greater Bay Area. Besides, the dedicated website on the Greater Bay Area aimed to update industries and the community on the policies of the Greater Bay Area cities and the work of the HKSAR Government on a regular basis. In reply to Mr FAN's enquiry, SCMA clarified that the estimated financial provision for the Greater Bay Area Development Office mainly covered its staff costs.

7.25 Dr Helena WONG enquired whether the responsibilities of the Greater Bay Area Development Office would overlap with those of the HKETO in Guangdong. PSCMA explained that the Greater Bay Area Development Office would be based in Hong Kong to, among others, coordinate with relevant Mainland and Macao authorities and to formulate work priorities in relation to the implementation of the

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Outline Development Plan for the Greater Bay Area, while the role of the HKETO in Guangdong would remain unchanged.

7.26 Mr MA Fung-kwok requested the Administration to assess the impression of Hong Kong among Mainland residents in the Greater Bay Area. SCMA explained that a WeChat official account had been set up to promote Hong Kong among Mainland residents. The Administration would also make reference to surveys conducted by community organizations in order to understand the sentiment among Mainland residents about Hong Kong.

7.27 Noting from Reply Serial No. CMAB060 that the Public Policy Research Funding Scheme and the Strategic Public Policy Research Funding Scheme had allocated a total of \$12 million in 2018-2019 to five research projects relating to the development of the Greater Bay Area, Mr MA Fung-kwok enquired how many relevant funding applications had been received. SCMA said that the two aforementioned funding schemes were managed by the Policy Innovation and Co-ordination Office, which accepted applications for grants for conducting researches relating to the Greater Bay Area. He undertook to provide the relevant information if necessary in due course.

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8.1 At the invitation of the Deputy Chairman, Mr WONG Kam-sing, Secretary for the Environment ("SEN"), briefed members on the financial provisions and the main initiatives of the policy area of environment for the 2019-2020 financial year (Appendix IV-6).

Roadside air quality

Promoting the use of electric/hybrid vehicles

8.2 Mr Kenneth LEUNG cited media reports that the sole supplier of Hong Kong's liquefied petroleum gas ("LPG") public light buses ("PLBs") would cease the production of LPG PLBs. By then, PLB operators who wished to purchase new or replace existing PLBs would need to choose diesel ones. He enquired about the Administration's measures to address this problem, including whether it would expedite the introduction of electric PLBs, and whether there were electric vehicle ("EV") producers ready to supply Hong Kong with electric PLBs.

8.3 Deputy Director of Environmental Protection (3) ("DDEP(3)") replied that:

- (a) the major supplier of LPG PLBs for Hong Kong had informed the Administration of its plan to cease the production of LPG PLBs in late 2020 or early 2021 and thereafter supply Hong Kong with Euro VI diesel PLBs. Meanwhile, the Administration had plans to tighten the emission standards for light buses to Euro VI;
- (b) Euro VI diesel PLBs emitted about 80% less nitrogen oxides and 50% less respirable suspended particulates compared with their Euro V counterparts, and about 90% less of both compared with their Euro III counterparts; and
- (c) currently, there were no EV producers supplying electric PLB models suitable for use in Hong Kong. The Administration was preparing for the establishment

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of standards and basic technical requirements for electric PLBs and the related chargers, so as to facilitate the development of electric PLB technologies. In addition, the Administration would continue to encourage the industry to test out hybrid PLBs through the Pilot Green Transport Fund ("PGTF").

8.4 Mr Jeremy TAM enquired whether Euro VI diesel PLBs or LPG PLBs emitted less air pollutants; and whether the Administration would put in place a blueprint and relevant measures for the adoption of new energy vehicles by the PLB and taxi trades, such as installing EV chargers at the existing 12 dedicated LPG filling stations to facilitate the shift to EVs by the trades.

8.5 In response, DDEP(3) said that diesel and LPG PLBs were subject to the same emission requirements regarding nitrogen oxides, carbon monoxide and suspended particulates under the Euro VI emission standards. However, the roadside remote sensing technology, which was used in Hong Kong for monitoring emissions of LPG vehicles, could not yet be applied to diesel vehicles. As such, the emission monitoring technology for LPG vehicles was maturer than that for diesel vehicles. The Administration would consider how it could support the development of new energy vehicles in terms of land use planning. As the operation contracts of the aforesaid 12 LPG filling stations were due to expire over the period from 2021 to 2022, the Administration was currently considering the future arrangements for those filling stations and the sites concerned. Given the present state of technological development of electric PLBs and taxis, which was still unable to meet the operational needs of the local public transport sector, and that there were currently about 18 000 LPG taxis in Hong Kong, the demand of the industry for LPG filling stations was expected to persist over the coming few years.

8.6 Mr Frankie YICK noted from Reply Serial No. ENB165 that light goods vehicles ("LGVs") accounted for more than 60% of the approved trials under PGTF. He enquired about the reasons for that, and whether the LGVs concerned were of different brands or models. He was also concerned that this might create an impression that PGTF was skewed towards subsidizing LGVs.

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8.7 SEN and DDEP(3) replied that electric LGVs accounted for a relatively large proportion in the trials subsidized by PGTF mainly because of the relative maturity of electric LGV technologies and hence the availability of more brands and models on the market. Different models of electric LGVs from various brands had been tested out under PGTF. Some models that were tested out at earlier stages were no longer supplied due to poor performance or business considerations of the suppliers; and some older models from some other brands had been phased out as more advanced models became available.

8.8 Mr Jeremy TAM opined that in promoting the use of EVs, the Administration should lead by example by making EVs the first choice in its procurement of vehicles (especially saloon cars). He enquired why government departments had purchased only 24 electric saloon cars between 2016 and 2018, which was barely a fraction of the 857 non-electric saloon cars purchased during the same period; and how the Administration would further encourage government departments to purchase electric saloon cars in place of conventional fuel-engined saloon cars, including whether it would consider drawing up guidelines requiring departments to give priority to EVs in the procurement of saloon cars and provide reasons in cases where EV was not chosen.

8.9 SEN and DDEP(3) replied that the adoption of EVs by government departments hinged on whether the design and technological development of EVs (e.g. driving range, size, etc.) could meet the day-to-day operational needs of the departments. In the past few years, there were still limited EV models on the market that could meet the day-to-day operational needs of government departments. The Administration was given to understand that from 2019 onwards, more suitable models would be available on the market. The Environment Bureau/the Environmental Protection Department ("EPD") would step up coordination with other bureaux/departments and encourage departments to opt for EVs subject to the availability of suitable models and their compatibility with the department's operational needs. Departments which did not accept the use of EVs would be required to explain the reasons.

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Phasing out of Euro IV diesel commercial vehicles

8.10 Referring to Reply Serial No. ENB167, Mr Frankie YICK pointed out that under the existing mechanism, registered owners of PLBs with a Passenger Service Licence were required to complete the de-registration of the old vehicles and registration of the new ones that had passed vehicle examination concurrently if they intended to replace their PLBs. However, given the harsh business environment of the PLB trade, owners might not be able to acquire a new vehicle before they scrapped the old one. Given these two factors, registered owners of PLBs might not stand to benefit from the ex-gratia payment provided by EPD, but might be forced to scrap and de-register their existing Euro IV PLBs by the deadlines, thereby affecting their livelihood. He urged EPD to step up coordination with the Transport Department to ensure that reasonable arrangements would be in place to minimize the impact of the scheme for phasing out Euro IV diesel commercial vehicles on the PLB trade.

8.11 DDEP(3) explained that the above arrangement regarding the same-day registration for replacement of vehicle aimed to ensure that the total number of registered PLBs did not exceed the statutory cap. EPD would take into account the views of stakeholders when drawing up the specific proposal for the phasing out of Euro IV diesel commercial vehicles.

Waste management

Municipal solid waste charging

8.12 Mr CHAN Chi-chuen referred to Reply Serial No. ENB046. As the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 ("the Bill") was still under scrutiny by a bills committee and might not be passed in the 2019-2020 financial year, he enquired whether the fund earmarked by EPD for the preparatory work for municipal solid waste ("MSW") charging (about \$74 million) would be used only after the passage of the Bill.

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8.13 In response, Deputy Director of Environmental Protection (Special Duties) said that to ensure that the MSW charging scheme would be implemented by the end of 2020 (subject to the passage of the Bill), it was necessary for the Administration to carry out the relevant preparatory work at this stage, such as developing a manufacturing, inventory and distribution system for designated garbage bags/labels; developing the registration and billing systems for gate fee; carrying out a large-scale publicity and public education programmes; and implementing community involvement and pilot projects. Part of the earmarked fund mentioned above would be used for work that had already commenced (e.g. publicity and public education). The pace of development of systems would depend on the progress of scrutiny of the Bill by the Legislative Council ("LegCo").

8.14 Ms YUNG Hoi-yan said that the New People's Party, which supported in principle the implementation of MSW charging, had suggested that the Administration should consider collaborating with the business sector to enable plastic shopping bags distributed to consumers to be reused as designated garbage bags. She enquired about the progress of work in this regard. SEN said that by making reference to the experiences of other places that had implemented quantity-based waste charging, the Administration would proactively explore allowing retailers to sell designated garbage bags instead of distributing plastic shopping bags. It would continue to discuss the issue with the business sector.

Strengthening support for recycling

8.15 Mr Michael TIEN supported the implementation of the pilot scheme on the application of reverse vending machines ("RVMs") to promote the recycling of plastic beverage containers, and said that the Roundtable had put forward similar suggestions. He opined that the Administration should increase the number of RVMs to be installed under the pilot scheme and urged that an attractive rebate be offered for each container to ensure the effectiveness of the scheme.

8.16 Ms YUNG Hoi-yan suggested that the Administration support green groups in setting up RVMs in the community to promote the recycling of metal and plastic containers.

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8.17 SEN took note of members' views and said that the Administration would look closely into the level of rebate to be offered having regard to the experiences of other places. In addition, he pointed out that the Administration would first allocate an additional provision of around \$300-400 million for the 2019-2020 financial year to strengthen the support for waste reduction and recycling to complement the implementation of the proposed MSW charging. Part of the additional resources would be allocated to strengthening the work on promoting waste reduction and resource recovery in the community.

Food waste management

8.18 Ms YUNG Hoi-yan enquired how the Administration would promote the separation at source, recovery, and recycling of food waste. Deputy Director of Environmental Protection (2) ("DDEP(2)") said that the Administration was developing a network of Organic Resources Recovery Centres ("ORRCs") to turn food waste into energy in accordance with A Food Waste and Yard Waste Plan for Hong Kong 2014-2022. ORRC Phase 1, which was commissioned in July 2018, had been operating smoothly so far and was currently processing about 100 tonnes of food waste per day (its design treatment capacity was 200 tonnes/day). The Administration was seeking funding approval of the Finance Committee for ORRC Phase 2. Moreover, EPD would work with the Drainage Services Department to take forward the trial scheme of "food waste/sewage sludge anaerobic co-digestion". The first trial would commence in Tai Po Sewage Treatment Works ("STW") in the first half of 2019. The trial scheme was expected to be extended to Sha Tin STW in 2022. If the trial scheme was successful, the Administration would actively utilize the anaerobic co-digestion systems in existing and planned STWs to improve the overall food waste treatment capacity in Hong Kong. It was expected that Hong Kong's overall food waste treatment capacity would reach around 1 800 tonnes/day by mid-2030s, representing around 50% of the current daily amount of food waste generation.

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Operation and management of landfills

8.19 Mr Michael TIEN was concerned about the leakage of leachate from the West New Territories ("WNT") Landfill which affected the water quality of water bodies (including aquaculture farms) in the vicinity. He said that, as far as he understood, the contractor of the WNT Landfill had received operation payments totalling about \$1,600 million in the period from 2013 to 2018, but the penalty it paid for a number of non-compliance cases added up to about \$8 million only. This indicated that the penalty stipulated under the relevant management contract was insufficient to achieve effective deterrence. In this connection, he opined that the Administration should impose heavier penalty for non-compliance in the contracts devised for waste treatment facilities in future. SEN took note of Mr TIEN's views and said that the Administration would identify areas for improvement in devising new contracts in the light of past experience.

Regulation of products containing microplastics

8.20 Dr Elizabeth QUAT enquired about the progress of legislating for regulating products containing microplastics, including when the Administration would announce the findings of the relevant consultancy study. SEN and Deputy Director of Environmental Protection (1) ("DDEP(1)") said that a consultancy study was being conducted on the control of personal care and cosmetic products containing microbeads. The study covered three major aspects, namely (a) international situations regarding the regulation of relevant products, the regulatory approaches adopted and the implementation details; (b) local situations; and (c) regulation strategies applicable to Hong Kong. The consultant was in the process of consulting stakeholders. The Administration expected that the study report would be completed by 2019, and would report to LegCo on the study findings afterwards.

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Management of inert construction and demolition materials

8.21 Mr Tony TSE referred to Reply Serial No. ENB033 and enquired whether local construction projects implemented in 2019 could absorb all inert construction and demolition materials (also known as public fill) generated in Hong Kong, and whether the Administration would still need to deliver surplus public fill to Taishan in Guangdong Province for disposal.

8.22 Director of Civil Engineering and Development replied that about 1 500 tonnes of public fill was estimated to be generated in Hong Kong in 2019 and the supply was expected to fall short of the demand for public fill to be used in local construction projects implemented within the current year (including the Three-runway System Project at the Hong Kong International Airport and the Tung Chung New Town Extension project). However, as temporary fill banks were close to saturation, it was anticipated that some of the public fill generated locally would still have to be delivered to Taishan in Guangdong Province for disposal in 2019.

Promoting the development of renewable energy and enhancing energy efficiency

Feed-in Tariff Scheme

8.23 Mr CHU Hoi-dick said that some members of the public who approached him for assistance relayed that they suffered financial losses because some renewable energy ("RE") installation contractors had closed down without returning their deposit payments. He enquired whether the Administration would consider compiling a list of approved contractors for public inspection in order to protect consumer interests.

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8.24 Director of Electrical and Mechanical Services ("DEMS") replied that the Administration adopted a multipronged approach to encouraging the public to participate in the Feed-in Tariff ("FiT") Scheme, e.g.: (a) providing relevant information on the HK RE Net, including a reference list of RE installation contractors; (b) setting up a hotline to answer public enquiries on RE and the FiT Scheme; and (c) organizing seminars to provide the public with relevant information. Since the introduction of the above measures, the Administration had received about 1 000 enquiries via the hotline (among which 278 enquiries were related to RE installation contractors) and had organized about 30 seminars. In response to Mr CHU Hoi-dick's further enquiry, DEMS advised that the reference list of RE installation contractors uploaded onto the HK RE Net was compiled based on survey questionnaires and the Administration had not verified the information provided by the contractors.

District Cooling System at the Kai Tak Development

8.25 Mr CHAN Chi-chuen noted from Reply Serial No. ENB040 that the estimated recurrent expenditure of the District Cooling System ("DCS") at the Kai Tak Development ("KTD") would be more than doubled year-on-year in the 2019-2020 financial year. He enquired whether the estimated revenue from DCS was sufficient to cover the recurrent expenditure, and whether the Administration could recover the cost of the facility as expected.

8.26 DEMS advised that the Administration aimed at recovering the capital cost and the operation and maintenance cost of DCS from users over its 30-year operation period. The annual charge rate of the facility was determined in accordance with the charging mechanism stipulated in the District Cooling Services Ordinance (Cap. 624). The Administration would conduct charge rate review at least once every five years. It will also report the review findings as well as the revenue and expenditure of the facility to LegCo.

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Nature conservation

Protection of endangered species

8.27 Mr Kenneth LEUNG enquired how the Administration generally disposed of confiscated ivory which had been illegally imported. Director of Agriculture, Fisheries and Conservation ("DAFC") advised that a total of 28 tonnes of confiscated ivory had been destroyed by incineration since 2014 while a small amount of confiscated ivory was retained for uses permitted under the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES"), including education, scientific and enforcement purposes. The Administration would continue to dispose of confiscated ivory by the above means.

8.28 Dr Elizabeth QUAT asked why the Administration had not destroyed any confiscated ivory (the existing government stockpile weighed about 10 tonnes) in 2017 and 2018. DAFC explained that the ivory stockpile was still awaiting disposal pending the completion of the relevant legal procedures. The Administration anticipated that after the completion of the legal procedures, except for some of the ivory which would be retained for uses permitted under CITES, arrangements would be made for the destruction of the ivory by incineration in 2019.

8.29 Ms Claudia MO pointed out that according to Reply Serial No. ENB022, the maximum imprisonment terms imposed in convicted cases related to the illegal trade in reptile skin products and pangolin products in 2018 were only six weeks and four weeks respectively. She enquired about the means through which the Administration could enhance deterrence against illegal trade in endangered species. Dr Elizabeth QAUT raised a similar question.

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8.30 SEN advised that the Administration attached great importance to the work of protecting endangered species. It would closely monitor the trade in endangered species and step up enforcement efforts. The maximum penalty for relevant offences under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) had been raised substantially since 1 May 2018. The Administration would review the effectiveness of the increased penalties in due course.

8.31 Mr CHU Hoi-dick enquired whether the Agriculture, Fisheries and Conservation Department ("AFCD") had found any green turtles in areas around Lamma Island in recent years. Dr Elizabeth QUAT pointed out that Members had suggested that the Administration expand the coverage of the Sham Wan Restricted Area and extend the restricted period, or designate Sham Wan as a marine park, so as to enhance protection of green turtles. She enquired about the progress of the work in this regard.

8.32 DAFC replied that AFCD did not find any green turtles nesting in Sham Wan in the past few years. The Administration had planned to expand the scope of the Sham Wan Restricted Area and extend the restricted period. Stakeholders' views would be sought at a later stage.

8.33 Mr KWONG Chun-yu referred to Reply Serial No. ENB021 and enquired (a) why the abundance of Chinese White Dolphins ("CWDs") in their major habitats had dropped significantly from 87 in 2014 to 47 in 2017; (b) whether the reclamation works implemented in recent years in the waters near Lantau had resulted in the deterioration of water quality, which consequently undermined the survival rate of CWDs; and (c) how the Administration would enhance protection of CWDs and address the low survival rate of baby dolphins.

8.34 DAFC responded that CWDs mainly frequented the waters off northwest Lantau in the past. It was observed that due to the works projects implemented in North Lantau and other factors, there had been a shift in the waters frequented by CWDs in recent years, such as southeast Lantau or Mainland waters. Although the Administration had not estimated the birth and death rates of CWDs, the number of

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CWDs found stranded by and large remained steady. There were no statistics indicating that the death rate of CWDs was on the rise. The Administration provided favourable inhabiting and foraging grounds for CWDs mainly through setting up marine parks with artificial reef deployment and fish fry restocking, etc., to facilitate their conservation. Moreover, the Administration was preparing for the designation of the proposed Southwest Lantau Marine Park and the related work was expected to be completed in 2019.

Management of wild pigs

8.35 Mr CHU Hoi-dick enquired whether AFCD had euthanized any wild pigs captured under the Capture and Contraception/Relocation Programme ("CCRP").

8.36 Ms Claudia MO also enquired about the statistics related to CCRP and the purpose of the increased manpower and estimated expenditure of AFCD for wild pig management for the 2019-2020 financial year. In addition, she commended AFCD for suspending the operation of the civilian hunting teams, and enquired whether the civilian wild pig hunting teams were required to surrender or had already surrendered the arms in their possession to the Administration.

8.37 DAFC replied that:

- (a) since the implementation of CCRP, AFCD had captured about 160 wild pigs during its operations and relocated about 120 of them to remote countryside, and the remaining wild pigs (often the smaller ones) were released back to the wild where they were caught. No wild pigs captured under CCRP had been euthanized;
- (b) among the above 160 pigs or so, 78 were administered with contraceptive vaccines or surgically sterilized. Some wild pigs were relocated to remote countryside after being injected with contraceptive vaccines or surgically sterilized;

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- (c) the increased manpower and estimated expenditure for wild pig management for the 2019-2020 financial year would be mainly used to take forward the following three tasks: (i) CCRP; (ii) enhancing publicity and public education; and (iii) collaborating with the Food and Environmental Hygiene Department in improving the design of refuse collection facilities, etc.; and
- (d) issues relating to the arms possessed by the civilian hunting teams were followed up by the Hong Kong Police Force.

Restored Landfill Revitalization Funding Scheme

8.38 Mr MA Fung-kwok pointed out that according to Reply Serial No. ENB133, two applications were approved under Batch 1 of the Restored Landfill Revitalization Funding Scheme ("RLRFS"). However, the non-profit-making organization ("NPO") that applied and was approved for revitalizing the Ma Yau Tong Central Landfill found, after completing the detailed project proposal, that the estimated capital costs of the project had exceeded the costs estimated during the application stage as well as the capital grant ceiling of \$100 million under RLRFS. Eventually, it decided not to pursue the project further. He enquired whether the Administration would select another application among the remaining ones as a replacement in order to facilitate the early implementation of the project to revitalize the Ma Yau Tong Central Landfill; and whether it would consider raising the grant ceiling when launching Batch 2 of RLRFS in view of the above case.

8.39 Mr Tony TSE considered the progress of revitalizing restored landfills slow. He urged the Administration to launch Batch 2 of RLRFS expeditiously and consider developing recreational facilities on individual restored landfills by itself or using the landfills for other suitable purposes.

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8.40 SEN and DDEP(2) replied that EPD was reviewing the operational and implementation experience of Batch 1 of RLRFS, with a view to introducing enhanced measures for Batch 2 of RLRFS. Given that restored landfills were subject to more development constraints, NPOs/National Sports Associations ("NSAs") would face considerable challenges when carrying out development on those sites for beneficial uses. In view of this, the Administration would consider, in the context of the review, the possibility of providing in advance basic infrastructure/public utilities on various restored landfills that were yet to be revitalized (including the Ma Yau Tong Central Landfill) to facilitate development for beneficial uses; and examine the roles of the Government and NGOs/NSAs in constructing and managing the facilities. The Administration planned to complete the review in 2019 for the expeditious implementation of Batch 2 of RLRFS and, depending on the review findings, include the Ma Yau Tong Central Landfill site in Batch 2 of RLRFS. In order to ensure fairness to all applicants, the Administration would not select another application from among the applications under Batch 1 of RLRFS to take forward the revitalization of the Ma Yau Tong Central Landfill.

Noise control

8.41 Mrs Regina IP enquired about the legislation which was currently applicable to the noise emanating from railway (particularly Light Rail) operation and illegally modified vehicles/illegal road racing activities. DDEP(1) advised that the noise emanating from railway operation was governed by the Noise Control Ordinance (Cap. 400). If the noise level was found exceeding the prescribed limit, the Administration would issue Noise Abatement Notices requiring the operators to bring the noise emissions into a state of compliance. Excessive noise caused by vehicle modifications was governed by the relevant regulations under the Road Traffic Ordinance (Cap. 374). If excessive noise was found emanating from silencer, the authorities concerned might require the vehicle to be examined.

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Other issues

8.42 Mrs Regina IP enquired about (a) the progress of the development of the Environmentally Friendly Linkage System under the Energizing Kowloon East Initiatives; and (b) how the Administration would prevent property owners from issuing green bonds recklessly for financing conversion works for their properties that were unnecessary and/or not environmentally friendly so as to fetch higher rents from tenants.

8.43 SEN advised that items (a) and (b) above fell under the purviews of the Development Bureau and the Financial Services and the Treasury Bureau respectively. As far as he understood, the Hong Kong Quality Assurance Agency had established a Green Finance Certification Scheme to provide third-party conformity assessments for issuers on their green financial instruments by making reference to a number of international and national standards. The Scheme would be conducive to enhancing the credibility of green finance.

Chapter IX : Housing

9.1 At the invitation of the Chairman, Mr Frank CHAN, Secretary for Transport and Housing ("STH"), briefed members on the main initiatives for the policy area of housing for the 2019-2020 financial year (Appendix IV-7).

Supply of housing

9.2 Mr Wilson OR said that the Administration had earlier on announced the re-allocation of nine private housing sites for public housing development. He enquired about the implementation timeframes for development projects at these sites. STH replied that the Hong Kong Housing Authority ("HA") and the Hong Kong Housing Society ("HS") had been undertaking the planning work for the development of subsidized sale flats ("SSFs") projects at these nine sites. Permanent Secretary for Transport and Housing (Housing) ("PS(H)") advised that these housing development projects were expected to be completed within 10 years. HA/HS had formulated timetables in relation to the design and planning for these projects and had been consulting relevant District Councils ("DCs") on the proposals for the developments. In response to Mr OR's enquiry on whether the Administration would allocate more private housing sites for public housing development in the coming year, STH replied that the Administration would continue to consider taking forward such initiative, as appropriate.

9.3 Noting from the Administration's estimate that the private sector would, on average, complete as many as 18 800 private flats each year from 2019 to 2023, Mr AU Nok-hin said that the Administration should pay heed to DCs' views, if any, on the Government's sale and use of lands in their respective districts for private housing or other developments.

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Public rental housing and Green Form Subsidised Home Ownership Scheme

9.4 Dr CHENG Chung-tai asked about how HA determined the public rental housing ("PRH") developments that would be used for providing Green Form Subsidised Home Ownership Scheme ("GSH") flats and whether HA would take into account the districts where the PRH developments were located when making the decision. He further asked whether HA had set a ratio between the new supply of PRH and GSH, and whether there was an upper limit on the supply of GSH flats.

9.5 PS(H) replied that HA had not set a supply target for GSH flats, and would adopt a prudent approach to implement the regularized GSH, whereby HA would decide each year the PRH developments that would be converted to GSH and the number of flats involved, taking into account the operational experience and sales response of previous GSH projects, the estimated completion dates of PRH developments, etc. As regards the PRH supply, in addition to newly completed units, units recovered were also an important source, and there was on average a net recovery of about 7 000 PRH units from tenants per year. In response to Dr CHENG's concern about whether HA would decide to convert a PRH development to GSH only at a very late stage of the development, PS(H) advised that as GSH flats were sold under pre-sale arrangement, HA had to make such decision at an earlier stage.

Households waiting for public rental housing

9.6 Ms Starry LEE enquired whether the current-term Government had confidence to shorten the PRH waiting time in the near future. Mr Abraham SHEK enquired about the current-term Government's measures to address the imminent housing difficulties faced by the inadequately-housed households who were waiting for PRH. Mr CHU Hoi-dick expressed concern about the inadequate short-term housing supply to meet the demand. STH replied that

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shortage of land was the major bottleneck in the increase of public housing supply. Given the time required to implement land development projects in Wang Chau and various new development areas in the New Territories, the Administration envisaged that there would not be a significant improvement in the PRH waiting time within a short period of time. To alleviate the housing problems in the short term, the Administration would continue to support and facilitate the provision of transitional housing, enhance the development intensity of public housing sites, re-allocate private housing sites for public housing development as appropriate, and streamline the approval process of development projects, etc.

9.7 In response to Mr Abraham SHEK's enquiry about the total number of vacant PRH units at present, PS(H) advised that the vacancy rate of PRH units was less than 1%, and the Administration would provide the exact number after the meeting. Mr SHEK opined that the Administration/HA should deal with such vacancy situation.

Subsidized housing

9.8 Ms Starry LEE opined that young families which could not afford a private flat wished to move to subsidized housing. She asked about the number of SSFs to be offered for sale in 2019. STH replied that on the premise that the PRH production would not be compromised, HA would continue to provide SSFs to meet the home ownership aspirations of the public. In 2019, HA would put up two GSH projects offering a total of about 3 700 flats for pre-sale and about 4 900 Home Ownership Scheme flats for sale.

9.9 Ms Alice MAK noted that HS had only received 13 applications from owners for its pilot Letting Scheme for Subsidised Sale Developments with Premium Unpaid since its launch, and considered that the scheme might warrant improvements. STH and PS(H) replied that HS was currently reviewing the pilot scheme. As mentioned in the 2018 Policy Address, HA might consider joining the

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scheme in light of the operational experience of the pilot scheme. The scale of the scheme might expand significantly if HA joined the scheme.

Redevelopment of aged public rental housing estates

9.10 Ms Starry LEE enquired whether HA would redevelop aged PRH estates in 2019 to release the development potential of the land concerned. Mr Jeffrey LAM opined that to speed up the pace of redeveloping aged PRH estates, HA should construct a new housing block in the open space of the estate concerned to rehouse the households of the existing PRH blocks in the same estate before demolishing them, and some units in the new housing block might be allocated to the waiting-list applicants. STH replied that HA had been implementing redevelopment programmes in the older parts of Mei Tung Estate and Pak Tin Estate. With the current shortage of PRH supply, HA needed to consider the short-term impact of redeveloping aged estates on the PRH stock available for allocation to PRH applicants. PRH units were currently provided in estates of different ages, and HA would continue to consider redevelopment of individual PRH estates with reference to four basic principles, viz. structural conditions of buildings, cost effectiveness of repair works, availability of suitable rehousing resources in the vicinity, and build-back potential upon redevelopment.

9.11 Mr CHAN Chun-ying noted that the estimated public housing production in Sham Shui Po from 2018-2019 to 2022-2023 was more than those in other districts, and enquired whether the Administration/HA would reserve some of the newly completed public housing units in Sham Shui Po for rehousing households affected by the Urban Renewal Authority ("URA")'s redevelopment projects. PS(H) replied that suggestions related to rehousing arrangements under URA's projects should be considered by URA and the relevant policy bureau.

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Private housing

9.12 In view that the total completions of private domestic flats with saleable floor area of not more than 20 sq m and between 20 to 39.9 sq m (i.e. Class A flats) had increased from about 2 000 units in 2014 to about 7 000 units in 2018, and the estimated completion of Class A private domestic flats in 2019 would be about 9 800 units, Mr Jeremy TAM enquired about the current-term Government's stance towards the prevalence of "nano flats". He and Mr Tony TSE asked whether the Administration would stipulate the minimum size of private flats. Mr TSE was concerned about the living space of flats and suggested that the Administration should adopt an average reference size of accommodation for assessment of the land area required for achieving the private housing supply target.

9.13 STH replied that under the tight housing supply situation, the current-term Government had been focusing its efforts on the supply of more housing units. The Administration attached importance to the living quality of residents and had noted the growth in the number of small-sized private flats. The Administration believed that increasing land supply for housing would bring positive impact on the market, and it might not be appropriate to stipulate by legislation a requirement on the minimum size of private flats at this stage. Mr Jeremy TAM opined that instead of enacting legislation, the Administration might impose suitable land sale conditions on the minimum size of private flats sold by developers. STH took note of Mr TAM's view.

9.14 Mr James TO opined that the organs of the Central People's Government in Hong Kong or their subsidiary companies were in an advantageous position in acquiring local properties as they were exempted from stamp duty payments for such transactions. In view of the local community's pressing housing demand and the situation of residents living in small-sized flats, the Administration should relay to the Mainland authorities the views that the Central People's Government should purchase fewer local properties for their staff, and

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this could be achieved by reducing the number of staff accommodated in such properties or providing smaller living space for staff members. STH took note of Mr TO's views.

Facilities in public housing estates

9.15 Mr LEUNG Che-cheung said that HA might not be able to improve the facilities, such as retrofitting lifts, adding covers to walkways or benches, in estates' common areas because of the plot ratio restrictions. He enquired whether the Transport and Housing Bureau ("THB") would conduct a review in this regard and whether HA would put forth a holistic proposal to increase the relevant plot ratios in these estates and seek approval for it. PS(H) replied that the provision of additional facilities in an estate's common area was subject to the plot ratio restriction under the relevant Outline Zoning Plan and relevant requirements under the Buildings Ordinance (Cap. 123)("BO"). As regards estates located on land lots subject to land leases, the Administration/HA might need to secure the support of other owners of the lots for proposals to improve the estates' facilities. He advised that the Building Committee under HA had all along discussed at its meetings the improvements of facilities in individual estates, and the views and suggestions at the meetings would be considered by the relevant government bureaux/departments.

Approval process for development projects

9.16 Mr Tony TSE asked about the participation of THB in the steering group which was set up under the Development Bureau ("DEVB") to explore how to streamline the approval process for development projects. He opined that streamlining the process might help expedite the delivery of housing projects and THB should request DEVB to expedite the steering group's progress in completing its work. Noting that the Administration would start accepting submissions of building plans and applications electronically from the first quarter of 2022, he enquired whether the Administration would put in place any

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interim measures to streamline the processing of building submissions. STH replied that THB had provided its views to DEVB on matters regarding the approval process for development projects. He would relay Mr TSE's views and questions to DEVB for follow-up.

Land reserved for small house developments

9.17 Mr James TO opined that the court ruling of the recent judicial review in relation to the Small House Policy and any subsequent appeals in future might lead to a release of about 900 hectares of land originally reserved for small house developments. He asked about the potential of such land for residential development, and requested for supplementary information about the Administration's assessment in this regard.

9.18 STH replied that he would relay Mr TO's request to DEVB. As far as he understood, the land mentioned by Mr TO comprised multiple sites scattered over different parts of the territory. In response to Mr LEUNG Yiu-chung's enquiry about whether these scattered plots of land were suitable for providing transitional housing, and whether instead of relying on NGOs, the Administration would construct such housing on its own, STH advised that the Administration considered it appropriate to make use of potential resources in the community as far as practicable to take forward transitional housing initiatives. Whether the 900 hectares of land in question could be used for providing transitional housing was subject to various factors, such as suitability of the sites for residential development, accessibility, availability of ancillary facilities to cater for residents' daily needs, etc.

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Transitional housing

9.19 Mr Vincent CHENG said that the Financial Secretary had announced in this year's Budget Speech that \$2 billion would be set aside to support non-governmental organizations ("NGOs") in constructing transitional housing, and enquired when the Administration would announce the detailed arrangements of the fund. Under Secretary for Transport and Housing ("USTH") replied that THB would map out the detailed arrangements of the fund in light of the operational experience of the existing transitional housing projects and the views of various sectors of the community. The relevant funding proposal was expected to be submitted to the Finance Committee in the latter half of 2019.

9.20 In view that there were only five time-limited posts in the Task Force on Transitional Housing, Ms Alice MAK enquired whether this reflected that the Administration would continue to play merely a facilitator role in NGOs' transitional housing projects. Ms CHAN Hoi-yan questioned how the small staff establishment of the task force could demonstrate the Administration's commitment with respect to transitional housing. STH replied that the task force had facilitated the implementation of a number of transitional housing projects and since June 2018, more than 600 transitional housing units had been provided for needy families. When more vacant sites/buildings were available in future for providing transitional housing, the Administration would appropriately deploy additional manpower and resources to support the implementation of such projects.

9.21 Mr Vincent CHENG enquired whether the \$1 billion fund set aside by the Administration to support NGOs for the gainful use of vacant government sites would support the transitional housing project at Yen Chow Street, and when the Administration would seek funding approval in relation to this project. USTH replied that the Task Force on Transitional housing had been communicating with the Hong Kong Council of Social Service regarding its Yen Chow Street project, and

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would continue to communicate with the proponents of other transitional housing projects in respect of the funding arrangements. In response to Mr CHENG's enquiry on whether the Administration would invite HS and URA to undertake transitional housing projects, USTH advised that the Administration had communicated with HS and URA with a view to collaborating with these organizations towards providing more transitional housing units.

9.22 Ms CHAN Hoi-yan opined that as it might take time for the Administration to solicit public support for its land supply initiatives for providing public housing, the demand for transitional housing might continue for a prolonged period. In view that relevant NGOs might not be familiar with the development and management of transitional housing, she suggested that the Administration should be more actively involved in the initiatives of transitional housing. Mr Tony TSE raised a similar suggestion. STH replied that amid the tight supply of housing land, the Administration should focus their efforts on securing more sites for the provision of permanent housing. Given that new land supply would take time to materialize, the Administration facilitated the community initiatives on transitional housing. In supporting such initiatives, THB had encouraged relevant professional institutions to provide assistance in offering advice and support to NGOs regarding the development and property management of transitional housing.

9.23 Mr Tony TSE opined that the Administration should simplify its process of vetting applications in relation to transitional housing projects. STH undertook to relay Mr TSE's view to DEVB for follow-up. He advised that to facilitate the launching of transitional housing projects, the Buildings Department ("BD") had adopted a pragmatic approach in granting modification or exemption under BO for submissions related to old domestic buildings and wholesale-converted industrial buildings with genuine planning and design constraints.

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Transit centres

9.24 In view that the occupancy rate of transit centres ("TC") in the past three years was not high and TC residents were living in bedspaces, Mr Vincent CHENG asked whether to protect the privacy of residents, the Administration would provide the residents of TCs with accommodation in separate rooms. STH replied that TCs' staff attached great importance to the residents' needs, and fixed partitions with folding doors were provided for families and female occupants to ensure a certain degree of privacy for them.

Vacant first-hand private residential units

9.25 Ir Dr LO Wai-kwok said that the Administration had recently proposed that a first-hand private residential unit with occupation permit issued for 12 months or more would be considered as vacant and subject to "Special Rates" if the unit had not been occupied or rented out for more than six months during the past 12 months. He considered the proposed 12-month period too short, given that after obtaining the occupation permits, developers might need to carry out refurbishment works for the properties before they could put them up for sale or rent them out. He also queried whether the hoarding problem with respect to unsold first-hand private residential units in completed projects was indeed serious, given that the number of such unsold units over the past year stayed at about 9 000, which was not a record high.

9.26 STH replied that the number of unsold first-hand private residential units in completed projects was around 4 000 units at end-March 2013 and about 9 000 units at end-March 2018. As there was a trend of increase in the number of such units, the Administration proposed to put in place the "Special Rates" regime to encourage the timely supply of such units. Under the regime, developers were not liable for "Special Rates" in respect of a unit if the unit had been sold or

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rented out for over six months at or above market rent in the past 12 months.

Purchase of properties outside Hong Kong

9.27 Mr Holden CHOW opined that the practice circular issued by the Estate Agents Authority ("EAA") in December 2017 regarding the appropriate practices and measures in handling the sale in Hong Kong of uncompleted properties situated outside Hong Kong was not binding on the salespersons who were not licensed estate agents in Hong Kong. He asked how the relevant authorities would regulate the practices of these salespersons. He further enquired whether the Administration had compiled statistics in relation to these salespersons. In view that from 2016 to end of February 2019, EAA had sanctioned only one licensed estate agency company concerning a case about the sale of non-local properties in Hong Kong and the sanction included reprimand and a fine of \$3,000 only, Mr HO Kai-ming expressed concern that the penalties were too light. He said that Hong Kong people might wish to buy housing units in the Guangdong-Hong Kong-Macao Greater Bay Area, and enquired whether and how the Administration would advise the public on the issues that they should pay attention to when purchasing residential properties in this area.

9.28 STH replied that as the sale of non-local properties involved laws/regulations and tax regimes of different jurisdictions, regulating the sale of such properties through legislation would be complicated and extensive. With the advancement of information technology, vendors of non-local properties could carry out sale and promotional activities easily through the Internet, thereby rendering difficulties in law enforcement. The Administration considered it more appropriate to address the concern by enhancing public education to remind investors and the public of the risks involved and issues requiring their attention when purchasing non-local properties. PS(H) advised that members of the public who wished to purchase properties outside Hong

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Kong might consider engaging Hong Kong-licensed estate agents as they were subject to the relevant regulatory regime in Hong Kong.

Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme

9.29 Mr CHAN Chun-ying enquired why as at the end of February 2019, only 66 out of the 1 596 Mandatory Building Inspection Scheme ("MBIS") notices served on owners in Wong Tai Sin District had been complied with. Head (Independent Checking Unit), PSH's Office replied that some of the remaining 1 530 MBIS notices had not yet expired. In addition, some owners' incorporations were considering to seek financial assistance from URA for compliance with the MBIS notice concerned. In response to Mr CHAN's enquiry about whether the target buildings of the Mandatory Window Inspection Scheme ("MWIS") included hotels and commercial buildings, PS(H) advised that issues related to MWIS, were under DEVB's purview.

9.30 Mr AU Nok-hin commented that BD performed better than the Independent Checking Unit ("ICU") under PSH's Office in arranging briefing sessions to promote MBIS and MWIS, and one notable example was that BD would provide such briefings upon requests from the public whereas ICU only arranged briefing sessions according to its own plans. He stressed the importance to align the said services provided by the two authorities. STH replied that ICU was an independent unit under the Office of PS(H), with delegated authority from the Director of Buildings to carry out relevant statutory functions in accordance with BO. Director of Buildings advised that BD endeavoured to provide advisory services and assistance to facilitate owners' compliance with MBIS and MWIS notices, and arrange briefing sessions on a need basis. BD would follow up with ICU on Mr AU's views.

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Enforcement against unauthorized building structures

9.31 Mr CHU Hoi-dick opined that as squatter structures for domestic use commonly involved unauthorized building works, the Government's present approach of taking enforcement actions against unauthorized structures upon receiving a complaint would create new rehousing needs from clearerees, and this might put additional pressure on the work of THB. He enquired whether the Administration would re-consider the overall approach in handling such complaints. Deputy Director of Lands (Legal) replied that Lands Department was obliged to carry out enforcement actions to address the public concern over unauthorized building works. PS(H) suggested that Mr CHU might follow up the question with DEVB at the relevant meeting.

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10.1 At the invitation of the Chairman, Mr Frank CHAN, Secretary for Transport and Housing ("STH") briefed members on the financial provisions and main initiatives related to the policy area of transport (Appendix IV-8).

Land transport

Insufficient parking spaces and illegal parking on streets

10.2 Noting from Reply Serial No. THB(T)212 the provision of parking spaces in Hong Kong, Mr Vincent CHENG, Mr Wilson OR and Dr Helena WONG expressed concern about the problem of insufficient parking spaces especially in busy districts. Mr CHENG and Mr OR asked about the implementation timeframe and progress of the eight measures to increase parking space as set out in the Reply, in particular the measures to encourage the parking of school buses inside school premises after school hours.

10.3 STH replied that following the success of the relevant trial scheme, starting from 2019-20 school year, all government and direct subsidy schools could apply for allowing school buses to park inside school premises after school hours. As regards other measures mentioned in the Reply, the Transport Department ("TD") would continue to discuss with the stakeholders and other government departments to expedite their implementation.

10.4 As regards the pilot study of selecting six districts for the installation of automated parking system ("APS"), Mr Michael TIEN expressed support to the initiative and urged the Administration to roll out the initiative to more districts. Noting that APS would be installed in Sham Shui Po ("SSP"), Sheung Wan ("SW") and Tsuen Wan ("TW") initially, Mr TIEN sought information on the types of APS model to be installed. In reply, STH said that the types of APS models to be installed in each pilot site would depend on various factors, such as the technical feasibility and space requirement of the model, the site constraints, and demand for parking space of the relevant districts. STH said that the type of APS to be adopted for SSP would be circular shaft lifting system, while that for TW would likely be puzzle stacking system.

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10.5 Dr Helena WONG enquired whether the Administration would include the districts of Tsim Sha Tsui ("TST"), Yau Ma Tei ("YMT") and Mongkok ("MK") under the pilot scheme for APS as the Yau Ma Tei Carpark would be demolished soon. Dr WONG also suggested studying the feasibility of installing APS in the pilot study of underground space development of Kowloon Park. Sharing similar views, Mr Wilson OR urged the inclusion of Kowloon East districts such as Kwun Tong and Wong Tai Sin into the pilot scheme to alleviate the shortage of parking spaces in these areas. STH replied that the Administration had taken note of members' suggestion, and would consult relevant stakeholders regarding the implementation of APS. On parking spaces in YMT district, Commissioner for Transport ("C for T") added that the Administration had taken note of the suggestion of Yau Tsim Mong District Council members of reprovisioning car parking spaces in Ferry Street of YMT district after the demolition of the existing YMT Carpark. In connection with the suggestion of the inclusion of APS in the pilot study of underground space development of Kowloon Park, C for T said that the study was undertaken by the Development Bureau ("DEVB"), and TD would discuss with DEVB on the feasibility of the suggestion. In deciding whether a particular site was suitable for application of APS, C for T said that a host of factors, including its land use, site constraints and traffic conditions of the surrounding area, had to be considered.

10.6 Mr Vincent CHENG asked whether the Administration would allocate more "Government, Institution or Community" ("GIC") sites for developing APS, and to invite private investments for the development. C for T replied that TD had been conducting a pilot study on APS and identified three sites in SSP, SW and TW districts to evaluate the feasibility and applicability of various types of APS in Hong Kong under two approaches, the first approach being government funded projects of providing APS in GIC and public open space sites, and the second approach being requiring the operator to provide APS at a short term tenancy ("STT") site. In deciding whether to invite private investments for providing APS on STT sites, STH said that TD would explore with the Lands Department ("LandsD") on suitable STT sites and related tenancy terms. The Administration would also need to evaluate the financial viability of operating an APS before inviting tenders for designing and building an APS in various districts in future.

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10.7 Mr Frankie YICK and Mr YIU Si-wing expressed serious concern over shortage of parking spaces for commercial vehicles ("CVs"), which led to increasingly rampant illegal parking and the rising number of cases of imposition of fines on drivers of CVs. Mr YIU noted from Reply Serial No. THB(T)245 that the Administration had only provided figures concerning the number of additional parking spaces for CVs in 2017-2018 and 2018-2019, he asked whether the Administration could provide more CV parking spaces, and when the projected figures for 2019-2020 could be provided. STH said that TD had embarked on a consultancy study on parking for CVs with a view to increasing the provision of public parking spaces for these vehicles. Results of the study would be published upon completion of the study.

10.8 Mr Frankie YICK expressed disappointment that the consultancy study did not include taxis and container vehicles. He pointed out that many taxis were currently left idle due to difficulties in recruiting taxi drivers, and taxis parked at private car parking spaces or residential carpark often attracted complaints from private car owners and residents. As for container vehicles, many short-term tenancy sites or brownfield sites had been taken back by the Administration for residential developments. Mr YICK thus urged the Administration to include taxis and container vehicles in the consultancy study, and explore ways to provide more parking spaces for these two types of vehicles.

10.9 STH replied that TD had been discussing with LandsD on the provision of suitable short-term tenancy sites as carpark for CVs. In addition, the Administration would continue to designate suitable on-street locations as night-time parking spaces for CVs. C for T added that as the majority of taxis operated on the road for long periods throughout the day, their parking demand was mainly for short-term duration and could be met by private car parking space. As it was noted that the majority of taxi drivers lived in public rental housing estates, TD had discussed with the Hong Kong Housing Authority on the provision of additional parking spaces. As regards container vehicles, many were parked at port back-up land or brownfield sites in the New Territories. Since the numbers of licensed taxis and container vehicles remained relatively stable, the consultancy study would not

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cover these two types of vehicles, C for T stressed that the Administration would keep in view the adequacy of parking spaces for them.

10.10 Mr Frankie YICK noted that the Hong Kong Police Force ("HKPF") would continue to step up enforcement actions against illegal parking. He asked whether HKPF could exercise discretion in taking enforcement actions against CVs such as minibus and taxis, taking into account the problem of insufficient parking spaces for CVs. In reply, C for T said that TD had been discussing with the trade regarding their parking needs and would identify more suitable sites for parking CVs. That said, the Administration would take enforcement actions against illegal parking and other traffic offences in accordance with the law.

10.11 Mr POON Siu-ping and Mr Michael TIEN welcomed the Administration using new technologies, including video analytics technology to detect and deter improper use of roadside loading/unloading bays and illegal parking. Noting that HKPF would collaborate with the Logistics and Supply Chain MultiTech R&D Centre to put on trial the mounting of cameras on selected lampposts and use of video analytics technology for enforcement operation, Mr POON enquired about the role of TD in this regard. He also suggested making use of the technology to collect useful traffic information to identify suitable sites for the provision of parking spaces. C for T took note of members' comments, and said that TD would offer suggestions and comments to HKPF on suitable trial locations where the installation of cameras could facilitate law enforcement actions.

10.12 Referring to Reply Serial No. THB(T)164, Mr Vincent CHENG enquired how the new generation of parking meters could promote smart mobility and ensure that parking spaces on-street could be more optimally utilized. C for T replied that the new generation of parking meter system would support remote payment of parking fees through mobile applications. It would also enable drivers to learn about the availability of on-street parking spaces through the mobile applications so as to make informed choice of suitable driving routes.

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Road traffic management

10.13 Mrs Regina IP noted from Reply Serial No. THB(T)173 that the number of private car full driving licences had increased significantly from 88 981 in 2016 to 95 652 in 2018, and asked about the measures to control the growth of private cars for better road traffic management and easing the congestion problem. Mrs IP suggested the Administration making good use of the big data to collect relevant information on commuters' behavior when formulating measures on road traffic management. STH replied that the growth of private cars over the past five years was about 3.5% per year on average, and the growth was due to various reasons. He added that the Administration would implement multi-pronged measures to alleviate traffic congestion, including the adoption of the concept of "congestion charging" and "efficiency first" by giving priority to efficient people carriers to ensure efficient use of road space and better traffic management. In this regard, TD had been consulting the Central and Western District Council on the electronic road pricing pilot scheme which was planned to be rolled out in the Central district.

10.14 Referring to Reply Serial Nos. THB(T)213 and 214, Mr POON Siu-ping noted that there were totally 49 approved routes of employees' service operated by non-franchised buses serving the Airport Island at present, and enquired whether TD would coordinate with the Airport Authority ("AA") and other employers on the Airport Island to rationalize the 49 routes into fewer routes to avoid repetition of services, so as to better utilize transport resources and also lessen traffic burden. In addition, he noted that there were quite a number of traffic accidents involving fatigue driving by professional drivers, and asked about the measures to tackle this problem.

10.15 C for T replied that a coordinating group was formed between TD and AA to coordinate matters relating to the provision of employee transport services by non-franchised buses. The group would look into how transport resources could be better utilized to serve the transport needs of employees working on the Airport Island. As regards the issue of fatigue driving, TD had appointed an expert on fatigue identification and management to advise on matters relating to fatigue driving by franchised bus captains. In light of the advice, TD

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would consider whether suitable measures could be applied to other types of commercial vehicle as well to prevent fatigue driving. In addition, Hong Kong Automobile Association had launched publicity campaign to alert drivers of the danger of fatigue driving with a view to reducing traffic accidents caused by this factor.

10.16 Ms Claudia MO expressed concern about matters relating to direct issue of Hong Kong driving licence to holders of Mainland driving licence. Ms MO pointed out that Mainland drivers might not know very well the traffic rules and regulations in Hong Kong, therefore the existing mechanism of direct issuance of Hong Kong driving licence to Mainland drivers without further driving assessment might pose threats to other road users. In reply, STH said that the number of traffic accidents involving Mainland left-hand-drive vehicles in Hong Kong represented only a very small fraction of the number of traffic accidents which was not significant as compared to other types of motor vehicles. C for T added that in assessing applications from all driving licence holders of the relevant jurisdictions, including those from the Mainland, TD would prudently examine the documents submitted by applicants in accordance with established procedures.

Hong Kong-Zhuhai-Macao Bridge

10.17 Referring to Reply Serial Nos. THB(T)011 and 079, Mr CHAN Chi-chuen noted that the highways maintenance costs for Hong Kong Zhuhai-Macao-Bridge ("HZMB") Link Road, HZMB Hong Kong Port and Tuen Mun-Chek Lap Kok Link ("TM-CLKL") would be \$106.5 million in 2019-2020 and that the projected traffic flow of HZMB was far less than the then forecast. He expressed concern about the usage of HZMB and whether operating income generated from the Bridge would be sufficient to cover its maintenance cost. Mr CHAN also sought reasons for the increase in estimated expenditure on highways maintenance for HZMB in 2019-2020 as compared to the previous year.

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10.18 STH replied that the Administration's prime concern was to control the traffic flow heading towards HZMB as the Tsing Ma Bridge and the Lantau Link was at present the only route connecting the Airport Island and HZMB with other urban areas of Hong Kong. The Administration had been cautious to ensure smooth traffic flow to the Airport Island. The full commissioning of TM-CLKL by 2020 would provide an alternative route to HZMB. The Administration had been increasing the number of cross-boundary vehicle quota for HZMB in a gradual and orderly manner. It was expected that the vehicular and traffic flow of HZMB would gradually increase to meet the demand generated by the development of the Greater Bay Area.

10.19 As regards the increase of highways maintenance cost for HZMB in 2019-2020 as compared to the previous year, Director of Highways ("D of Hy") explained that HZMB was commissioned in October 2018 and the maintenance cost for the financial year 2018-2019 only reflected the cost for about six months in the financial year. In addition, the maintenance cost of TM-CLKL was expected to be higher for the financial year 2019-2020 for similar reason.

Hong Kong as the regional air, land and sea transport hub in the Pearl River Delta Region

10.20 Noting from Reply Serial No. THB(T)139 that at present up-stream check-in services were only available in 15 locations in the Pearl River Delta Region ("PRD Region"), Mr YIU Si-wing asked whether such services would be further expanded. Also, with the commissioning of the Intermodal Transfer Terminal ("ITT") project in 2022, Mr YIU asked how the Administration would further strengthen the role of Hong Kong as a regional air, land and sea transport hub in the PRD Region.

10.21 STH said that leveraging on the Hong Kong International Airport's advantageous geographical location as a gateway to the Mainland, Hong Kong's connectivity with PRD region and beyond had been further strengthened with the commissioning of HZMB. In this regard, the Administration and AA had enhanced and developed Hong Kong's intermodal facilities and at present, the Hong Kong International Airport was connected with nine PRD ports offering

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high-speed ferry services for air-to-sea/sea-to-air transit passengers. In addition, with the commissioning of ITT project which enabled the provision of air-to-bridge/bridge-to-air transit service between the Airport and HZMB, travelling convenience for passengers heading for Macao and the Western PRD region would be further enhanced. As regards the provision of upstream check-in services, Deputy Secretary for Transport and Housing (Transport)⁴ added that AA had been discussing with relevant authorities in the PRD region with a view to expanding such service in the coming years.

Air quality of Central-Wanchai Bypass Tunnel

10.22 Mr CHENG Chung-tai expressed concern that the air purification system of the Central-Wanchai Bypass ("CWB") Tunnel was broken down only one month after its commissioning, and was worried that similar problem might occur in the Central Kowloon Route under construction which would use the same air purification system.

10.23 D of Hy replied that some of the fans for the air purification system for the Eastern section of the CWB Tunnel had been damaged, but the system for the Central and Western sections of the Tunnel were not affected. The Highways Department was investigating the reasons causing the damage, and would follow up with contractors and relevant parties concerned. D of Hy added that the air purification system remained at the testing stage to assess the performance of the systems. Contractors would have to bear the repair costs concerned if the damage was found to be their responsibility. As regards air quality, D of Hy said that the overall air quality of the Tunnel was not much affected and the Highways Department would keep in view the air quality inside the CWB Tunnel. A report of the incident had been submitted to the Environmental Protection Department. As this was a stand-alone incident, D of Hy considered it appropriate to install similar air purification system in the Central Kowloon Route to purify the car exhaust from the tunnel.

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Development of autonomous vehicle technologies

10.24 Referring to Reply Serial No. THB(T)206 on facilitating the development of autonomous vehicle ("AV") technologies in Hong Kong, Mr Charles Peter MOK opined that the Administration should further facilitate the trial of AV technologies by identifying more suitable locations for the trials. He commented that Hong Kong was lagging behind in this respect compared to other overseas places such as Singapore, the government of which had made great efforts to promote AV technologies and to put on trial AV taxis. In addition, Mr MOK enquired about details of the application of geo-fencing technology in Hong Kong.

10.25 C for T said that TD had been issuing movement permits for applicants for the trial of AV technologies on locations including Hong Kong Science Park, campus of the Hong Kong University of Science and Technology and Zero Carbon Building. TD would continue to facilitate trials of AV technology at suitable locations. However, TD would need to take into account road safety conditions in considering application for permits for trials to be conducted on public areas or roads. In respect of geo-fencing technology, C for T said that TD would commission a consultancy study on the application of the technology. Phase one of the study involved carrying out a research of the technology and conducting trial on private cars, and Phase two of the study involved developing a speed control system and testing the system on buses. The consultancy study would commence in March 2019 for completion in July 2020.

Road maintenance and cleanliness

10.26 Referring to Reply Serial No. THB(T)031, Mr CHAN Chun-ying noted that complaints associated with road maintenance was high in the TST, YMT and MK districts, and sought reasons for that. Also, he asked about the division of labour between HyD and the Food and Environmental Hygiene Department ("FEHD"), especially for post-typhoon clearing work on public roads.

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10.27 D of Hy replied that as TST, YMT and MK were busy districts and road usage was high, associated complaints on road maintenance such as uneven road surfaces, damaged railings as well as wear and tear of highways were relatively higher compared to other districts. For cleansing and clearing works of roads and highways, there was a well-established division of labour between HyD and FEHD in that the former would be responsible for overall cleansing and maintenance of vegetation on expressways and high speed roads and clearance of unwanted vegetation on highway facilities, while the latter be responsible for street sweeping and removal of litter. As regards post-typhoon clearance work, the Security Bureau had examined with various government departments on related matters with a view to ensuring that the clearing works would be carried out smoothly and promptly.

Railway-related issues

New railway projects

10.28 Ir Dr LO Wai-kwok and Mr Wilson OR noted from Reply Serial Nos. THB(T)033 and 101 that the indicative implementation windows recommended in the Railway Development Strategy 2014 ("RDS-2014") might be adjusted having regard to any change in circumstances. They expressed dissatisfaction that detailed proposals and specific implementation timetables for the seven railway projects recommended in RDS-2014 were not yet available. Given that the funding application for site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area had been endorsed by the Public Works Subcommittee of the Finance Committee recently, Ir Dr LO expressed concern as to whether the completion schedule of the proposed Northern Link (and Kwu Tung Station) could tie in with the future development thereat. In addition, Ir Dr LO and Mr OR urged the Administration to finalize the proposal for the East Kowloon Line and undertake relevant public consultation as early as possible, so as to address the traffic demand arising from the population intake of the public housing developments at Anderson Road. Ir Dr LO was also worried that the railway construction personnel might suffer from unemployment if the Administration failed to coordinate the roll-out of

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railway works in a timely and orderly manner. The Chairman said that the Administration should expedite its planning work for the new railway projects with a view to providing good communication network for new housing developments.

10.29 STH responded that relevant bureaux/departments were evaluating the proposals submitted by MTRCL for the implementation of five railway projects recommended in RDS-2014, including the Northern Link (and Kwu Tung Station) and the East Kowloon Line. In the course of the evaluation, the Administration would consider a number of factors such as financial viability, technical feasibility, and compatibility with future developments nearby of each individual project, as well as availability of resources. The Development Bureau was also involved in the evaluation process for proposals concerning new development areas in Kwu Tung, Hung Shui Kiu and Fanling North. In line with established procedures, prior to finalization of any new railway scheme, the Administration would consult the public, including the Legislative Council and the relevant District Councils, on the details of the scheme.

Enhancement of railway services and facilities

Operation of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link

10.30 Referring to Reply Serial No. THB(T)106, Mr LUK Chung-hung expressed disappointment with the performance of MTRCL as the operator of the Hong Kong Section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"). He opined that MTRCL should explore ways to improve the XRL services in various aspects, including the provision of real-time train service information on the High Speed Rail App, online purchase of Mainland journey tickets by Hong Kong passengers, more direct train services to cities in the Greater Bay Area, enhanced train frequency and lower fare levels. He called on the Administration to instruct MTRCL to further enhance passengers' experiences in using XRL, and to negotiate with the China Railway Corporation ("CR") to increase train frequency by deploying trains that originally started and terminated at the Shenzhen North Station to start and terminate at the West Kowloon Station.

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10.31 Deputy Secretary for Transport and Housing (Transport)² replied that since XRL was a brand new cross-boundary transport mode, both the Administration and MTRCL considered that there was room for improvement in the provision of XRL services. The Administration would continue to monitor the operation of the HKS of XRL by MTRCL, and would be involved in the discussion with CR and the National Railway Administration on matters relating to the enhancement of XRL services where necessary. As regards fare levels, the operators of XRL (viz. MTRCL and CR) would introduce fare concessions from time to time to attract more passengers to experience the XRL services, and at the same time to ensure the financial sustainability of the operation of XRL.

Retrofitting of Automatic Platform Gates for the East Rail Line

10.32 Referring to Reply Serial No. THB(T)074, Mr Gary FAN said that he was dissatisfied with the Administration's reply that the retrofitting works of Automatic Platform Gates ("APGs") for the East Rail Line ("ERL") would commence after the replacement of the new trains on ERL upon the commissioning of Tai Wai to Hung Hom Section of the Shatin to Central Link ("SCL") and the upgrading of signalling system for ERL had completed. Pointing out that the commissioning of Tai Wai to Hung Hom Section under SCL and the testing of the new signalling system would be delayed, Mr FAN was concerned that the retrofitting works of APGs on ERL would be further postponed.

10.33 STH replied that the signalling system upgrade and platform strengthening works of ERL had to be carried out in a prudent manner before the retrofitting works of APGs could commence. To facilitate the future operation of APGs and better safeguard the safety of passengers, MTRCL awarded a contract of \$3.3 billion for upgrading the signalling systems of ERL and seven other railway lines. The Administration had been urging MTRCL to commence the retrofitting works as soon as practicable, yet it was also important to ensure that APGs installed along ERL would match the locations of the new train doors and be compatible with the new signalling system. The Administration would continue to follow up with MTRCL on the progress of the SCL project and would consider all practicable

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measures for expediting the commencement of the said retrofitting works.

Upgrading signalling systems for railway lines

10.34 Mr Michael TIEN pointed out that signalling systems were in general operated on main and stand-by sector computers, whereas MTRCL had required the contractor to provide a back-up system in addition to the main and stand-by systems. In view of the incident of the new signalling system testing on Tsuen Wan Line in March 2019 where the safety inter-locking function of the back-up system was not effective at a specific section, Mr TIEN asked whether the back-up system of the new signalling system would be put into operation as planned or not.

10.35 STH replied that since the investigations into the above incident respectively conducted by MTRCL and the Electrical and Mechanical Services Department were underway, it was premature at this stage to comment on the cause of the incident and the necessary follow-up actions. To address public concern, the Administration would announce the outcome of the investigations and the required follow-up actions upon the completion of the investigations.

Other issues

10.36 Referring to Reply Serial Nos. THB(T)004, 117, 221 and 218, Mr Jeremy TAM commented that the Civil Aviation Department should assign a directorate officer to oversee the development of unmanned aircraft system in Hong Kong. In addition, Mr TAM expressed views on the low click rates for Facebook pages operated by TD, the conduct of air quality measurement at semi-confined public transport interchanges, the administrative costs involved in processing the huge number of transactions in the transfer of vehicle ownership of the same vehicle on the same day for holding a registration mark, in particular for motorcycles. STH took note of Mr TAM's comments and suggestions.

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10.37 Mr AU Nok-hin referred to Reply Serial Nos. THB(T)141, 142, 179 and 217 and asked about traffic scenarios under which the mode of operation of the Emergency Transport Co-ordination Centre ("ETCC") would escalate to Tier Two and Tier Three Operations. In addition, he commented that the four designated driving schools were dominating the driving test market as the road test waiting time at these schools was shorter and the passing rate was higher for these driving schools. Mr AU also opined that the utilisation rate for bus route nos. W1, W2 and W3 providing bus service between different districts and the West Kowloon Station of XRL was lower than 30%, and urged TD to consider rationalizing these routes to ensure the optimal use of resources. Furthermore, he asked when the review on the number of standing passengers on buses under existing regulation/guidelines would be completed.

10.38 STH took note of Mr Au's comments. Regarding the operation of ETCC, C for T explained that the Centre monitored and handled traffic and transport incidents on a 24-hour basis, and its mode of operation would depend on the scale and severity of the planned events or unplanned traffic and transport incidents. As regards the standing capacity of buses, C for T said that the review was underway and that TD would examine the actual situation with a view to exploring whether there was room for revising the relevant requirements.

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11.1 At the invitation of the Deputy Chairman, Mr LAU Kong-wah, Secretary for Home Affairs ("SHA") briefed members on the key areas of work of the Home Affairs Bureau ("HAB") in 2019-2020 (Appendix IV-9).

Youth development and civic education

Youth development programmes and civic education

11.2 Referring to Reply Serial No. HAB018, Mr Christopher CHEUNG welcomed the introduction of two new funding schemes under the Youth Development Fund ("YDF"), namely the Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area ("the Funding Scheme for Youth Entrepreneurship") and the Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the Guangdong-Hong Kong-Macao Greater Bay Area ("the Funding Scheme for Experiential Programmes") further to the review conducted by the Youth Development Commission ("YDC") on YDF. Pointing out that many Hong Kong young people were not very enthusiastic in pursuing development in the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area ("the Greater Bay Area"), Mr CHEUNG enquired about the Administration's effort in promoting the two new funding schemes and their application procedures. Mr Kenneth LAU enquired about the outcome of the review conducted by YDC and he was concerned whether the two new funding schemes could help Hong Kong young people to get familiarized with the innovation and entrepreneurship policies of the Mainland cities of the Greater Bay Area.

11.3 Deputy Secretary for Home Affairs (1) ("DSHA(1)") replied that the non-governmental organizations ("NGOs") and youth entrepreneurs which were allocated matching grants in the first round of application for the Entrepreneurship Matching Fund ("EMF") under YDF in 2016, as well as other potential young entrepreneurs were engaged in the review of YDF. There was a general view that start-up support and incubation services for Hong Kong youth entrepreneurs should be extended to the Mainland cities of the Greater Bay Area. The Government subsequently introduced the Funding Scheme for

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Youth Entrepreneurship and the Funding Scheme for Experiential Programmes under the YDF in March 2019. DSHA(1) said that the Funding Scheme for Experiential Programmes aimed to subsidize eligible NGOs in Hong Kong to organize short-term experiential programmes to enrich Hong Kong young people's understanding of the entrepreneurial bases in the Mainland cities of the Greater Bay Area, as well as the relevant policies and supporting measures with a view to assisting the young people to consider settling in the relevant entrepreneurial bases and starting businesses therein. At the request of Mr Christopher CHEUNG, the Administration would provide supplementary information on the number of applications received to date for the Funding Scheme for Youth Entrepreneurship and the Funding Scheme for Experiential Programmes since the commencement of the application period on 22 March 2019.

11.4 Referring to Reply Serial No. HAB060, Mr Tony TSE enquired if the Administration had set any target for the shared working space to be provided under the Space Sharing Scheme for Youth ("SSSY"). He also sought details of the matching services provided by the Administration for participants and the operating agencies.

11.5 SHA replied that instead of pursuing numerical targets, the main objective of SSSY was to help young people who aspired to set up their own businesses, especially those in up-and-coming industries, through the provision of working space at affordable rental. DSHA(1) added that by the end of 2018, seven properties providing a total shared working space of about 70 000 sq ft had commenced operation and five more properties offering a total area of about 40 000 sq ft were made available recently. The property owners/NGOs operating the shared space would determine the operation model of the properties concerned having regard to their own expertise and experience.

11.6 Dr KWOK Ka-ki enquired why HAB had provided matching grants to assist young people in starting their businesses. Referring to Reply Serial Nos. HAB001, HAB009 and HAB022, Dr KWOK noted with concern that a number of organizations which had received funding from schemes like the Community Participation Scheme, the Co-operation Scheme with the District Councils and EMF were from the pro-establishment camp; and an increased budget had been

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allocated for the promotion of national education in 2019-2020 to uphold the principle of "one country, two systems" and to prevent the dissemination of the messages of "Hong Kong independence".

11.7 SHA replied that youth development was one of the policy responsibilities of HAB. The Government strived to create room for young people to realize their talents through various internship and exchange programmes and youth life planning activities. Assistance would also be provided in their innovative and entrepreneurial endeavours. SHA stressed that applications for funding schemes under YDF and the Committee on Promotion of Civic Education would be assessed in a fair and impartial manner and were open to all eligible NGOs. He added that the Committee on the Promotion of Civic Education was tasked to promote civic education, including national education.

Hostels for working youth

11.8 Mr Vincent CHENG expressed concern about the slow progress of the Youth Hostel Scheme ("YHS") and questioned why the expected completion dates of four YHS projects were still not yet known. Mr Jimmy NG enquired if the Administration would develop more hostels other than the six YHS projects under planning. DSHA(1) replied that among the six YHS projects, the one by the Hong Kong Federation of Youth Groups in Tai Po and the one by the Po Leung Kuk in Yuen Long had commenced construction works for completion in the third quarter of 2019 and 2021 respectively. In addition, the detailed design of the Tung Wah Group of Hospitals' project in Sheung Wan and the Hong Kong Girl Guides Association's project in Jordan was being conducted. As for the Hong Kong Association of Youth Development's project in Mong Kok and the Hong Kong Sheng Kung Hui Welfare Council Limited's project in Yuen Long, the technical feasibility studies were close to completion and the detailed design would commence soon afterwards. The Government would be in a better position to estimate the completion dates of the latter four projects upon completion of the detailed design. DSHA(1) explained that the time needed to take forward each YHS project was different as they varied in size and technical requirements. HAB had been assisting the NGOs concerned in liaising with the relevant

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government departments to resolve technical issues and expedite the projects. DSHA(1) added that HAB was discussing with a number of NGOs which had expressed interest in developing youth hostels on existing sites in their hands.

Sports and recreation

Sports Development

11.9 Noting that \$250 million would be injected into the Hong Kong Athletes Fund ("HKAF"), Mr Vincent CHENG enquired if the Administration would consider lowering the application threshold or expanding the funding scope of HKAF to benefit more athletes. Commissioner for Sports ("C for S") replied that the use of HKAF was under review and the Government would consult the Hong Kong Sports Institute, relevant "national sports associations" ("NSAs") and athletes etc. with a view to better addressing the needs of athletes in pursuing sports training and academic studies at the same time.

11.10 Mr WU Chi-wai suggested that consideration might be given to opening up the sports facilities managed by the Leisure and Cultural Services Department ("LCSD") for free use by students during after-school hours, say, from 3:00 pm to 6:00 pm, in order to encourage students to take part in sports activities. C for S replied that a number of sports venues managed by LCSD were used for holding inter-school competitions as well as training programmes co-organized by LCSD and NSAs during after-school hours. As such, the feasibility of the proposed arrangement had to be critically reviewed.

Sports and recreational facilities

11.11 Referring to the Five-year Plan to enhance and increase the provision of sports and recreational facilities as announced in the 2017 Policy Address, Mr Jimmy NG expressed concern that up to now none of the technical feasibility studies had been carried out. SHA advised that the Government had earmarked a total of \$20 billion in 2017 to launch 26 projects in the coming five years to develop new or improve existing sports and recreational facilities in different districts. Among these 26 projects, funding approval had already been obtained from the

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Finance Committee for 10 projects. As regards the technical feasibility studies for the 15 sports and recreational facility projects, the Government would provide updates to the Legislative Council when they were ready to be carried out.

11.12 Mr WU Chi-wai raised concern about the maintenance of LCSD's turf pitches. He asked why certain third generation ("3G") artificial turf pitches were replaced sooner than the second generation ("2G") artificial turf pitches. DLCS replied that LCSD, in conjunction with relevant works departments, would conduct regular maintenance of the turf pitches under its purview. As regards major refurbishment works or replacement of the entire pitch, LCSD would assess the pitch condition and work out an appropriate refurbishment programme in consultation with the Architectural Services Department ("ASD"). C for S added that not all 2G artificial turf pitches would be replaced by 3G artificial turf pitches because 2G artificial turf pitches could be used for football, hockey and other activities while no 3G turf pitch system available in the prevailing market could fulfill such requirements.

11.13 Mr KWONG Chun-yu enquired whether the Administration would consider providing more inclusive parks for pets in the 18 districts upon completion of the trial scheme of "Inclusive Parks for Pets" ("the trial scheme") to address the need of the community. He hoped that the Administration could improve the facilities provided in the six parks under the trial scheme (e.g. provision of drinking fountains) to facilitate users and their pets. DLCS replied that LCSD would review the effectiveness of the trial scheme and the response of the public in considering the way forward. Additional facilities could be provided at the six parks under the trial scheme as appropriate subject to availability of resources.

11.14 Mr CHU Hoi-dick said that the innovative inclusive playground in Tuen Mun Park was well received by the public. He hoped that the design approach (i.e. engaging the community and design professionals etc.) could be extended to other LCSD parks. He suggested that fitness facilities suitable for use by adults should be provided in public parks. He asked whether LCSD would provide drinking fountains in all its venues. DLCS replied that LCSD would draw on the experience gained from the Tuen Mun Park project in

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considering whether and how the concept could be adapted or adopted when planning for new park projects or modernizing existing venues. DLCS said that LCSD was open-minded with regard to the provision additional facilities and relevant suggestions could be considered in light of local demand and subject to availability of resources and technical feasibility.

Shortage of lifeguards

11.15 Referring to Reply Serial Nos. HAB119 and HAB121, Mr LUK Chung-hung asked about the measures that LCSD would adopt to address the serious shortage of lifeguards. He considered that the Administration should conduct a grade structure review for civil service lifeguards soonest possible since the existing grade failed to reflect the hard work and the professionalism required of them. Mr LUK urged the Administration to address the issue to avoid affecting the provision of lifeguard service to the public.

11.16 DLCS said that 80 civil service lifeguard posts would be created in LCSD in 2019-2020. In addition, upon an annual pay review for seasonal lifeguards, the pay of seasonal lifeguards would be increased by 8% for the 2019 swimming season with a view to maintaining the attractiveness of the pay of non-civil service contract ("NCSC") seasonal lifeguards. Besides, LCSD would engage 40 NCSC full-year full-time lifeguards to form a regional-based special support team to cater for unforeseen manpower shortages at public swimming pools and gazetted beaches. DLCS further said that LCSD would exercise flexibility in recruiting seasonal lifeguards on a part-time basis. To facilitate the public to make appropriate arrangement for their leisure activities, LCSD would let the public know as early as possible if any public swimming pools had to be closed or lifeguard services at gazetted beaches suspended due to inadequate lifeguards. At the request of Mr LUK, DLCS agreed to provide supplementary information on the number of sessions/days in the past year for which public swimming pools were fully/partially temporarily closed and lifeguard services at gazetted beaches were suspended due to inadequate lifeguards, as well as the number of users affected by such closures and the estimated economic loss.

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Private Recreational Leases

11.17 Referring to Reply Serial No. HAB005, Mr CHAN Chi-chuen asked on behalf of Ms Tanya CHAN about the reasons why some lessees of Private Recreational Leases ("PRLs") had failed to meet their pledge under the opening-up scheme. C for S clarified that all lessees concerned (i.e. private sports club) were able to meet the relevant pledge but not all available hours were taken up by eligible outside bodies. C for S said that the private sports clubs were required to submit quarterly reports to HAB regarding the implementation of their opening-up scheme for eligible outside bodies. HAB would conduct periodic inspections of the private sports clubs and follow up cases of non-compliance or low usage by eligible outside bodies as appropriate.

Arts development

11.18 Referring to Reply Serial Nos. HAB037 and HAB048, Mr MA Fung-kwok expressed concern that the number of applications approved under the Art Development Matching Grants Scheme ("ADMGS") had not increased despite the relaxation of the matching parameters in 2018. He enquired whether the Administration would consider further relaxing the matching parameters with a view to benefiting more small and medium-sized arts groups.

11.19 Deputy Secretary for Home Affairs (2) ("DSHA(2)") replied that after the relaxation of the matching parameters of ADMGS, all nine major performing arts groups were able to meet the matching criteria. In addition, four arts groups had completed two rounds of Springboard Grants under the Arts Capacity Development Funding Scheme and were eligible to apply for a grant under ADMGS. It was anticipated that more organizations would complete two rounds of Springboard Grants in the coming years and would become eligible to apply for ADMGS. DSHA(2) said that the matching ratio of ADMGS had been raised from 1:1 to 1:1.5 and the annual funding ceiling for each of the "graduated Springboard Grantee" had also increased from \$3 million to \$4 million following the relaxation of the matching parameters. Small and medium-sized arts groups could continue to apply for matching grants through the Matching Fund Scheme administered by the Hong Kong Arts Development Council. DSHA(2) added that the Advisory

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Committee on Arts Development would review ADMGS every year and would consider the need for adjusting the matching parameters as appropriate.

Sale of tickets for events held at venues of the Leisure and Cultural Services Department

11.20 Mr KWONG Chun-yu, Mr MA Fung Kwok, Mr CHAN Chi-chuen and Mr Michael TIEN considered that the new measure of lowering the overall ceiling proportion of consignment tickets from 80% to 70% for events held at the Hong Kong Coliseum ("HKC") and the Queen Elizabeth Stadium ("QES") with four or more performances could not effectively combat ticket scalping activities. Mr MA said that tickets for a few recent pop concerts were resold at high prices despite the organizers concerned had offered more than 40% of their tickets for public sale. Mr CHAN said that the ceiling proportion of consignment tickets should be further lowered. Mr TIEN requested the Administration to give consideration to maintaining the ceiling proportion of consignment tickets at 80% for the first three performances of an event but lowering it to 50% from the fourth performance onwards; and different seating zones would be treated separately for the purpose of calculating the proportion of consignment tickets.

11.21 Referring to Reply Serial No. HAB152, Mr KWONG Chun-yu and Mr MA Fung-kwok asked about the timeframe for introducing legislative proposals to prohibit ticket scalping activities for events held at LCSD venues. Mr MA and Mr CHAN Chi-chuen were of the view that the Administration should also step up measures to combat ticket scalping activities conducted online as well as ticket purchasing activities by automated computer programmes (commonly referred to as "bots"). Mr MA asked why it would take as long as five years to implement enhancements to the URBIX system to combat ticket scalping activities.

11.22 SHA advised that the Government would tackle ticket scalping activities through a multi-pronged approach. In addition to lowering the overall ceiling proportion of consignment tickets, the Government was working on a legislative proposal to regulate the

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resale of tickets for events held at LCSD venues and planned to report to the Panel on Home Affairs in July 2019 the earliest. SHA also said that LCSD had been working closely with the service provider to enhance the system functions of URB-TIX to prevent ticket purchases by bots and to strengthen the system processing ability so as to ensure the smooth operation of the system. Additional resources would be allocated to LCSD in the coming five financial years for further enhancement of the URB-TIX system.

Building Management

11.23 Noting from Reply Serial No. HAB084 that in the past three years, the property service companies engaged under the Building Management Professional Advisory Service Scheme ("BMPASS") had assisted owners of "three-nil" buildings to form 170 owners' corporations ("OCs"), Mr LAU Kwok-fan considered that the progress was unsatisfactory. He also noted with concern that the number of complaints that the Home Affairs Department ("HAD") received on building management and maintenance had increased considerably from 209 in 2016 to 322 in 2018. He hoped that the Administration could strengthen its support for "three-nil" buildings. Mr LAU also sought information regarding the Free Outreach Legal Advice Service on Building Management.

11.24 Director of Home Affairs ("DHA") replied that it was difficult to form OCs in "three-nil" buildings and to maintain such OCs in operation. In addition to BMPASS under which professional property service companies were engaged by HAD to provide one-stop professional advisory and support services to "three-nil" buildings, including assisting them in forming OCs and following up on the maintenance works etc., Resident Liaison Ambassadors were also recruited to assist in contacting residents and engaging them in discussion and handling of daily building management matters. With regard to the Free Outreach Legal Advice Service on Building Management, DHA said that the service would be provided in collaboration with the Law Society of Hong Kong to assist OCs in the conduct of general meetings.

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Licensing of guesthouses

11.25 Referring to Reply Serial No. HAB104, Mr YIU Si-wing expressed concern that in the past three years, the numbers of complaints received and inspections conducted against suspected unlicensed guesthouses under the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) were on the rise but the numbers of prosecutions and convictions had remained roughly the same. He considered that the situation was unsatisfactory. DHA explained that this was attributable to the increasing difficulty in securing sufficient admissible evidence. For instance, with new modes of operation including those with the aid of technology, operators might not need to be physically present on the premises, thus creating difficulty to catch the operators of unlicensed hotels or guesthouses red-handed. To address these problems, the Hotel and Guesthouse Accommodation (Amendment) Bill 2018 would introduce a strict liability on the owner(s) and tenant(s) of premises if there was evidence to prove that the premises were used as an unlicensed hotel or guesthouse. In addition, the Hotel and Guesthouse Accommodation Authority might apply to court, upon the second conviction within 16 months of the offence of operating an unlicensed hotel or guesthouse in respect of the same premises, for a closure order for the premises.

Remuneration of outsourced cleansing workers

11.26 Referring to Reply Serial No. HAB155, Mr YIU Si-wing asked if the improvement measures recommended by the inter-bureaux/departmental Working Group set up by the Secretary for Labour and Welfare ("the recommendations concerned") could effectively improve the employment terms and conditions of cleansing workers so as to enhance the cleanliness of public toilets. He considered that the Administration should draw reference to the remuneration of cleansing workers engaged by the private sector. Mr CHU Hoi-dick enquired about the actual increase in the take-home pay of cleansing workers upon implementation of the recommendations concerned.

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11.27 DLCS replied that in the light of the recommendations concerned, there were three specific measures, which would be implemented for service contracts from 1 April 2019 onwards, that would directly benefit the workers: firstly, entitlement to a contractual gratuity of 6% after working for not less than one year; secondly, entitlement to statutory holiday pay after working for not less than one month; and thirdly, remuneration at 1.5 times of the wage at least (i.e. 150% of the original wage) for working when Tropical Cyclone Warning Signal No. 8 or above was hoisted. DLCS said that LCSD procured cleansing services through open tendering and the actual increase in the take-home pay of cleansing workers upon the implementation of the above measures would be market-determined. The additional expenditures incurred as a result of the adoption of the recommendations concerned would be reflected in the Government budget when the relevant service contracts were due for renewal in the coming few years.

Repair and recovery works after Typhoon Mangkhut

11.28 With reference to Reply Serial No. HAB111, Mr Kenneth LAU asked whether the one-off additional funding of \$135 million would be sufficient for LCSD to handle the aftermath of Typhoon Mangkhut. DLCS replied that the amount of additional funding was based on the initial estimates worked out by ASD. The earmarked funding was considered sufficient and LCSD would seek additional resources if the situation warranted. At the request of Mr LAU, the Administration would provide supplementary information on the subheads under which the additional funding of \$135 million was reflected.

Chapter XII : Commerce, Industry and Tourism

12.1 At the invitation of the Deputy Chairman, Mr Edward YAU, Secretary for Commerce and Economic Development ("SCED"), briefed members on the financial provisions and the major initiatives under the commerce, industry and tourism portfolio for the 2019-2020 financial year (Appendix IV-10).

Commerce and Industry

Convention and exhibition facilities

12.2 Referring to Reply Serial No. CEDB(CIT)207, Mr YIU Si-wing pointed out that the number of days on which the AsiaWorld-Expo ("AWE") reached saturation and the number of applications for venue rental for exhibition/conference events turned down due to shortage of space in 2018 were higher than that of the Hong Kong Convention and Exhibition Centre ("HKCEC") in the same year. He said that the figures reflected that the utilization rates of these two major convention and exhibition ("C&E") facilities had already reached saturation. He enquired about the Administration's short and medium term measures to help the industry address the shortage of C&E space in the district, in addition to redeveloping the three government towers in Wan Chai North and Kong Wan Fire Station into C&E facilities, hotels and offices.

12.3 SCED responded that the government departments and law courts in the three government towers in Wan Chai North were being relocated as planned to meet the long-term demand for C&E facilities. The Airport Authority ("AA") had completed the acquisition of a private interest in AWE and would review how the advantages of the AWE could be better leveraged. The Administration would discuss with AA the Phase Two expansion plan of AWE which might be completed earlier than the redevelopment of the three government towers in Wan Chai North into C&E facilities.

12.4 SCED further pointed out that apart from the aforesaid two major C&E facilities, the Central Harbourfront sites and the venues provided in many hotels that were newly completed in recent years could be used for convention/exhibition purposes. The Administration hoped to promote the development of C&E industry

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through better use of all relevant facilities.

Support for small and medium enterprises

12.5 Mr Jimmy NG enquired whether the Administration would consider further extending the geographical scope of the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund") to include all countries and regions along the Belt and Road in order to facilitate Hong Kong enterprises to tap the huge business opportunities brought by the Belt and Road Initiative. Given the uncertain global economic outlook coupled with the escalating Sino-US trade conflict, Mr NG also enquired whether the Administration would consider regularizing the special concessionary measures for which the application period had been extended seven times since their launch in May 2012 under the SME Financing Guarantee Scheme to help enterprises tackle potential credit squeeze.

12.6 SCED said that the Administration had proposed in the Budgets of the past two years an injection of additional \$2.5 billion to the BUD Fund to assist local enterprises in developing new markets and diversifying risks. From the introduction of enhancement measures under the BUD Fund in August 2018 till the end of March 2019, a total of 857 applications were received under the enhanced Mainland Programme, which doubled the number of the same period last year; and 289 applications were received under the newly launched ASEAN Programme. The Financial Secretary also proposed in the 2019-2020 Budget to further extend the geographical scope of the BUD Fund to include all economies which had signed Free Trade Agreements ("FTAs") with Hong Kong.

12.7 SCED also said that there were currently 126 countries and regions along the Belt and Road which had signed agreements or memoranda of understanding with China. He had reservations about the proposed immediate extension of the geographical scope of the BUD Fund to include all countries and regions along the Belt and Road. It was more prudent to extend the geographical scope of the BUD Fund from the Mainland to ASEAN and other economies (currently 20 economies) which had signed or would sign FTAs with Hong Kong in a progressive manner. The Administration would closely monitor

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the usage of the BUD Fund and conduct further review to cater for the needs of enterprises.

Belt and Road Initiative

12.8 Referring to Reply Serial No. CEDB(CIT)131, Mr Jimmy NG opined that the Belt and Road Initiative was a significant development strategy for China and one of the most key elements for promoting Hong Kong's future economic development. He sought supplementary information on the expenditure and the staffing arrangement of the Hong Kong Trade Development Council ("HKTDC") for stepping up publicity and promotion in various regions along the Belt and Road in the past five years and the coming five years.

12.9 SCED said that in the five financial years from 2018-2019, the Administration would provide a total of \$250 million additional funding to the HKTDC for assisting local enterprises (small and medium enterprises in particular) in seizing opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") development, promoting the development of e-commerce, and enhancing Hong Kong's role as a premier international convention, exhibition and sourcing centre. SCED would consider whether it was feasible to provide a further breakdown of the relevant expenditure.

12.10 Referring to Reply Serial No. CEDB(CIT)063, Mr Gary FAN sought further information on the expenditure for 2018-2019 on arranging various activities, such as Belt and Road related exchanges, seminars and business matching events. Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) ("PS/CED(CIT)") pointed out that the staff establishment, manpower resources and operational expenses for leading and coordinating the work on the Belt and Road Initiative had been subsumed under the overall expenditure of the Belt and Road Office ("BRO"), and a breakdown of the expenditure was not available.

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Trade Single Window

12.11 Mr Frankie YICK supported the Administration's plan to create 18 time-limited posts for a period of four years in the Single Window Project Management Office ("SWPMO") and enquired whether, with manpower increase, the implementation of the Trade Single Window ("TSW") could be advanced (originally scheduled to be implemented in 2023) to connect with the TSW that would be fully implemented on the Mainland by 2020.

12.12 SCED advised that the Administration would spare no effort to take forward the TSW project. However, the project involved complicated system design and legislative work, which would take some time to complete. PS/CED(CIT) added that Phase 1, which had been launched since late 2018, covered five types of import and export trade documents for specific types of commodities and would be progressively extended to cover 13 types of trade documents in mid-2019. Phase 2 would cover some 28 additional types of trade documents. Phase 3 would cover trade documents required for all cargoes. The 18 time-limited posts for four years planned for creation in SWPMO would assist in the implementation of the relevant work. Subject to the progress of all the preparatory work, Phase 2 and Phase 3 were expected to be rolled out in 2022 and 2023 respectively at the earliest.

Single E-lock Scheme

12.13 Mr Frankie YICK pointed out that the industry welcomed the Single E-lock Scheme ("SELS") and enquired when SELS would be fully extended to all clearance points in the Greater Bay Area. He also opined that as SELS was attractive to the logistics industry, the Administration could more easily attract active participation of the industry in SELS.

12.14 SCED said that to tie in with the development of the Greater Bay Area, the Hong Kong Special Administrative Region ("HKSAR") Government had been actively exploring with the Mainland authorities how to extend the aforesaid SELS and set up more clearance points in the Greater Bay Area. At present, 51 clearance points under SELS

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were set up in the Guangdong Province. According to the policy measures promulgated by the Central Government on 1 March 2019, SELS would be extended to cover all nine Mainland municipalities in the Greater Bay Area. The HKSAR Government would continue to explore the setting up of more clearance points with the Mainland authorities and welcome the industry to make further suggestions on SELS.

Consumer protection

Enforcement of the Trade Descriptions Ordinance

12.15 Referring to Reply Serial No. CEDB(CIT)243, Mr LUK Chung-hung enquired why there was a substantial increase in the number of complaints related to the Trade Descriptions Ordinance (Cap. 362) ("TDO") received by the Customs and Excise Department ("C&ED") in 2018 over that of the previous year (from 6 922 complaints in 2017 to 10 818 complaints in 2018), while there were only 66 successful prosecutions in the same year (less than 1% of the complaints in the same year). Mr LUK sought further explanation on the mechanism and the staff establishment of C&ED for assisting customers to pursue their rights and interests.

12.16 Commissioner of Customs and Excise ("C of C&E") advised that the increase in the number of complaints related to TDO in 2018 was largely due to the temporary vaccine shortage which rendered many medical institutions unable to provide vaccination after receiving payments from customers. Among the complaints received in 2018, some 3 600 reported cases were related to the aforesaid single incident. In compiling statistics on the complaints, the Administration would regard each complaint as one case; when an investigation was opened on a complaint, similar cases would be classified as one investigation case. Investigations were opened into a total of 142 cases in 2018 and 66 cases were successfully prosecuted in the same year, representing a successful prosecution rate of about 46%. C&ED had all along instigated prosecutions according to the Prosecution Code, and the court would only deliver a guilty verdict if the offence was proved beyond reasonable doubt.

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12.17 C of C&E also said that C&ED had all along enforced TDO by adopting a three-pronged approach of compliance promotion to traders, enforcement actions as well as public education and publicity, in order to protect consumers' interests. Consumers who encountered an unfair deal could lodge complaints with the Consumer Council ("CC"). CC would act as a conciliator to handle the complaints and assist the complainants in resolving disputes with the traders. When C&ED received such cases, it would refer the appropriate cases to CC.

12.18. Noting that C&ED had not recruited additional manpower in the past three years despite the heavy workload arising from the handling of TDO-related complaints, Mr Holden CHOW enquired whether additional manpower would be provided to C&ED in this year to expedite the relevant work.

12.19 PS/CED(CIT) responded that in 2018-2019, there were 190 dedicated staff in C&ED responsible for the enforcement of TDO. In 2019-2020, C&ED planned to create 40 posts for strengthening the capability of C&ED in handling reporting, investigation and relevant enforcement work related to unfair trade practices. The Administration would closely monitor the situation and planned to consider further increasing C&ED's manpower to handle the work after the implementation of a statutory cooling-off period.

Statutory cooling-off period

12.20 Mr LUK Chung-hung said that among the complaints received by CC, there was a case in which the complainant was persuaded by the staff of a fitness centre to buy a 15-year membership and 1 050 private coaching sessions, totalling over HK\$1.75 million. He suggested that the Administration should, by making reference to overseas practices, stipulate that all consumer contracts were subject to a maximum validity period of 18 or 24 months (regardless of whether prepayments were involved in the contracts) so as to enhance consumer protection. Mr LUK also expressed support for the Administration's introduction of a statutory cooling-off period for beauty and fitness services consumer contracts.

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12.21 SCED pointed out that some consumers who complained about encountering aggressive commercial practices ("ACP") were unwilling or even refused to participate in the criminal investigation procedures or testify in court, making investigation of such cases very difficult. As such, it was relatively difficult to overcome the threshold for criminal prosecution under TDO. Furthermore, of the 1 124 ACP complaints received by C&ED from 2013 to 2018, 77% involved beauty and fitness services. In view of this, the Administration considered the introduction of a statutory cooling-off period for these two trades in order to ensure better consumer protection.

Consumer Legal Action Fund

12.22 Referring to Reply Serial No. CEDB(CIT)028, Mr Holden CHOW asked whether all the expenditure of the Consumer Legal Action Fund incurred in the past two financial years (totalling about \$4.3 million) was spent on the five newly assisted cases, and enquired about the proportion of expenditure of the Fund which was spent on legal fees.

12.23 Deputy Secretary for Commerce and Economic Development (Commerce and Industry)³ advised that the Consumer Legal Action Fund provided legal assistance to consumers in cases involving significant public interest, which were in the form of legal advice, assistance and representation by solicitors and counsel. Apart from granting assistance to the five new cases, the Consumer Legal Action Fund also assisted cases which were in progress in the past two financial years. Details of the assisted cases were given in the CC's Annual Report. The Administration would provide supplementary information in writing on the average amount of assistance granted to each case after the meeting.

Overseas Economic and Trade Offices

12.24 Mr Alvin YEUNG sought further elaboration on the work focuses, priority sectors and targets in respect of the investment promotion efforts of various Overseas Economic and Trade Offices (ETOs). He was also concerned whether ETOs had sufficient manpower to accomplish their work objectives.

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12.25 SCED advised that ETOs had been deploying their resources and manpower according to the Government's overall work priorities and working in close partnership with HKTDC, Hong Kong Tourism Board ("HKTB"), Invest Hong Kong and Create Hong Kong, etc., in promoting trade and relevant exchanges. An Investment Promotion Unit ("IPU") was set up within each ETO (except for the Geneva and Washington ETOs), holding the responsibilities of encouraging overseas enterprises to set up or expand businesses in Hong Kong through promoting the business advantages of Hong Kong. IPU would adopt appropriate strategies in carrying out their work having regard to the changes in the political and economic situations of the geographical coverage under their purview. The focus of work was different every year.

12.26 SCED further said that ETOs would continue to make best use of existing resources to perform their work. For instance, the London and Berlin ETOs had stepped up their work in Georgia and Hungary, with a view to promoting Hong Kong's unparalleled strengths and unique role under the Belt and Road Initiative. ETOs would also work in collaboration to implement projects when necessary. The Administration would continue to review the manpower situation of various ETOs regularly and allocate additional resources to them where the situation warranted. Besides, officials from various bureaux would make overseas duty visits when necessary to enhance exchanges and cooperation between Hong Kong and different countries in the respective policy areas.

12.27 Referring to Reply Serial No. CEDB(CIT)211, Mr Charles Peter MOK sought clarification on whether the 178 calls made by the Washington ETO on senior government officials/organizations referred to the number of persons visited or the number of visits made. He also requested the Administration to clarify if the Washington ETO had approached any Congressmen in the United States ("US") dealing with Hong Kong affairs, and whether it had engaged any lobbyists in the US; if so, the relevant expenditures involved.

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12.28 SCED advised that the Administration would endeavor to meet with US government officials and Congressmen. In September 2018, he had led a trade delegation to Washington and met with the US senior government officials, Congressmen, members of think-tanks, chambers of commerce and business leaders, etc. The Washington ETO would also maintain contacts with individual Congressmen (particularly those engaging in external affairs and those who were members of trade-related committees) and their staff, and encourage them to pay visits to Hong Kong. HKTDC also engaged consultants in the US to conduct studies on economic and trade policies as well as lobbying work.

12.29 Mrs Regina IP was pleased to learn that in response to the timely clarifications and follow-ups made by the HKSAR Government, the US Trade Representative had taken out an incorrect statement about Hong Kong from the 2019 National Trade Estimate Report. Mrs IP hoped that the HKSAR Government would take a firm stance and continue to refute any incorrect statements about Hong Kong made by overseas governments. She also asked about the government departments as well as the ranks of the officials who were responsible for such work. Pointing out that the incident had revealed the importance of ETOs, Mr Martin LIAO enquired about the role played by the ETO Policy Division, which was established with funding approved by the Legislative Council in February 2019, in the incident and how it would support the work of ETOs.

12.30 SCED said that after the Washington ETO discovered the incorrect statement about Hong Kong in the Report, the Trade and Industry Department ("TID") and the Geneva ETO immediately verified carefully with the World Trade Organization ("WTO") about the situation. The Washington ETO followed up with the relevant US authorities to convey the concerns and clarify that Hong Kong had, since 1996, fulfilled its notification obligations under the WTO Customs Valuation Agreement. The Commerce and Economic Development Bureau also wrote to the Consul General of the United States to Hong Kong and Macau to set the record straight and asked for urgent rectification by the US Trade Representative, who had subsequently taken out the incorrect statement about Hong Kong from the 2019 National Trade Estimate Report. The HKSAR Government

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disseminated the messages to the public twice to allay any possible misunderstanding from Hong Kong's trading partners. SCED stressed that TID and various ETOs had been paying attention to foreign governments' views on different aspects of Hong Kong affairs. As in previous years, the Administration would, based on the facts available, take the initiative to request parties concerned to set the record straight.

12.31 PS/CED(CIT) added that one of the major tasks of the newly set up ETO Policy Division under the Commerce, Industry and Tourism Branch was to discuss the detailed arrangements of setting up new ETOs with respective countries and to carry out preparatory work. The Administration expected that a new ETO would be set up in Dubai by the end of 2019 and would proceed to set up new ETOs in Moscow, Mumbai and Seoul. The ETO Policy Division would also be responsible for coordinating the work of various ETOs.

Furthering economic ties with the United Kingdom

12.32 Mr Martin LIAO expressed concern that the Joint Committee on Human Rights in the United Kingdom ("UK") published the Report on Human Rights Protections in International Agreements in March 2019, stating that the issue of Brexit had provided an opportunity for the UK Government to explore how FTAs could be used to serve international purposes, including the inclusion of a human rights clause in trade agreements entered with Hong Kong in future. Mr LIAO enquired whether the situation mentioned in the aforesaid Report existed in the discussion on furthering economic ties with UK, and how the Administration would ensure that future trade agreements with UK could protect Hong Kong investors and their right to fair treatment in making investment in UK.

12.33 SCED replied that in the 2018 Policy Address, the Chief Executive set out the Government's priorities in signing FTAs in future. The Government was also exploring with UK options for furthering economic ties, including the possibility of signing an FTA in future. SCED stressed that any discussion between Hong Kong and other parties on FTAs was held on the premise that such FTAs should align with the requirements laid down by the WTO.

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Promoting trade ties between Hong Kong and Japan

12.34 Mr AU Nok-hin enquired whether the Administration had collaborated with the prefectural governments of Japan in promoting trade ties between Hong Kong and Japan, and the key areas of work during the Chief Executive's visits to Japan in recent years.

12.35 SCED pointed out that the Administration targeted its promotion of economic and trading activities between Hong Kong and Japan at the state government as well as the prefectural governments of Japan. In addition to the frequent contacts between the Tokyo ETO and the prefectural governments, HKTB also organized tourism promotion activities in Tokyo in November 2018 in collaboration with the prefectural government to promote the travelling culture in both places.

12.36 SCED also remarked that the Chief Executive had met with senior Japanese government officials, business sectors and professionals during her visits to Japan in October 2018 and April 2019 respectively to strengthen economic and trade cooperation between Hong Kong and Japan. The Chief Executive also met with the local innovation and technology enterprises, university representatives and academics, and paid visits to elderly care and medical facilities to understand the application and development of innovation and technology in such areas. The People's Government of Guangdong Province, the HKSAR Government, together with the Macao SAR Government co-organized a Symposium on Greater Bay Area in Tokyo in April 2019 to encourage Japanese enterprises to capitalize on the business opportunities arising from the development in the Greater Bay Area. The Symposium, which was attended by over 1 100 participants, was well received by various sectors in Japan. In organizing overseas delegations and developing emerging or potential markets in future, the Administration would continue to engage the participation of relevant enterprises and professionals.

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Impact of the ban on import of alternative smoking products on the commerce and industry sector

12.37 Mr Frankie YICK pointed out that the Government had introduced the Smoking (Public Health) (Amendment) Bill 2019 recently to ban the import, manufacture, sale, distribution and advertisement of alternative smoking products (i.e. electronic cigarettes, heat-not-burn products and herbal cigarettes), which would affect local commercial and industrial activities. It was understood that Shenzhen was an important production base for equipment of electronic cigarettes. Quite a lot of products, which were in transit through Hong Kong, had their orders split into smaller quantities and been transported to various overseas countries. Mr YICK asked SCED to help convey the views of the industry to the bureaux concerned, and to exempt the business activities of transshipping alternative smoking products from the above regulatory control. SCED advised that the Administration noted the demands of the trade and would convey the views to the bureaux concerned.

Tourism

Visitor receiving capabilities

12.38 Ms Claudia MO pointed out that the overall visitor arrivals to Hong Kong in 2018 amounted to over 65 million, which was more than double the number of visitors to Japan (about 30 million). She asked whether the Administration would consider setting a cap on visitor arrivals from the Mainland so as to ease the nuisances caused by Mainland tour groups to Hong Kong residents.

12.39 Mr SHIU Ka-fai understood that visitor arrivals might be over-concentrated in certain districts, causing dissatisfaction of some residents. He hoped that the Administration would try to resolve the problem. He opined that tourism, as an important pillar of Hong Kong's economy, could create a lot of job opportunities and played a particular important role to the retail industry. He urged the Administration not to deal a blow to the development of tourism and hoped that the community would stop driving visitors away.

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12.40 SCED opined that Hong Kong was an open and free economy. Every year, a certain number of visitors came to Hong Kong for purposes besides tourism. Hence, to set a cap on the number of visitor arrivals would not be desirable to Hong Kong as a whole. Furthermore, to set a cap on visitor arrivals alone could not address the impact by visitors on the community and people's livelihood. The Government was very concerned about the impact of the inbound tour groups on local communities. Under the proactive coordination of the Tourism Commission, the District Councils, the tourism industry and other relevant government departments had rolled out various measures to specifically respond to the concerns of local communities. The Tourism Commission would also convene an inter-departmental meeting before the advent of the tourist season in order to adopt relevant measures together with the tourism industry with a view to mitigating the inconvenience caused to the communities by the tourists' activities.

12.41 Quoting a media report in 2018, Mr Gary FAN said that the Mainland had changed its policy under which visitors travelling on endorsements for "Group Visit" (commonly known as "L" Endorsement) could come to Hong Kong directly from major airports in the Mainland without joining any tour group, making it no different from the "Individual Visit Scheme". Mr FAN enquired about the follow-up actions taken by the Administration.

12.42 Referring to Reply Serial No. CEDB(CIT)061, Mr Gary FAN said that the number of Mainland visitors with "L Endorsement" (especially same-day visitor arrivals) had substantially increased in the past year, and among Mainland visitors on "Individual Visit Scheme" (excluding those holding a single-entry individual visit endorsement) and the overall visitor arrivals in 2018, the number of same-day visitor arrivals exceeded that of overnight visitor arrivals. The commissioning of the Hong Kong-Zhuhai-Macao Bridge had only brought more low spending same-day visitor arrivals to Hong Kong rather than business for the hotel and retail industry. However, people's livelihood was affected. He asked whether the Administration would re-assess the receiving capacity of Hong Kong; and whether it would introduce new taxes on same-day visitor arrivals by making reference to the practice of the City of Venice, with a view

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to reducing the number of same-day visitors and protecting the lives of Hong Kong people from the impact by visitors.

12.43 SCED said that while the overall number of visitor arrivals had steadily increased in recent years, the number of same-day visitor arrivals had increased significantly in the fourth quarter of 2018. It was believed that this was related to the official commissioning of the two infrastructures, i.e. the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section). In 2017, the Administration announced the "Development Blueprint for Hong Kong's Tourism Industry" which had affirmed four development strategies. Specific response measures were also launched in districts with more visitors, such as To Kwa Wan, to respond to the concerns of local communities. After the commissioning of the Hong Kong-Zhuhai-Macao Bridge, the Administration had been in constant contact with the industry with a view to improving visitor management and diversion. The Administration would continue to liaise with the Mainland authorities and follow up on the policies relating to Mainland visitor arrivals and the situation of Mainland visitors coming to Hong Kong through cross-boundary infrastructures.

12.44 To ameliorate the overcrowding problem caused by a large number of tour groups visiting Hung Hom and To Kwa Wan, Dr CHIANG Lai-wan suggested that the Administration should make good use of the pick-up/drop off spaces for coaches of the Kai Tak Cruise Terminal and the Runway Park Pier near Kai Tak Cruise Terminal in order to divert leisure boat tourists.

12.45 Commissioner for Tourism ("C for Tourism") replied that the Administration was proactively studying facilitating the industry to shift the passenger embarking/disembarking points for some harbour tour services to the Kai Tak Runway Park Pier, in addition to exploring the feasibility of providing coach parking spaces at the public pier. The Administration had conducted on-site inspections with the tourism industry on several occasions in the hope that the relevant proposals could be implemented soon.

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Parking and management of coaches

12.46 Mr Tony TSE relayed the industry's concern that coach parking spaces were seriously insufficient with a shortfall of 2 000 to 3 000 parking spaces, resulting in illegal parking of coaches which were left with no other alternatives. He enquired whether there were any other sources of coach parking spaces in the market, apart from turning sites with no immediate development plans into temporary parking spaces for coaches as planned by the authorities as well as parking spaces provided by large hotels.

12.47 SCED advised that the Transport Department was conducting a consultancy study on parking for commercial vehicles to assess the supply of and demand for parking spaces by commercial vehicles in various districts. Relevant issues could be further discussed at the high-level tourism coordinating meetings convened by the Financial Secretary if necessary. It is understood that the current problem mainly involved the pick-up/drop off spaces for coaches in day time. In this regard, the Administration was providing additional on-street pick-up/drop off points for use by coaches at suitable locations (including tourist and shopping hotspots) and providing half-hourly concessionary parking rate to coaches at a short-term tenancy car park at the junction of Bailey Street and Sung Ping Street in Kowloon City.

12.48 C for Tourism added that there were a total of 165 on-street metered parking spaces in areas around Kowloon City, To Kwa Wan and Hung Hom for use of coaches, in addition to 70-odd parking spaces at short-term tenancy car parks. At the request of Mr Tony TSE, the Administration would provide a written reply on the sources of supply of coach parking spaces in the market.

12.49 Regarding Reply Serial No. CEDB(CIT)012, Mr CHAN Chi-chuen was dissatisfied with the fact that the Police did not have the number of prosecutions in respect of illegal parking of tour coaches. He requested that the Administration should increase the pick-up/drop off points for coaches. Meanwhile, the Police should enhance law enforcement against illegal parking of coaches and properly compile the number of prosecutions in respect of tour coaches for the follow-up by the Legislative Council. He also suggested that the Administration

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should formulate the Code of Practice with Travel Industry Council of Hong Kong and impose penalty on member agents for inciting coach drivers to park illegally.

12.50 SCED advised that regarding the effectiveness of enhancing law enforcement against illegal parking of coaches in ameliorating illegal parking problem, the Administration had discussed the problem with the District Councils ("DC") earlier. Quite a number of DC members said that the authorities should adopt a multi-pronged approach to tackle the problem rather than relying on the Police's law enforcement actions alone. As such, SCED pointed out that pick-up/drop off points and parking spaces for coaches had been increased in Kowloon City District, in addition to providing a half-hourly concessionary parking rate in a car park with a view to improving coach drivers' incentive of using the car park. To tie in with the re-opening of the Avenue of Stars, new pick-up/drop-off spaces for coaches had been provided in the district, and staff had been deployed to remind coach drivers to strictly comply with the regulation that no stopping or waiting was allowed in drop-off and pick-up zones.

Hong Kong Disneyland Resort

12.51 Mr Michael TIEN said that according to the Option Deed signed between the Government and Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney Company ("TWDC") as shareholders, hereinafter referred to as "joint venture"), the joint venture had an option to purchase the 60 hectares of land ("Phase 2 site") which had been reserved for the possible Phase 2 development of Hong Kong Disneyland Resort ("HKDL"). Such option was valid until 2020 and might be extended twice, each for five years. Mr TIEN requested the Administration to confirm whether TWDC could unilaterally decide to extend the option for five years if the option was not exercised upon expiry in 2020, or whether the Administration had the power to veto the extension application of TWDC.

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12.52 C for Tourism replied that according to the Option Deed, the joint venture could request to extend the option for the Phase 2 site in accordance with the arrangement under the Option Deed. SCED said that if the business performance of HKDL was satisfactory in future, the Government might consider exploring with TWDC the expansion of HKDL on the Phase 2 site which had been reserved for tourism development. SCED said that the Government would make the best endeavor in negotiating with TWDC about the new development in future to attain the most favourable terms in the light of the existing contract terms with HKDL.

12.53 Dr KWOK Ka-ki said that since the event organizer announced in 2018 that it had intended to construct an European design flower park on the Phase 2 site, no progress had been made so far. Besides, he asked whether the Administration would consider constructing holiday flats on the Phase 2 site that could meet land use restrictions by using the Modular Integration Construction technology and then lease these flats to the grassroots families for residential use at very low rentals.

12.54 Dr KWOK Ka-ki criticized that the joint venture still had to pay management fees and royalties to TWDC even though HKDL had suffered losses. He was also concerned about whether the Administration would need to inject funds continuously into HKDL for its expansion in a bid to attract tourists in future under the competition of the Shanghai Disney Resort.

12.55 SCED responded that HKDL was a joint venture between the Government and TWDC. Holding around 53% of the joint venture's shares, the Government was required to act in accordance with the terms of the contract, including payment of management fees and royalties. With the increase in visitor arrivals, coupled with the targeted marketing and sales strategies of HKDL, its business performance had improved in the past few years and the Phase 2 development of HKDL would remain the direction for exploration in future. The land formation for the Phase 2 site had been completed by the Government in earlier years. The Phase 2 site could put into various permitted uses as listed in the Deed of Restrictive Covenant which included recreational, sports and cultural facilities, but not for

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residential use. The Government was currently following up with the relevant organizations for two proposals recently received for the short-term uses on the Phase 2 site.

Kai Tak Cruise Terminal

12.56 Regarding Reply Serial No. CEDB(CIT)033, Dr CHIANG Lai-wan said that the number of ship calls at Kai Tak Cruise Terminal ("KTCT") had seen a downward trend. She enquired about the forecast number of ship calls in future. Dr CHIANG also asked whether the number of ship calls of a cruise vessel would be double counted if it had berthed twice for embarking and disembarking passengers during the same visit to Hong Kong, thus affecting the accuracy of the number of ship calls of KTCT in the whole year.

12.57 C for Tourism pointed out that the Administration noticed that the cruise market in Asia was consolidated in 2018. As a result, the number of ship calls at KTCT had dropped compared with that of the previous year. According to the number of applications for ship calls currently available to the Administration, the number of ship calls at KTCT in 2019 would not be less than that in 2018. The Administration would continue to develop a diversified source market and proactively develop cruise tourism. C for Tourism added that as passengers embarking and disembarking took place every time when a cruise ship was berthed and pier facilities were used, the Administration considered it appropriate to adopt the number of ship calls as the basis for counting.

12.58 Dr CHIANG Lai-wan suggested that the cruise terminal operation and the ancillary commercial area of KTCT should be tendered separately when the terminal operation contract for KTCT was awarded next time in order to maintain flexibility. C for Tourism pointed out that the existing terminal operation contract remained valid for a certain period of time before it was due to expire. The Administration would consider whether the future operation and management of KTCT would need modification. However, the main function of the construction of KTCT was to allow cruise ships to be berthed and to provide passengers with certain services. Therefore, even though the operation of the cruise terminal and the operation of

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the ancillary commercial area were separated, it might not be feasible to operate the KTCT by making reference to the mode of operation of other local cruise passenger terminals.

Smart tourism

12.59 Mr YIU Si-wing followed up on the Administration reply given in Reply Serial Mo. CEDB(CIT)205 and requested for further explanation on the objectives, direction and estimated expenditure of the consultancy study for the development of smart tourism. C for Tourism responded that the authorities planned to commission a consultancy study on strategies and initiatives to promote smart tourism in 2019-2020. The objective was to better grasp visitors' travel habits, assist the Administration in formulating relevant policies and enhance visitors' travel experience through the use of technology. The estimated expenditure of the consultancy study was \$3 million.

12.60 C for Tourism further advised that there were on-going projects relating to smart tourism, apart from the aforesaid consultancy study. The first official landing page "Visit Hong Kong" was launched in September 2018 to facilitate trip planning by travellers and facilitate their activities in Hong Kong by using mobile devices. HKTb would transform its DiscoverHongKong.com website into a core platform for "smart travel" by introducing latest technologies. Related work was expected to be completed in 2020. QR Code would be displayed at tourist attractions for visitors to get more related information. In addition, the augmented reality ("AR") technologies, voice and video navigation and live streaming would be employed to enhance user interaction. For instance, a creative tourism scheme entitled "Design district Hong Kong" had been launched in Wan Chai District, and tourism projects would be launched in Central and Tsim Sha Tsui in the second half of 2019 with the use of AR technologies and multimedia and creative technology enabling visitors to experience the historical landscape and community culture.

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Other issues

12.61 Regarding Reply Serial No. CEDB(CIT)121, Ms Claudia MO was pleased to learn that the Administration had clearly stated that it did not have any plan to change the markings or ciphers on the existing old posting boxes. She expressed support for it.

12.62 Mr SHIU Ka-fai was concerned that the legislative framework for strengthening regulation of person-to-person telemarketing calls proposed by the Government recently would only increase the operating costs of the business sector rather than a solution to the problem at root. Under the proposed legislative framework, enterprises in Hong Kong were required to download the telephone numbers in the Do-Not-Call Registers for pruning their calling lists, which would inevitably increase their operating costs. Meanwhile, most of the telemarketing calls currently came from telemarketing call centres outside Hong Kong, which might not be subject to the regulation of the laws of Hong Kong. According to his understanding, Hong Kong residents often received direct marketing calls urging them to borrow money from telemarketers which claimed to be licensed banks in Hong Kong, but these were actually from financial companies or their intermediaries. In this connection, he considered that the Administration should impose penalties on the relevant fraudulent acts under TDO to resolve the nuisance caused by person-to-person telemarketing calls.

12.63 SCED responded that since the issue fell within the remit of the next session (communications and creative industries), he suggested that detailed response should be given in the relevant session. The Administration would brief members on the preliminary legislative framework for strengthening regulation of person-to-person telemarketing calls at a joint meeting of the Panel on Information Technology and Broadcasting and the Panel on Commerce and Industry to be held on 16 April 2019 and receive views from members.

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13.1 At the invitation of the Deputy Chairman, Mr Edward YAU, Secretary for Commerce and Economic Development ("SCED"), briefed members on the key areas of work under the communications and creative industries portfolio for the 2019-2020 financial year (Appendix IV-11).

Review of the Control of Obscene and Indecent Articles Ordinance

13.2 Mr CHAN Chi-chuen enquired about the progress of the Administration's review of the Control of Obscene and Indecent Articles Ordinance. SCED advised that the subject had been scheduled for discussion at the meeting of the Panel on Information Technology and Broadcasting to be held in May 2019. Mr CHAN indicated that while he anticipated that the amended Ordinance would not be able to completely prevent any possible challenges to individual decisions of the Obscene Articles Tribunal in future, the reviewed system for adjudication should be able to reflect more comprehensively the standards of morality and decency that were generally accepted by ordinary members of the community.

Regulation of person-to-person telemarketing calls

13.3 Mr SHIU Ka-fai said that the Administration's proposal to introduce legislation to regulate person-to-person telemarketing calls ("P2P calls") in Hong Kong might result in more call centres relocating their operations to neighbouring regions where such activities had not yet been regulated. It would not only fail to help solve the problem of nuisance phone calls faced by the local public, but would also increase compliance cost for the local business sector. Mr SHIU asked about the Administration's measures to eradicate P2P calls from overseas jurisdictions which might involve bogus callers.

13.4 SCED advised that in response to public and Members' demands, the Government would submit an initial legislative framework for strengthening regulation of P2P calls for discussion at the joint meeting of the Panel on Information Technology and Broadcasting and the Panel on Commerce and Industry scheduled for 16 April 2019. Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries) (Special

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Duties) ("DS(CCI)") supplemented that regarding difficulties in enforcement outside Hong Kong, the situation was similar to the experience of regulating unsolicited electronic messages ("UEMs") currently under the Unsolicited Electronic Messages Ordinance; in particular, there would be certain challenges in tracing the identity of the callers and collecting evidence for P2P calls originating from outside Hong Kong, and it would involve the need to establish collaboration with enforcement agencies in other regions, such as setting up referral channels, etc. The actual effect of each enforcement channel might vary, depending to a large extent on the relevant laws of the respective jurisdiction and the priorities of the enforcement agents concerned.

13.5 With regard to compliance cost, DS(CCI) indicated that the Government was aware of the concerns of the relevant trades and industries, and had therefore incorporated into the current proposed legislative framework measures to reduce the compliance cost of such trades and industries. For instance, different from the existing regulation that the information required to be included in a commercial electronic message must be given in both Chinese and English, it was proposed to require P2P callers to provide caller information in either Chinese or English only (instead of in both languages as required by the existing regulation applicable to UEMs); and to adopt an "opt-out" arrangement (instead of an "opt-in" one) under which users would not need to come forward to register for receiving P2P calls.

13.6 In response, Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries) ("PS(CCI)") further explained that phone calls falling within the definition of "Hong Kong Link" (for instance, the calling numbers were registered in Hong Kong or were allocated or assigned by the Communications Authority, or the company making the calls or authorizing the making of the calls was an organization carrying on business or activities in Hong Kong or a Hong Kong incorporated company) would be subject to regulation under the proposed legislative framework. For a P2P caller impersonating others or claiming to represent others in making a P2P call but without their authorization, any legal liability that might be incurred by the P2P call would be borne by the caller instead of the impersonated parties. Mr SHIU Ka-fai

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expressed doubts since, in the absence of corresponding legislation in neighbouring regions to support cross-border enforcement, local law enforcement authorities could hardly launch any unilateral investigations into whether P2P calls from overseas were authorized by organizations or individuals in Hong Kong. In his view, the legislative proposal would have little effect on reducing P2P calls.

13.7 SCED advised that he appreciated Members' concerns about how P2P calls from overseas should be regulated, and was aware that the current legislative proposal might not be able to completely eradicate such calls. Nevertheless, the proposed legislative framework was in fact a feasible option recommended for regulating such calls on a reasonable basis. The authorities wished to submit the proposed legislative framework to the relevant Panels for discussion and seek their express comments on whether legislative regulation should be introduced as demanded by the general public and different parties across the Legislative Council ("LegCo").

Fifth Generation Mobile Services

13.8 Mr Charles Peter MOK pointed out that Hong Kong was lagging behind other places such as South Korea in the development of the fifth generation mobile services ("5G"). He asked when the Administration intended to bring up to the Panel for discussion the issue of assigning spectrum for 5G services. Mr Mok advised that any delay in spectrum auctions would reduce the time available for the industry to establish 5G networks and indirectly increase the costs. Therefore, the industry hoped that the Administration could set the auction reserve price for 5G spectrum at a lower level and provide more initiatives to facilitate installation of a large number of base stations by mobile operators to provide 5G services.

13.9 SCED advised that the Administration was making vigorous efforts in 5G development. Following the earlier administrative assignment of spectrum in the 26/28 GHz bands to a number of mobile operators for launching 5G services, the authorities had arranged to discuss with the Panel the issue of spectrum assignment in May 2019. The relevant subsidiary legislation would be submitted following consultation with the Panel. SCED pointed out that in line with

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established policy, spectrum in plentiful supply would be administratively assigned, while spectrum that probably might have competing demand would be assigned through auctions. The final price for the auctioned spectrum should reflect its market value and the industry needed not worry too much that the auction reserve prices would be too high. In addition, a list of about 1 000 government premises available for application by mobile operators for installation of base stations had recently been announced. The authorities would maintain adequate communication with the industry and would be willing to introduce more measures to promote 5G development in future.

13.10 Dr Elizabeth QUAT sought advice on the expected time of launching 5G services in the market. Dr QUAT also sought clarification on whether certain areas would be without signal coverage and become "blind spots" in receiving 5G services, and what measures would be taken to ensure that the people of Hong Kong in various districts would be able to receive 5G services.

13.11 SCED responded that the Government expected 5G services could be launched in the market by 2020 at the earliest, but the relevant timetable would be subject to various market factors, including the progress in establishing 5G networks and in introducing mobile devices capable of supporting 5G services. PS(CCI) supplemented that during the initial launch period, mobile operators in general would install 5G networks at various locations in a progressive manner and, as a result, the progress in extending the service coverage would vary among different districts in Hong Kong. As regards the two restriction zones in Tai Po and Stanley where the use of the 3.5 GHz band was restricted, the Office of the Communications Authority had set up a working group to explore the technical feasibility of deploying mobile base stations operating in the 3.5 GHz band within the restriction zones. PS(CCI) emphasized that mobile operators could still use frequency bands other than the 3.5 GHz one to provide 5G services in the two restriction zones, and hence those two districts would not become "blind spots" in receiving 5G services.

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Radio Television Hong Kong

Departmental Resources

13.12 Mr Alvin YEUNG indicated that while the Radio Television Hong Kong ("RTHK") had arranged its RTHK TV 31 to start providing 24-hour broadcasting service in April 2019, no new studios had been constructed for RTHK for that purpose. Mr YEUNG asked what new resources the Administration planned to provide for RTHK to cope with the additional workload. In addition, he also expressed concern about the slow progress of the plan for the construction of the New Broadcasting House ("New BH").

13.13 Director of Broadcasting advised that RTHK TV 31 had sufficient resources to provide 24-hour broadcasting service. He pointed out that the production efficiency of studios had been significantly enhanced after the adoption of virtual set technology; in addition, RTHK had been producing television ("TV") programmes through a myriad of methods, with a number of programmes using location filming in addition to in-studio productions. Therefore, the current resources available to RTHK were sufficient to meet the operational needs for extending broadcasting hours. SCED supplemented that as the New BH project was not supported by the Public Works Subcommittee of LegCo in 2014, the Administration had subsequently been exploring feasible options (including examining the more cost-effective option of constructing a joint-user building) in response to the concerns raised by Members on the cost estimates. He appealed to Members' support for the staffing proposal of creating a permanent post in RTHK recently submitted by the authorities, so as to ensure that RTHK would have the necessary directorate officer to provide continuous leadership for the New BH project.

13.14 Mr CHAN Chi-chuen opined that since RTHK had transformed from a radio station providing mainly sound broadcasting services in the past into a diversified public service broadcaster providing radio, TV and new media services at present, the Administration should have provided sufficient additional resources for RTHK to cope with the increased workload. Nevertheless, the estimated provision for RTHK for 2019-2020 was lower than the

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revised estimate for 2018-2019 by \$19.4 million. Mr Charles Peter MOK raised a similar query and asked whether RTHK had sufficient manpower to handle its future tasks, in particular the work challenges brought about by new media services.

13.15 Director of Broadcasting advised that the slight reduction in the estimated provision for RTHK for 2019-2020, as compared to the revised estimate for 2018-2019, was due to the decrease in costs of individual projects; and RTHK would redeploy its existing resources to meet the manpower requirements for major tasks such as development of new media services and media convergence. Director of Broadcasting stressed that RTHK had bid for the necessary resources from the Commerce and Economic Development Bureau and the Bureau had provided maximum support to RTHK in return. PS(CCI) supplemented that, the cumulative increases in both financial and staffing provisions for RTHK during the past nine years were higher than those for the Government as a whole.

Broadcasting of local sports matches

13.16 Mr MA Fung-kwok supported RTHK to broadcast more local sports matches. He enquired about the royalty fee rates involved in obtaining broadcasting rights for local sports matches by RTHK and RTHK's plans for promoting and broadcasting the Hong Kong Games.

13.17 Director of Broadcasting advised that as local sports matches were broadcasted by RTHK on a non-commercial basis, RTHK was not required to pay royalty fees for obtaining broadcasting rights, and it only needed to set aside funds for programme production. He further said that RTHK had completed the preparation work for broadcasting the Hong Kong Games, with up to six sports events taking place simultaneously in the venue to be filmed, and arrangements would be made for live or delayed broadcasts of some matches.

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Audit Report

13.18 Regarding the series of recommendations on various aspects (including acquisition procedures) made in Director of Audit's Report No. 71, Mr Abraham SHEK urged RTHK to report the outcome of its internal reviews on those recommendations to the Public Accounts Committee in detail as soon as possible. SCED pointed out that the Administration had accepted the above Audit Report and tasked RTHK to conduct the reviews, and would ensure that the operation of RTHK would be in compliance with the value for money standard for government departments. Mr SHEK advised that the Public Accounts Committee would decide whether it was necessary to hold public hearings to follow up on the recommendations of the Audit Commission after considering RTHK's report.

Creative industries

13.19 Mr MA Fung-kwok asked how the Administration would assess the effectiveness of the various overseas study missions organized by Create Hong Kong ("CreateHK"), including whether they were capable of assisting the industries to develop markets. He also suggested that consideration be given to facilitating the participation of industries in study missions organized by the Central Government or Mainland industries, so as to assist them in developing new markets such as those along the Belt and Road.

13.20 Head of Create Hong Kong advised that the study missions were successful in creating business opportunities for the local creative industries in a number of countries along the Belt and Road. Looking back at the past two years, missions were organized for the local film industry to visit three countries, i.e. Iran, Malaysia and Hungary, for promotion of Hong Kong's achievements and available services in action movie filmmaking and special effects, resulting in the signing of several transnational business agreements. In addition, CreateHK had also invited local young architects to visit Dubai and meet the developers there, organized a delegation of the printing and publishing sector to visit the industrial parks in faraway Belarus, and facilitated mutual visits and exchanges between the digital entertainment sectors of Hong Kong and Malaysia. Various parties had shown a great deal

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of interest in pursuing cooperation with the local industries. SCED advised that he fully agreed with the suggestion of encouraging the creative industries sector to explore markets along the Belt and Road and the Administration would consider Members' suggestions and take forward the relevant work in due course.

Supply of cinemas

13.21 Expressing the view that the respective numbers of cinema seats in certain districts of Hong Kong were on the low side at present, Mr CHAN Chi-chuen enquired about the Administration's views and plans in relation to the number and distribution of existing cinemas in Hong Kong. He also asked whether the incorporation of a requirement to include cinema in the land sale conditions of a site was still one of its current policies for increasing the supply of cinemas.

13.22 PS(CCI) advised that as at the end of 2018, there were a total of 57 cinemas in Hong Kong, providing 257 screens and 40 000-odd seats in total. The number of cinemas across the territory had increased significantly in recent years and there would be a cinema/cinemas in each of the 18 districts of Hong Kong after the expected commissioning of a new cinema in Tai Po District in the first half of 2019. The Administration would, from time to time, review its relevant policies in accordance with the latest development of the film industry.

Smart city industries

13.23 Dr Elizabeth QUAT opined that while the Administration had formulated the Smart City Blueprint for Hong Kong, it seldom exported products and services of the local smart city industries to governments of overseas cities, and was lagging behind other governments in places like Singapore, South Korea and Barcelona in that regard. She enquired whether the Administration would consider actively promoting the local smart city industries to governments around the globe through departments such as the Hong Kong Trade Development Council and Hong Kong Economic and Trade Offices. Dr QUAT said that she hoped the Administration would collaborate with local non-governmental organizations to package Hong Kong's leading-edge

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technologies in various fields into integrated products or services of smart city industries and promote them to overseas governments, with a view to establishing a leading position for Hong Kong in smart city industries.

13.24 SCED advised that under the major global trend of moving towards smart cities, Hong Kong and other cities could learn from one another in the development of smart cities. The Administration took note of the suggestion of promoting local smart city industries to places outside Hong Kong.

Chapter XIV : Food Safety and Environmental Hygiene

14.1 At the invitation of the Chairman, Professor Sophia CHAN Siu-chee, Secretary for Food and Health ("SFH") briefed members on the main initiatives and expenditure on the policy area of food safety and environmental hygiene for the new financial year (Appendix IV-12).

Issues relating to food supply and food safety

14.2 Mr Tommy CHEUNG expressed concern that there had been a significant increase in the retail prices of chilled and frozen chickens supplied to Hong Kong from the Mainland since the suspension of imported live poultry from the Mainland. SFH responded that since February 2016, there had not been live chickens imported from the Mainland despite that the Hong Kong Government had not imposed any ban against the importation of live poultry from the Mainland. The Administration was given to understand that the current supply situation was primarily a commercial decision on the part of the Mainland farms. Mr CHEUNG urged the Administration to step up liaison with the Mainland authorities, with a view to resuming supply of live poultry to Hong Kong.

14.3 Referring to Reply Serial Number FHB(FE)240, Mr Gary FAN expressed concern that the number of cases in which a fine was imposed by the courts for contravention of the Import and Export (General) (Amendment) Regulation 2013 (commonly known as the "export control of powdered formulae") had increased from 3 379 in 2016 to 3 825 in 2018 and the total amount of fines involved in the relevant years also increased from \$12,700,800 to \$13,767,100. Mr FAN asked whether the Administration would consider tightening the export control and raising the penalties in breach of the export control, in view of the upward trend of parallel trading activities. He expressed dissatisfaction that the Judiciary did not keep breakdown figures on (a) the number of cases with imposition of fines ended up in default of fine payment in 2018 as well as the total amount of fines in default; and (b) the types of document of identity (e.g. Hong Kong Permanent Identity Card, "one trip per week" Individual Visit Endorsements, endorsements for group visit, etc.) held by the defendants in cases of default of fine payment. He queried how the Administration could formulate targeted measures against

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contravention of the export control without getting hold of relevant information and statistics.

14.4 Mr SHIU Ka-fai said that according to some market surveys, the operation of the supply chain of powdered formulae had continued to improve and the supply had primarily served the needs of local infants and young children. In his view, as free trade was the bedrock of Hong Kong's success, the Administration should review, in a timely manner, the necessity to continue with the export control of powdered formulae. He asked about the circumstances under which the Administration would consider it appropriate to relax or remove the export control.

14.5 SFH responded that the Food and Health Bureau ("FHB") had been keeping in view the operation of the export control and the supply chain of powdered formulae through monitoring various data and commissioning consultancy firms to conduct market surveys. Having analyzed the market situation and taken into due consideration the stakeholders' views, FHB decided to maintain the status quo for the export control at this stage. FHB noted that the potential non-local demand for powdered formulae in the local market remained huge. If the export control was removed or relaxed at this stage, the supply chain would hardly be able to cope with the potentially huge non-local demand notwithstanding the trade's efforts in improving the supply chain of powdered formulae and providing local parents with a "safety net" of powdered formulae. Also, the Administration could not rule out the possibility of the recurrence of the powdered formula shortage. SFH stressed that while the Administration had no plan to tighten or remove the export control at the current stage, it would keep in view the operation of the supply chain of powdered formulae and the changes in the potential non-local demand for powdered formulae in the local retail market. In response to Mr Gary FAN's follow-up enquiry, SFH said that the Administration would monitor the trend of parallel trading activities to see if enforcement actions should be stepped up.

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14.6 Referring to Reply Serial Number FHB(FE)012, Prof Joseph LEE expressed concern that since the launch of the "Salt/Sugar" Label Scheme for Prepackaged Food Products ("the Scheme") in October 2017, only about 230 prepackaged food products which met the legal definition of "low salt", "no salt", "low sugar" or "no sugar" could display the relevant labels. He asked whether the Administration would review the effectiveness of the Scheme in promoting a less-salt-less-sugar dietary culture and if yes, whether specific indicators would be formulated for the purpose of assessing the effectiveness of the Scheme.

14.7 SFH responded that several large-scale food manufacturers had reformulated, or undertaken to reformulate, their prepackaged food products, covering various types of drinks, instant noodles and soups. The Administration would continue to motivate more local manufacturers to reformulate their products and encourage manufacturers/importers to display "low salt", "no salt", "low sugar" and "no sugar" labels on pre-packaged food products, so that the less-salt-less-sugar dietary culture would gradually take root in the community. The Administration would keep in view the effectiveness of the Scheme.

14.8 Mr Tommy CHEUNG considered that instead of calling on restaurants to participate in the salt and sugar reduction scheme, focus should be placed on promoting a low-salt-low-sugar dietary culture among Hong Kong people through education and publicity. SFH responded that the Administration considered it necessary to promote salt and sugar reduction on various fronts to achieve optimal results. Since January 2019, more than 500 restaurants involving over 100 brand names had voluntarily joined the salt and sugar reduction scheme and provided customers with options of reduced salt and/or sugar or tailor-made less salt and sugar dishes.

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14.9 Dr Helena WONG noted that the Centre for Food Safety ("CFS") was following up on the recommendations made in the Director of Audit's Report released in November 2018 and the relevant reports of the Public Accounts Committee, with a view to strengthening CFS' functions in food safety management and food import control. She enquired about the follow-up actions taken by CFS so far and the manpower and expenditure involved.

14.10 SFH and Controller, Centre for Food Safety advised that CFS had set up a task group, led by the Controller of CFS, to take forward the recommendations of the Audit Commission and the Public Accounts Committee. The task group had commenced comprehensive reviews on CFS' operational manuals and guidelines, staff management and supervision arrangements, as well as training, manpower and resource requirements. CFS had started to roll out concrete and effective short-, medium- and long- term measures to enhance its effectiveness by phases, including updating guidelines where there were inadequacies or ambiguities, enhancing training and supervision of frontline staff, and strengthening staff's law enforcement mindset and the keeping of relevant data and records. In 2019-2020, 35 additional civil service posts would be created in CFS along with an additional provision of \$25 million to implement the reviews and the enhancement measures. In addition, CFS had put in place a dedicated team in end-2017 to look closely at its operational workflow, revamp its information technology ("IT") systems for higher efficiency, and enhance its mode of operation through IT to support the work of its frontline staff and reinforce its capability in food import control, surveillance, incident management, risk assessment and traceability. CFS would review in due course whether additional manpower and resources were required for implementing the above measures. Government Chemist ("GC") added that when compared with 2018-2019, the recurrent expenditure to be incurred by the Government Laboratory ("GL") in 2019-2020 in conducting tests relating to food safety would be increased by \$14.7 million. Four civil service posts would be created in 2019-2020 to enhance food testing work.

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14.11 Referring to Reply Serial Number FHB(FE)019, Dr Helena WONG sought details about the Administration's progress in studying the feasibility of reprovisioning and expanding the Food Safety Laboratory of GL to enhance its testing capability and operational efficiency. GC responded that FHB and GL had identified a suitable site for the construction of a new GL complex, and had consulted the relevant District Council ("DC") earlier on. Having considered DC's views, the Administration was revising the proposal and would consult the DC again. The Administration would confirm the project timetable after completing the consultation and the technical assessments of the overall development plan.

Provision and management of public markets

14.12 Mr Tony TSE noted from Reply Serial Number FHB(FE)193 that in the past five years ending 31 March 2019, three public markets, namely Shau Kei Wan Market, Tsuen King Circuit Market and Tai Yuen Street Cooked Food Market were closed due to consistently high vacancy rates, and that the Food and Environmental Hygiene Department ("FEHD") was planning to also close Cheung Sha Wan Cooked Food Market and Tui Min Hoi Market in 2019-2020. Expressing disappointment with the Administration's plan to close public markets which were under-utilized, Mr TSE urged the Administration to plan ahead the usage of the sites concerned before closing the markets so that the sites would not be left idle for a long time.

14.13 SFH responded that in the 2018-2019 Budget Speech, the Financial Secretary had announced that \$2 billion would be earmarked for implementing the Market Modernization Programme over the next 10 years. FEHD would conduct a comprehensive review of the usage and development potential of existing public markets, with a view to improving their existing facilities and management systematically and putting the land resources to the most gainful uses. Director of Food and Environmental Hygiene ("DFEH") said that FEHD would consult relevant DCs and market tenants on market closure plans and the proposed way forward.

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14.14 Mr Holden CHOW said that some local residents held the views that the proposed site for building a new public market in Tung Chung Town Centre (i.e. the lower floors of a commercial building in Area 6, which was adjacent to Tung Chung MTR Station) was too close to the residential areas. He asked whether the Administration would consider identifying another site (e.g. a site adjacent to the bus stop near Ngong Ping 360 Cable Car) for provision of the new public market in Tung Chung. SFH advised that the support of the relevant DC had been obtained for constructing a new public market at Area 6 in Tung Chung Town Centre. Further details of the new market project would be made available upon completion of technical feasibility studies and cost-effectiveness assessment.

Environmental hygiene issues

14.15 Referring to Annex I to Reply Serial Number FHB(FE)126, Mr CHU Hoi-dick enquired about the reason(s) for the differences in the numbers between in-house cleansing workmen and outsourced cleansing workmen deployed to various districts for provision of public cleansing services. DFEH responded that for street cleansing, about 75% of the services had been outsourced. Owing to historical reasons, the numbers between in-house and outsourced cleansing workmen deployed to various districts were different. At present, deployment of in-house cleansing workmen was arranged by FEHD in a centralized manner rather than by individual district. In response to Mr CHU's follow-up enquiry, DFEH said that the refuse collection services were outsourced to other contractors under separate contracts. As the collection services in some districts had all been outsourced, no FEHD in-house staff was involved in providing such services in those districts.

14.16 Dr Elizabeth QUAT, Mr HO Kai-ming and Ms CHAN Hoi-yan expressed concern about the deteriorating hygiene conditions in various districts and the rodent infestation problems in the community. In response to Mr Holden CHOW's enquiry concerning the application of technologies in rodent control, SFH and DFEH said that FEHD was studying different methods and technologies to improve the rodent surveillance and control work. For example, night-vision cameras and thermal imaging cameras were installed at locations where rodents were rampant for surveillance purpose so that targeted

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measures could be formulated accordingly to control and kill rodents. A new product containing non-poisonous bait claimed to have better attractiveness to rodents was also being tested, and might be used as bait for census baiting. Also, rodent trapping devices driven by pressurized gas (A24) were being tested on their suitability to be used in Hong Kong.

14.17 Ms CHAN Hoi-yan opined that instead of installing night-vision cameras and thermal imaging cameras to monitor rodent activities which were obviously rampant in many districts, FEHD should deploy more manpower resources to carry out rodent control work. Noting that the expenditure for pest control services contracts had increased from \$268 million in 2016-2017 to \$321 million in 2018-2019, she asked whether the Administration had assessed the effectiveness of the rodent control work carried out by FEHD's outsourced pest control teams.

14.18 SFH and DFEH responded that the estimated provision earmarked for enhancing cleansing and other public hygiene services (including pest control work) in 2019-2020 was about \$755 million. In 2018, the total numbers of FEHD's in-house staff and contract staff responsible for pest control were 699 and 1 860 respectively. Apart from carrying out routine rodent control operations, FEHD was studying different methods and technologies to improve the rodent surveillance and control work. The number of the rodents caught through poison treatments or trappings had increased in the past three years. For instance, the number of rodents trapped had increased from 13 192 in 2016 to 16 504 in 2018. Detailed figures with a breakdown by district was provided at Annex I to Reply Serial Number FHB(FE)134.

14.19 Mr HO Kai-ming also expressed concern about the effectiveness of rodent control work carried out by FEHD. He sought clarification as to whether the workforce of outsourced cleansing teams responsible for provision of public cleansing services (including pest control work) had been reduced in recent years. SFH and DFEH responded that FEHD had increased in recent years the manpower and resources for carrying out street cleansing and pest control work. In 2018-2019, about 8 700 contractors' staff were deployed to perform

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street cleansing duties. The estimated expenditure on pest control services for 2019-2020 was \$681 million. About 700 departmental staff and 1 800 contractors' staff were deployed to pest control services. In addition to regular pest control work and annual territory-wide publicity campaigns, FEHD would collaborate with relevant departments to launch district-specific rodent control measures, including anti-rodent operations at designated target areas and publicity programmes to promote greater community involvement.

14.20 Dr Elizabeth QUAT suggested that the Administration should consider providing a convenient channel via a mobile platform for members of the public to report to FEHD the hygiene and pest problems in the districts so that timely cleansing and pest control work could be arranged by the department. SFH responded that FEHD would continue to explore the application of technologies in the provision of street cleansing and pest control services. At the same time, educational work would be strengthened to enhance public awareness of the need to keep the environment clean.

Refurbishment of public toilets

14.21 Noting that a total expenditure of over \$600 million had been earmarked in the 2019-2020 Budget for refurbishing 240 public toilets managed by FEHD in the coming five years, Mr Tony TSE suggested that the Administration should consider separating the tender for the refurbishment works, so as to enlist more contractors to participate in this area of work and to bring in more new ideas in designing public toilets. SFH and DFEH responded that FEHD would actively consider, in consultation with the Architectural Services Department and the Electrical and Mechanical Services Department, how to engage the community in providing a creative outlook and suitable facilities for public toilets (e.g. by organizing forums and workshops to collect views from users and relevant professionals), especially those highly utilized ones in tourist areas.

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14.22 Mr Tommy CHEUNG considered that apart from carrying out refurbishment works, FEHD should improve the management of and the cleansing services for public toilets. DFEH responded that FEHD would improve the design and facilities of existing public toilets by phases. The cleansing services for public toilets would also be enhanced, with focus on the following four performance indicators: (a) dry floor; (b) floor, wall and facilities free from stains and dirt; (c) no foul smell; and (d) proper performance of toilet facilities. In particular, toilet facilities running out of order as identified during inspections would be immediately reported to the departments concerned for timely repair.

14.23 Mr YIU Si-wing asked whether new technologies would be applied in the provision of public toilets facilities, in particular, for those with a high patronage rate or located at tourist spots. DFEH responded that FEHD planned to launch pilot schemes on provision of air conditioning and/or other equipment (e.g. Cabinet Wash Hand Basin System, application of ozone technology and Nano Confined Catalytic Oxidation technology) in public toilets with high utilization rates (e.g. Peak Tower Public Toilet, Lan Kwai Fong Public Toilet and Sai Yee Street Garden Public Toilet) to improve the air quality and hygiene condition. Automated counting sensors would also be installed in some public toilets to monitor their utilization rates at different hours for better arrangement of cleansing services. If proven effective, FEHD would gradually apply these technologies to wider use in the public toilet refurbishment programme.

14.24 Mr SHIU Ka-chun noted that attendant services were currently provided by contractors at 264 public toilets, 231 of which were provided with attendant rooms. He asked whether FEHD would, in carrying out the refurbishment of public toilets which were provided with attendant rooms, consider enlarging the size of the attendant rooms and improving their ventilation. DFEH responded that if circumstances permitted, FEHD would make available or improve the provisions (e.g. ventilation, lighting and resting/storage space) for attendant rooms when these toilets were refurbished.

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14.25 Mr YIU Si-wing was concerned whether the Administration had consulted the service contractors or made reference to the practice of the private sector, in coming up with the new enhancement measures for service tenders to be issued on or after 1 April 2019 (as set out in Reply Serial Number FHB(FE)236) to protect outsourced non-skilled workers (including toilet attendants) employed by its service contractors.

14.26 Mr SHIU Ka-chun said that at the meeting of the Panel on Manpower held on 26 February 2018, he had expressed concern about non-provision of paid meal breaks for non-skilled employees (including cleansing workers for public toilets) engaged by government service contractors ("GSCs"). The Secretary for Labour and Welfare had advised that a working group set up by the Government to explore ways to strengthen the employment rights and benefits as well as protection of non-skilled employees ("Working Group") was proceeding with the review of relevant issues in full gear and targeted to complete the review before the third quarter of 2018. Referring to Reply Serial Number FHB(FE)100, Mr SHIU noted that FEHD did not keep information on outsourced workers concerning their employment details such as entitlement to paid meal breaks and the full-time to part-time ratio. He expressed concern whether FEHD had required its outsourced contractors to stipulate paid meal breaks in the employment terms and conditions for their workers.

14.27 SFH responded that the Working Group had completed the review and come up with a set of improvement measures applicable to service contracts (excluding construction service contracts) that relied heavily on the deployment of non-skilled employees. The measures would be implemented from April 2019. DFEH supplemented that FEHD had not specified in its tendering documents that service contractors had to provide paid meal breaks to their employees under service contracts. It should be noted that the standard clauses of the Standard Employment Contract prescribed by the Labour Department ("LD") did not cover the provision of paid meal breaks. FEHD might seek advice from LD on the latest employment terms and conditions for the protection of the entitlements of non-skilled employees engaged by GSCs.

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Issues relating to animal welfare

14.28 Mr KWONG Chun-yu enquired about the Administration's timetable for reviewing the existing legislation related to animal welfare. Noting from Reply Serial Number FHB(FE)065 that in 2018, 1 026 dogs and 333 cats were euthanized, Mr KWONG considered that the Administration should, in the upcoming public consultation exercise, invite public views on whether euthanasia should continue to be adopted for handling stray animals.

14.29 Mr CHU Hoi-dick considered that the Administration should assist animal welfare organizations ("AWOs") in launching the Trap-Neuter-Return programme, particularly in those districts where government redevelopment projects would take place, so as to control the number of stray animals. Dr CHENG Chung-tai expressed concern that some pet owners affected by redevelopment projects had no choice but to abandon their pets as they were not allowed to keep pets after they had moved to their new home. Dr CHENG criticized that the allocation of \$1.5 million in 2019-2020 to support AWOs' work in promoting animal welfare and adoption was far from adequate. In his view, the Administration should review the existing maximum penalty for animal cruelty and step up enforcement work against animal cruelty cases. The Administration should also consider setting up a new government department or an independent statutory body similar to the "Taipei City Animal Protection Office" in Taiwan to specifically handle matters relating to animal rights and animal protection.

14.30 SFH responded that the Administration was planning to conduct a three-month public consultation exercise on proposals to enhance animal welfare, which included raising the penalties for acts of cruelty to increase the deterrent effect and introducing animal keepers' responsibility of positive duty of care of animals. The Administration would then propose amendments to the relevant legislation. The Administration would report the results of the public consultation to the Panel on Food Safety and Environmental Hygiene in due course. In the meantime, the Agriculture, Fisheries and Conservation Department ("AFCD") would continue to work with relevant departments to safeguard and promote animal welfare.

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14.31 Director of Agriculture, Fisheries and Conservation ("DAFC") advised that AFCD had increased its subvention for AWOs to promote animal welfare and adoption of animals in recent years. Due to various reasons as set out in the Administration's replies, euthanasia remained a necessary measure for managing stray animals. AFCD would continue to strengthen its efforts on management of stray animals, such as the promotion of responsible pet ownership and animals rehoming as well as taking enforcement action against abandonment of animals by irresponsible owners, with a view to reducing the number of stray animals that needed to be euthanized.

14.32 Mr CHAN Chi-chuen noted that stray animals caught would be put in Animal Management Centres ("AMCs") for observation. For those with a microchip implanted, AMCs would try to locate their owners based on the information on their records. In general, these animals would stay in AMCs for about 10 to 20 days. For non-microchipped animals, AMCs would keep them for at least four days, allowing time for their owners to reclaim them. Mr CHAN suggested that AFCD should enhance publicity to remind animal owners of the merits of arranging implantation of microchip for their animals, such that the animals concerned would be kept in AMCs for a longer time for reclaim in case they got lost. SFH responded that the Administration would consider his suggestion.

14.33 Referring to her recent experience in engaging animal emergency services for her dog at the clinic established by the City University of Hong Kong, Dr Priscilla LEUNG considered that AFCD should provide more financial support to AWOs in providing animal emergency services since this could help alleviate the financial burden of pet owners. SFH and DAFC responded that the Administration noted that there were sufficient veterinary clinics in Hong Kong offering various veterinary services. As mentioned earlier, AFCD had been providing subventions to AWOs on their work, including provision of animal adoption and veterinary services.

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14.34 Mr CHAN Chi-chuen and Dr CHENG Chung-tai expressed concern about a recent incident where a dog found on a cargo ship from Thailand was euthanized by AFCD. Dr CHENG pointed out that as reported by the media, the Canadian authorities had handled a similar case in a much more humane manner. Mr CHAN asked whether improvements could be made to the procedures and arrangements for handling animals which entered Hong Kong incidentally.

14.35 DAFC responded that AFCD received a request for assistance from a shipping company on 11 and 12 March 2019 to help and receive a dog of an unknown source found on its cargo ship, which departed from Laem Chabang, Thailand for Hong Kong. That company believed that the dog was a stray animal, and could not provide information on the dog's health condition or vaccination record. The captain of the ship signed a declaration form surrendering the illegally imported dog and passed it to AFCD staff. The dog concerned without a permit issued by AFCD was regarded as illegally imported. After receiving the dog, AFCD's veterinary officer thoroughly examined the dog and did not find any microchip implanted. Since Thailand was a Group III country (i.e. countries/places where rabies cases were reported and the disease was not under effective control) and there was no supporting document or medical record, the dog's risk of spreading rabies was considered extremely high. The veterinary officer euthanized the dog according to established procedures. AFCD had not received any enquiry or report related to any alleged owner of the dog prior to the euthanasia. Nevertheless, having regard to the public's views on the handling of the above unprecedented case, AFCD would review the procedures and optimize the arrangements for handling special cases that were different from general cases of illegal animal importation.

Nuisance caused by wild pigs

14.36 Mr Steven HO expressed concern about the nuisance caused by wild pigs in recent years. He noted from the Secretary for the Environment's reply to a member's question (Reply Serial Number ENB009) that Kam Shan, Lion Rock and Shing Mun Country Parks, part of Tai Mo Shan Country Park, Tai Po Kau Nature Reserve, a section of Tai Po Road along Caldecott Road and Piper's Hill section of

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Tai Po Road were specified places under the Wild Animals Protection Ordinance (Cap. 170) at which the feeding of any wild animals were prohibited ("feeding ban area"). Persons feeding wild animals (including wild pigs) in the feeding ban area were liable to a maximum fine of \$10,000 and the average fine imposed on convicted cases in recent years ranged from \$800 to \$1,000. Mr HO was concerned that the average fine for illegal feeding of wild animals in the feeding ban area was even lower than the fixed penalty of \$1,500 imposed on offenders under the Fixed Penalty (Public Cleanliness and Obstruction) Ordinance (Cap. 570) for contravening public cleanliness offences (including feeding wild animals outside the feeding ban area). He asked whether the Administration would consider raising the penalties against illegal feeding of wild animals (inside or outside the feeding ban area) to enhance deterrent effect.

14.37 DAFC advised that in view of the increased number of illegal feeding of wild animals, AFCD had strengthened relevant enforcement work. In an operation conducted in the feeding ban area in March 2019, AFCD cracked down more than 10 cases of illegal feeding of wild animals, including wild pigs. AFCD and FEHD had also carried out joint operations at other feeding black spots. AFCD would keep in view the level of penalty handed down by the court for the purpose of considering whether a review of the penalties should be sought. In the course, it would seek the advice of the Department of Justice.

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15.1 At the Chairman's invitation, Prof Sophia CHAN, Secretary for Food and Health ("SFH"), briefed members on the main initiatives and expenditure on the policy area of health services for the 2019-2020 financial year (Appendix IV-13).

Government expenditure on health

15.2 Dr KWOK Ka-ki noted with concern that there was a decrease in the percentage of the subvention to the Hospital Authority ("HA") in the total government expenditure from 12.57% in 2014-2015 to 11.50% in the 2019-2020 estimate. He urged the Administration to allocate more financial resources to HA, and sought elaboration about the use of the \$5 billion provision dedicated for upgrading and acquisition of HA's medical equipment as well as the \$10 billion public healthcare stabilization fund.

15.3 SFH stressed that there was an increase in the annual recurrent government expenditure on health in recent years. Compared with 2018-2019, the estimated recurrent government expenditure on health in 2019-2020 would increase by 10.9% to \$80.6 billion, accounting for 18.3% of the total recurrent government expenditure. It should be noted that the recurrent subvention to HA in 2019-2020 would increase by 8.3% to \$68.8 billion. Separately, an additional non-recurrent provision of \$5 billion would be earmarked for HA to expedite the upgrading and acquisition of medical equipment to enhance the healthcare quality. The setting up of the \$10 billion public healthcare stabilization fund was for meeting the financial needs of HA in case of unexpected circumstances.

Manpower situation of the public healthcare sector

15.4 Dr Helena WONG expressed grave concern over the long-standing problem of medical manpower shortage in the public healthcare sector, which, in her view, could hardly be improved in a short time due to the voting down of all the four options concerning exemption from internship assessment for non-locally trained specialist doctors who had passed the Licensing Examination ("the exemption options") by the Medical Council of Hong Kong ("the Medical Council") at its Policy Meeting held on 3 April 2019. Separately, the

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implementation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area with one of the foci being to encourage Hong Kong's private healthcare services providers and professional groups to develop and conduct training in the Greater Bay Area might result in drain of local medical manpower.

15.5 Referring to the Medical Council's voting down of all the exemption options, Ms Alice MAK asked whether the Administration could have a role in this regard. Dr Elizabeth QUAT opined that the Administration should take control of the mechanism for admission of non-locally trained doctors in order to address the medical manpower shortage problem in the public healthcare sector. The Chairman shared Dr QUAT's view. Mr Michael TIEN urged the government representative, who was an ex-officio member of the Medical Council, to request the Medical Council to adopt open ballot in the voting concerned. Dr CHIANG Lai-wan asked to what extent the passing of any of the exemption options by the Medical Council could incentivize more eligible non-locally trained doctors to serve in the public healthcare sector through limited registration.

15.6 SFH advised that following the release of the findings of the first-round healthcare manpower projection exercise in 2017, the projection exercise would be conducted once every three years to update the demand and supply of healthcare manpower in step with the triennial planning cycle of the University Grants Committee ("UGC"). To tie in with the increase in the number of UGC-funded first-year-first-degree places of healthcare disciplines in the 2019-2020 to 2021-2022 triennium, funding had already been earmarked for enhancing the healthcare teaching facilities of the UGC-funded universities concerned. This apart, there would be additional recurrent funding to HA in 2019-2020 for the implementation of staff retention measures. As regards registration with the Medical Council as a medical practitioner with limited registration, the term of registration and the term for such registration to renew had been extended since 2018 from not exceeding one year to not exceeding three years.

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15.7 SFH stressed that the Medical Council was a statutory body. To her understanding, the Medical Council would explore ways on how issues relating to the options to relax the assessment period for non-locally trained specialist doctors could be re-examined at its Policy Meeting in the near future. The Administration would continue to appeal for concerted efforts of various stakeholders in this regard. Mr Tommy CHEUNG enquired whether reference would be drawn from the practice of Singapore to allow those doctors who graduated from medical schools of renowned universities outside Hong Kong to obtain full registration without sitting for any examination. SFH advised that the Administration would look into various ways to address the current medical manpower shortage problem.

15.8 Dr Helena WONG held the view that HA should not spare its healthcare manpower to take part in the Course on National Affairs for Hong Kong Professionals organized by the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region. Chief Executive, HA ("CE, HA") advised that participation of HA's staff in the Course was on a voluntary basis and was subject to confirmation by their respective departments that work and services would not be unduly affected. The feedbacks from the participants were in general positive.

15.9 Referring to the attrition rates of HA's doctors in Reply Serial No. FHB(H)030, Dr Pierre CHAN sought clarification as to whether a full-time doctor of HA who left for (a) engaging in employment of the University of Hong Kong or The Chinese University of Hong Kong as clinical professors who would practise medicine in the two teaching hospitals; (b) retirement; (c) joining another department of HA; and (d) changing to half-time employment offered by HA would be counted towards the attrition statistics. CE, HA explained that the calculation of attrition included all types of cessation of service from HA on headcount basis including those on permanent and contract full time employment, and including retirement, resignation, joining non-HA employment etc. Under HA's Human Resources policy, there was no need for resignation, hence not attrition, for scenarios (c) and (d).

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15.10 Prof Joseph LEE was concerned about the high attrition rate of full-time nursing staff of HA. Dr KWOK Ka-ki expressed concern over mismanagement on the part of HA. Mr POON Siu-ping sought information on HA's plan to use the additional recurrent funding of \$721 million as announced in the 2019-2020 Budget to boost staff morale and retain talents. Ms Alice MAK asked if part of the funding would be used to address the problem of disparity in remuneration packages for some HA's supporting staff holding the same positions.

15.11 CE, HA advised that measures to boost staff morale and retain talents included, among others, an increase in the number of Advanced Practice Nurse posts by about 400 to improve the promotion prospect for nurses, and an 8% pay rise to new recruits and serving staff holding the Patient Care Assistant ("PCA"), Operation Assistant ("OpA") and Executive Assistant posts after having taken into account the findings of the first phase consultancy study on supporting staff issues so as to address the recruitment and retention difficulties of the three grades. The second phase of the consultancy study which would review the grade structure was expected to be completed in September 2019.

15.12 Mr POON Siu-ping noted with concern that as an ad-hoc measure to increase the healthcare manpower, there was an increasing trend of HA to engage agency nurses and agency health care assistants to provide services in hospital wards in the past two years. CE, HA explained that agency staff would be engaged if the number of full-time nurses and health care assistants deployed could not meet the staffing requirements. It was hoped that the pay rise for PCAs and OpAs could help retain/attract staff of these grades and hence, reduce the need to engage agency staff.

15.13 Mr POON Siu-ping sought explanation for the substantial increase in the number of staff receiving continuous night shift scheme allowance in 2018-2019 (i.e. from 423 in 2017-2018 to 708 in 2018-2019). CE, HA advised that the eligibility criteria for the said allowance had been relaxed to encourage more staff to work on the night shift duties in order to increase flexibility in manpower deployment.

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Infrastructure and services of the Hospital Authority

Public hospital development plans

15.14 Dr KWOK Ka-ki called on the Administration to expedite the implementation of Phase 1 redevelopment of Tuen Mun Hospital which would be one of the hospital projects under the second 10-year Hospital Development Plan ("HDP"). SFH took note of the view.

15.15 Mr Michael TIEN asked whether HA would consider a suggestion from a frontline doctor to reserve space and facilities in public hospitals to provide buffer to address the increase in service demand during the winter surge. SFH and CE, HA advised that the planned expansion of inpatient accommodation from about six metres square per bed cubicle at present to about 10 metres square per bed cubicle for those hospital projects under the first and second 10-year HDPs would provide buffer to meet a surge in service demand when required. Mr Michael TIEN remarked that HA should explore the feasibility of increasing the plot ratio of public hospitals, in particular those not being covered under the two 10-year HDPs. CE, HA took note of the view, adding that HA would carry out various alteration and addition minor works to existing public hospitals to enhance their service capacity.

Child and adolescent psychiatric services

15.16 Prof Joseph LEE was concerned about the unduly long median waiting time of routine cases for child and adolescent ("C&A") psychiatric specialist outpatient ("SOP") services provided by some hospital clusters, which had reached 130 weeks in 2018-2019 (as at 31 December 2018). Dr Fernando CHEUNG queried how HA would address the above long-standing problem. While stressing that mental health problem was never the sole factor leading to student suicide cases, Mr SHIU Ka-chun asked how HA would enhance the Student Mental Health Support Scheme and raise public awareness of mental health of students. Mr Vincent CHENG expressed disappointment that the crux of the student suicide problem was not identified in the report released by the Task Force on Prevention of Youth Suicides under the Labour and Welfare Bureau in late 2018. He considered that

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measures should be taken to enhance HA's psychiatry manpower and shorten the waiting time for C&A psychiatric services.

15.17 SFH and Director (Cluster Services), HA ("D(CS), HA") advised that HA would allocate additional manpower and resources for C&A psychiatric SOP services in all five service clusters providing such services. It was exploring ways to further enhance the multi-disciplinary service model under which paediatric doctors, psychiatric nurses and allied health professionals would assist psychiatric doctors in handling relatively mild and stable C&A psychiatric cases. D(CS), HA added that under the triage system, patients with urgent conditions requiring early intervention were treated with priority by the C&A psychiatric SOP clinics.

15.18 As regards the Student Mental Health Support Scheme, Permanent Secretary for Food and Health(Health) advised that the Scheme would be rolled out to more schools to facilitate early identification and intervention of students with mental health needs in the school setting. SFH further advised that the Advisory Committee on Mental Health would continue to follow up on the implementation of the 40 recommendations of the Mental Health Review Report promulgated in 2017. The Advisory Committee had discussed, among others, ways to enhance C&A mental health services and an on-going mental health promotion, education and destigmatization initiative. On the advice of the Advisory Committee, three territory-wide mental prevalence surveys covering school-based children and adolescents, youth and the elderly would commence in 2019.

Accident and Emergency services

15.19 Mr KWONG Chun-yu expressed concern over the consistently high attendance of HA's Accident and Emergency ("A&E") services, and asked whether additional resources had been earmarked for the services. SFH advised that efforts had been and would continuously be made by HA to deploy extra manpower to cope with the demand through the A&E Support Session Programme. It was expected that the increase in quotas of HA's general outpatient ("GOP") services and the future setting up of District Health Centres ("DHCs") in the 18 districts would help reduce the demand from non-urgent cases

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for HA's A&E services.

Palliative care services

15.20 Noting that the number of palliative home visits paid by HA staff was 40 121 in 2016-2017 while it was 32 460 in 2018-2019 (9 months up to 31 December 2018), Prof Joseph LEE urged HA to strengthen its palliative care services. CE, HA advised that HA deployed additional resources in 2018-2019 to enhance end-of-life care for elderly patients in residential care homes for the elderly facing terminal illness. Moreover, since 2018-2019, HA had further enhanced the palliative care consultative service in hospitals and strengthened palliative care home care service through nurse visits. In addition, a palliative care team for paediatric patients had been set up under the Hong Kong Children's Hospital.

Gender Identity Disorder Clinic

15.21 Mr CHAN Chi-chuen asked about HA's mechanism and workflow for handling gender identity disorder cases, and the channels available for transgender organizations to give views in this regard. CE, HA advised that GOP clinics of HA and private doctors might refer suspected cases to HA's psychiatric SOP clinics for assessment. Patients diagnosed with gender identity disorder would be referred to the one-stop Gender Identity Disorder Clinic at Prince of Wales Hospital for service. At the request of Mr CHAN, CE, HA undertook to advise in writing the existing healthcare manpower of the Gender Identity Disorder Clinic.

Drug treatment

15.22 Dr Fernando CHEUNG called on the Administration and HA to provide patients with Spinal Muscular Atrophy with heavy subsidies for drug treatment. SFH assured members that efforts had been and would continuously be made by HA to provide appropriate drug treatments for all patients, including those suffering from the above disease.

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Public-private partnership programme

15.23 Mr Tommy CHEUNG said that the Liberal Party was supportive of the promotion of public-private partnership ("PPP") in healthcare. To meet the emerging service demand amid the medical manpower shortage problem in the public healthcare sector, he asked whether additional PPP initiatives covering more specialties, such as oncology, could be rolled out.

15.24 CE, HA advised that HA would continue to explore various PPP initiatives taking into account a basket of factors, in particular the possible drain of medical manpower from public sector to private sector due to an increase in the latter's service demand. SFH added that the implementation of Elderly Health Care Voucher Scheme and Voluntary Health Insurance Scheme could help encourage people to use private healthcare services.

Elderly Health Care Voucher Scheme

15.25 Ms CHAN Hoi-yan opined that the Administration's proposal to introduce a cap, which would be set at \$2,000 every two years, on the amount of Elderly Health Care Voucher ("EHV") that could be spent on optometry services was not justifiable and was not conducive to meeting some EHV users' genuine need for optometry services. She called on the Administration to shelve the proposal and step up the monitoring of aberrant claiming patterns. The Administration should also regularly review and increase the EHV value to meet the growing service demand.

15.26 SFH explained that the aim of the said proposal was to tackle over concentration of EHV use such that EHV for each eligible elder could be used on a mix of private primary healthcare services. There was no plan to shelve the proposal. The Department of Health ("DH") would spare no effort to identify cases for targeted inspection visits. Any suspected fraud and criminal element uncovered during DH's monitoring and investigation activities would be referred to the Police as appropriate.

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Services provided by the Department of Health

15.27 Prof Joseph LEE expressed concern and sought explanation for the increase in the overall median waiting time for enrolment in respect of the 18 Elderly Health Centres from 5.2 months in 2016 to 12.3 months (provisional figure) in 2018. Dr Fernando CHEUNG raised a similar concern. SFH and Director of Health explained that the longer waiting time was mainly attributable to the increase in the number of new applications under an ageing population. SFH added that it was expected that the future setting up of DHCs, with emphasis on different levels of disease prevention, would help reduce the service demand of Elderly Health Centres.

15.28 Dr Fernando CHEUNG expressed concern over the inadequate provision of DH's Child Assessment Service. He highlighted that the rate for completion of assessment for new cases within six months had dropped from 83% in 2014 to 49% in 2018, and there was a shortage of 10 out of the establishment of 24 Senior Medical and Health Officer and Medical and Health Officer as at 1 February 2019. SFH advised that DH would endeavor to fill the vacancies by recruiting local medical graduates as well as non-locally trained medical practitioners under limited registration. The multi-disciplinary teams of the Child Assessment Centres had also been strengthened to cope with the growing demand for Child Assessment Service.

Primary healthcare

15.29 Mr WU Chi-wai sought elaboration on the respective roles of the Food and Health Bureau ("FHB"), HA and DH in the promotion of primary healthcare. SFH advised that different types of primary health services were currently provided by HA, DH and private healthcare providers in the community. The Steering Committee on Primary Healthcare Development established in 2017 was tasked to develop a blueprint for the sustainable development of primary healthcare services for Hong Kong. Separately, the Primary Healthcare Office set up under the FHB in March 2019 would oversee and steer at the bureau level the development of primary healthcare services and the setting up of DHCs in 18 districts. In response to

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Mr WU's follow-up question, SFH advised that the formulation of the blueprint and the setting up of DHCs were underway.

Prevention of non-communicable and communicable diseases

15.30 In view of the recent measles outbreak, Mr KWONG Chun-yun asked about the measures in place to protect frontline healthcare staff of HA, in particular those working in the already overloaded A&E Departments of public hospitals, from infection.

15.31 CE, HA advised that measles vaccination would be provided for all HA's frontline healthcare staff with insufficient immunity to measles in phases. Starting from 1 April 2019, vaccinations had been provided to those working in six high-risk departments, followed by those working in the A&E Departments and GOP clinics' triage and fever areas. SFH added that about 2 170 staff members of HA had received measles vaccinations under the above arrangements. The infection control measures at A&E Departments of HA had also been enhanced.

15.32 Mr Tony TSE asked whether the Administration would consider making reference to the approach of Japan to prohibit smoking or the carrying of a lighted smoking product in the territory except statutory smoking areas. SFH stressed that all smoking products were harmful to health. The Administration would continue to enhance its work on tobacco control and keep in view overseas practices in this regard. Consideration might be given to expanding the statutory no-smoking areas to cover more places, such as bus stops and footbridges.

15.33 Mr SHIU Ka-fai expressed support for the Administration's effort to promote no-smoking message. However, he considered it inappropriate for the Administration to introduce the legislative proposal to prohibit the import, manufacture, sale, distribution and advertisement of heat-not-burn products in the absence of substantive scientific evidence to prove that such products were equally or more harmful to health when compared with conventional tobacco products. SFH stressed that protecting public health was the Administration's prime consideration in formulating the legislative proposal. The

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Administration would in tandem step up its multi-pronged tobacco control efforts, including provision of nicotine replacement therapy for smoking cessation, to further lower smoking prevalence.

15.34 Mr MA Fung-kwok asked whether the Administration would allocate additional resources to strengthen alcohol addiction treatment given a growing service demand. SFH advised that the Administration had laid down under "Towards 2025: Strategy and Action Plan to Prevent and Control Non-communicable Diseases in Hong Kong" the target of at least 10% relative reduction in the prevalence of binge drinking and harmful use of alcohol among adults and in the prevalence of drinking among youth. On this premise, the Administration would keep in view the demand for and supply of alcohol treatment services.

Chapter XVI : Innovation and Technology

16.1 At the invitation of the Deputy Chairman, Mr Nicholas YANG, Secretary for Innovation and Technology ("S for IT"), briefed members on the financial provisions and main initiatives under the Innovation and Technology ("I&T") portfolio for the 2019-2020 financial year (Appendix IV-14).

Policy on attracting and retaining technology talent

Technology Talent Admission Scheme

16.2 Mr Gary FAN sought further elaboration on the details of the employment period of the 40 non-local persons approved for entry for employment under the Technology Talent Admission Scheme ("TechTAS"), including the longest and shortest duration of their employment contracts, and whether they had attained permanent residency after working in Hong Kong for seven consecutive years or more. He also noted that the highest qualifications held by 22 of these non-local persons had all been awarded by institutions in Mainland China. Mr FAN asked whether and how the academic qualifications and experience of the applicants had been verified.

16.3 S for IT responded that the employment period of the persons approved for entry under TechTAS was determined by individual employers. Commissioner for Innovation and Technology ("CIT") supplemented that as TechTAS was only launched in 2018, the employment period of the non-local persons approved for entry under TechTAS had not exceeded seven years as of now. They would normally be granted an initial stay of 24 months on employment condition, or in accordance with the duration of the employment contract (whichever was shorter), upon entry. As at end-February 2019, the employment period of all the 40 persons approved for entry under TechTAS was no less than 12 months. In processing each application, the Immigration Department ("ImmD") had adopted a stringent standard in verifying qualification proofs submitted by applicants. The applicant technology companies/institutes might also request the technology talent sought to attend skills tests related to their business areas. The Innovation and Technology Commission ("ITC") would allot quotas to eligible technology companies/institutes in a cautious manner. At the request of Mr Gary FAN, the Administration

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would provide supplementary information in writing on the mechanism for verifying the qualification of applicants.

16.4 Dr Elizabeth QUAT was pleased to note that the Innovation and Technology Bureau ("ITB"), since its establishment, had strived to improve the I&T ecological environment and promote I&T development in Hong Kong with significant achievements. Nevertheless, she noted that since the launch of TechTAS, only 225 quotas had been allotted by ITC, and 40 applications of visa/entry permit using the quotas had been approved by ImmD. Pointing out that there was an obvious discrepancy between the above figures and the target of admitting a maximum of 1 000 technology talents, she enquired about the reasons for the low number of applications. She suggested that consideration should be given to relaxing the application threshold for TechTAS by extending its scope to cover technology companies other than the tenants/incubatees of the Hong Kong Science and Technology Parks Corporation ("HKSTPC") and Cyberport. Given that Hong Kong and neighbouring regions were in intense competition for technology talent, Dr QUAT enquired about the measures in place to increase Hong Kong's competitiveness in attracting I&T talents.

16.5 S for IT explained that the maximum number of 1 000 quotas was set for the first year in response to the request of the industry. As to the lower-than-expected number of applications, he believed that it was due to the global economy changes faced by technology companies/institutes. The Government would review the effectiveness of TechTAS in a timely manner, including considering whether to accept applications from other technology companies/institutes. S for IT further advised that the markets of the Guangdong-Hong Kong-Macao Greater Bay Area would provide opportunities for Hong Kong's I&T development and attract non-local talents.

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Retaining technology talents

16.6 Noting that among the researchers who had completed the engagement period of the Researcher Programme, about 70% said that they would continue or plan to pursue a career in the I&T-related industries, Mr WU Chi-wai suggested that tracking surveys on postgraduate students of I&T-related disciplines should be conducted to understand their career orientation after graduation with a view to formulating a policy on retaining I&T talents. Mr WU expressed concern about the situation that the majority of local and non-local research talent studying postgraduate programmes in Hong Kong had chosen to pursue doctoral studies overseas or start their own business in the Mainland after graduation.

16.7 S for IT responded that with the investment of a huge amount of resources for I&T development and the launch of various targeted measures on multiple fronts including encouraging research and development ("R&D"), supporting start-ups, nurturing I&T talent, developing a smart city, and making use of I&T to improve people's livelihood, the atmosphere for I&T in Hong Kong had largely built up. Since the room for I&T development in Hong Kong was relatively small in the past, I&T talents tended to explore development opportunities in other places. In view of this, ITB would pool I&T talents to Hong Kong through a three-pronged approach of attracting, nurturing and retaining talents, and develop an active I&T ecosystem and provide development opportunities for I&T talents in Hong Kong. The Government was also actively nurturing talent for the development of healthcare technologies and artificial intelligence and robotics technologies. S for IT said that consideration would be given to Mr WU Chi-wai's suggestion about conducting tracking surveys on postgraduate students of I&T-related disciplines.

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Development of animal research and drug testing facilities in the Hong Kong Science Park

16.8 Noting that HKSTPC would use part of the Government's allocation of \$10 billion to develop and operate the animal research and drug testing facility, Ms Claudia MO enquired about the species and number of animals to be used in animal experiments conducted in such facilities, including whether cats, dogs, monkeys, rabbits, fish, etc. would be used for research.

16.9 CIT explained that the Government had earmarked \$3 billion for HKSTPC to construct research-related infrastructure and facilities, which aimed at providing infrastructure for healthcare technology research, with a view to complementing Hong Kong's research activities in the field of healthcare technologies. The animal research facilities under planning would only be used for conducting experiments relating to and necessary for healthcare research (such as drugs efficacy tests and toxicology studies). The species of animals to be used in animal experiments would be determined by the R&D institutions that would establish their presence in the Hong Kong Science Park ("HKSP"), as well as the purposes and nature of their research. In general, R&D institutions would use laboratory mice for animal experiments, but other animals might be needed in certain areas of R&D work. For instance, rabbits or pigs might be used in experiments related to ophthalmology and surgery. In response to Ms Claudia MO's enquiry about the source of supply of pigs for experiments, CIT advised that R&D institutions would use cost-effective methods to look for animals for experiments.

Facilitating technology adoption

16.10 Mr Charles Peter MOK sought further elaboration on the details of the application of technology projects of government departments supported by the TechConnect (block vote), including the projects undertaken by the Hong Kong Police Force and the pilot application on blockchain technology implemented by the Office of the Government Chief Information Officer ("OGCIO").

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16.11 In response, Permanent Secretary for Innovation & Technology ("PSIT") cited information on the application of the following technology projects implemented by the Hong Kong Police Force: (a) the "Video Explorer" project was aimed to enhance the prevention and detection of crime by using video analytics software; (b) the "Automation of Cybercrime Capturing, Categorization and Correlation" project facilitated the analysis of trends and latest modus operandi of cybercrime, and enhanced the prevention and detection of cybercrime by using artificial intelligence and big data; (c) the "Advanced Image Processing System" project utilized image enhancement and analytic capability in the context of crime investigation and the presentation of digital evidence for court proceedings; (d) the "Fraud Analytic Toolkit for Social Media" project facilitated detection and prevention of social media related crimes by using artificial intelligence and web crawling; and (e) the "Predictive Email Scam Analytic System" project enhanced the capability of detecting email scam fraud through analytical systems such as big data and cloud computing.

16.12 Government Chief Information Officer ("GCIO") added that OGCI was implementing the project of pilot application on blockchain technology. At present, OGCI was discussing with four departments (namely the Intellectual Property Department, the Companies Registry, the Department of Health and the Environmental Protection Department) cooperation on implementation of pilot projects, and planned to launch them in the fourth quarter of 2019.

Measures to support enterprises

16.13 Noting that the Corporate Venture Fund under HKSTPC had invested in nine enterprises, Mr Charles Peter MOK sought details of the companies, including the company names and amount of funding approved, etc. S for IT undertook to provide a reply after the meeting.

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16.14 Dr CHIANG Lai-wan said that the Innovation and Technology Venture Fund ("ITVF") had been set up to co-invest together with venture capital ("VC") funds, and a master agreement had been signed with six Co-investment Partners ("CPs"). She enquired about the total amount invested and other resources devoted by the six CPs. S for IT replied that the Government had set up the \$2 billion ITVF to co-invest with the partner VC funds in local I&T start-ups at an overall matching investment ratio of 1:2. Apart from the provision of funding, the CPs would also make contribution in terms of knowledge and experience.

16.15 Mr Charles Peter MOK asked whether the enhancement measures for the Technology Voucher Programme ("TVP") had been implemented and sought details of the measures for simplifying the application procedures. CIT replied that ITC had implemented different measures to streamline the application procedures as far as practicable, such as waiving the requirements to submit the quotation invitation documents and to certify the documents required for application. The Technology Voucher Programme Committee had so far approved about 1 100 applications. Mr Charles Peter MOK requested the Administration to step up publicity efforts in order to encourage more local enterprises to improve their efficiency and services through TVP.

Re-industrialization Funding Scheme

16.16 Dr CHIANG Lai-wan enquired about the scope and the direction of development of the Re-industrialization Funding Scheme, including whether the development of traditional industries such as electronics, computer and medicine would be covered. Mr Holden CHOW said that most industries in Hong Kong had moved northward. There were views from the industry that it was not feasible to set up smart production lines in Hong Kong because a product was made of different spare parts, and Hong Kong lacked manufacturing facilities and material supplies required by a dedicated manufacturing industry. He suggested that the Administration should focus on certain types of products which Hong Kong was well poised to manufacture or carry out some of the manufacturing processes in order to promote "re-industrialization" more effectively.

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16.17 S for IT explained that as far as promoting "re-industrialization" was concerned, HKSTPC was developing a Data Technology Hub and an Advanced Manufacturing Centre in the Tseung Kwan O Industrial Estate, which were expected to be completed in 2020 and 2022 respectively. CIT supplemented that the Government planned to allocate \$2 billion for launching a "Re-industrialization Funding Scheme" to subsidize manufacturers on a matching basis to set up smart production lines in Hong Kong. Unlike traditional manufacturing, "re-industrialization" was to develop advanced manufacturing that was based on new technologies and smart production which did not need much land and manpower.

16.18 S for IT said that manufacturers did not have to locate the entire industry chain in Hong Kong, and might consider to process the most high value-added part in the production line in Hong Kong, with the remaining production processes being carried out in other places. CIT added that the goal of "re-industrialization" was to develop a modern manufacturing industry based on technology and knowledge. Currently, some manufacturers had expressed interest in investing new production lines in Hong Kong, and various trade associations were discussing with the Government the operation details of setting up production lines.

Smart city and e-Government services

16.19 Dr Elizabeth QUAT asked whether version 2.0 of the Smart City Blueprint for Hong Kong ("the Blueprint") would be promulgated, and enquired about the contents of the Blueprint 2.0 and the timetable for release. Citing South Korea as an example, which had successfully drawn up smart blueprints for 100 cities in India by way of government-to-government ("G2G") channels, she urged various departments, such as the Hong Kong Trade Development Council, Hong Kong Economic and Trade Offices and ITB, to strengthen collaboration, vigorously promote the export of local industries and explore other potential markets such as member states of the Association of Southeast Asian Nations, the Guangdong-Hong Kong-Macao Greater Bay Area and cities along the "Belt and Road", so as to bring business opportunities to the industry.

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16.20 S for IT advised that many of the over 70 livelihood-related initiatives of the Blueprint had made good progress. ITB would continue to coordinate with various bureaux and departments and monitor various smart city development measures, and would announce the next stage of work in due course.

Electronic identity

16.21 Noting that the estimated expenditure on the electronic identity ("eID") project was about \$20.59 million in 2019-2020, Mr CHAN Chi-chuen asked whether the estimated expenditure was recurrent expenses of OGCIO. He also cited news reports that Ping An Technology (Shenzhen) Co Ltd had signed a contract with the Government to become the service provider for the implementation, support and maintenance of the eID system. In this connection, he questioned the justifications for awarding the service contract to the company. Mr CHAN also asked about the application scope of facial recognition technology. For example, whether such technology would be used to monitor border-crossers and people who participated in mega events. He also enquired about the difference between the technologies of facial recognition and fingerprint identification.

16.22 S for IT replied that the Government introduced a pro-innovation procurement policy in April 2019, whereby a weighting of 60% for technical assessment was adopted in the marking scheme of the tender for the eID system. Given that Ping An Technology (Shenzhen) Co Ltd scored favourably in the technical assessment, including a high level of accuracy in respect of its facial recognition technology, the company was awarded the contract for the development of the eID system. He stressed that facial recognition technology was mainly applied in the eID registration process instead of being used as a tool for tracking the whereabouts of members of the public.

16.23 GCIO supplemented that Ping An Technology (Shenzhen) Co Ltd was awarded the service contract because the company had attained the highest technical scores in two aspects of work of the eID system (namely the eID core system, and the facial recognition and image processing system), and its tender price was the lowest. Under the existing laws, fingerprint identification could only be used for

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immigration clearance but not for verification of personal identity by eID. When a person registered for an eID, the eID system would use the data of ImmD to verify the identity of the applicant. Upon successful verification, eID would be bound immediately to the personal mobile device of the applicant. Users could make use of the biometric functions (including facial recognition, fingerprint identification, iris recognition, voiceprint recognition, etc.) provided by their personal mobile devices to authenticate their identities and log in online services. GCIO confirmed that the eID project was included in the estimated expenditure for 2019-2020.

16.24 Dr Elizabeth QUAT was of the view that the Administration should consider promoting the development of electronic business registration ("eBR") in tandem with the implementation of the eID project. She asked whether there was any plan to implement eBR and the timetable for implementation. GCIO replied that OGCIO, in collaboration with the Companies Registry and the Inland Revenue Department, would embark on a study on eBR and planned to report the findings of the study to the Steering Committee on Innovation and Technology in 2020. Dr QUAT urged the Administration to launch eBR as soon as practicable.

"Multi-functional Smart Lampposts" pilot scheme

16.25 Mr Tony TSE urged ITB to enhance its coordination with various government departments in order to strengthen efforts on "Smart Government" and enhance operational efficiency, including expediting the implementation of the "Multi-functional Smart Lampposts" pilot scheme. S for IT replied that the Steering Committee on Innovation and Technology led by the Chief Executive met regularly to review the effectiveness of the Government's efforts in promoting I&T development. The Government was striving to remove unnecessary constraints for I&T development (such as the e-sports industry) and create more opportunities for the procurement of I&T products and services. PSIT said that ITB, which was established in November 2015, released the Blueprint in December 2017 which included the implementation of the "Multi-functional Smart Lampposts" pilot scheme. Given that smart lampposts would be installed in busy road sections, the installation works had to take

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account of the traffic conditions.

16.26 Mr YIU Si-wing noted that some 50 lampposts under the first phase would come into operation in Kowloon East before mid-2019. Citing media reports, he pointed out that the congregation of a large number of Mainland tour groups in To Kwa Wan had generated heavy traffic flow of tourist coaches in the district. The Government and the industry were discussing the provision of additional parking spaces for tourist coaches. He suggested that smart lampposts should first be installed in the area around Yuk Yat Street for collection of traffic flow data for the authorities' reference, which could help formulate solutions for improving traffic flow in the district. S for IT responded that ITB would not rule out the feasibility of installing smart lampposts in To Kwa Wan, but it depended on whether the district's infrastructure could support the installation works of lampposts. Mr YIU suggested that the Administration should further discuss and study the matter with the Kowloon City District Council.

"Wi-Fi Connected City" programme

16.27 Noting that as at end-February 2019, there were 23 166 "Wi-Fi.HK" hotspots under the "Wi-Fi Connected City" programme, and that the Government's target was to bring the total number of "Wi-Fi.HK" hotspots to 34 000 by the end of 2019, Mr YIU Si-wing requested the Administration to examine whether the Wi-Fi hotspots had covered all boundary control points and tourist attractions such as Hong Kong Disneyland Resort, Hong Kong Ocean Park, etc. and how the usage and connection speed of the Wi-Fi hotspots could be increased.

16.28 S for IT advised that currently there were a total of 57 000 Wi-Fi hotspots in Hong Kong, including 23 166 "Wi-Fi.HK" hotspots. Wi-Fi hotspots had covered famous tourist attractions in Hong Kong, and the Government would continue to progressively expand the coverage of the free "Wi-Fi.HK" service in a multi-pronged approach, including the promotion of the "Wi-Fi.HK" brand. According to the inspections conducted in 2018 by the third party organization engaged by the Government, the average connection speed of the "Wi-Fi.HK" hotspots was above 20Mbps. In 2018-2019, the Government had set

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up new high-speed Wi-Fi access points at five tourist hotspots (namely the Golden Bauhinia Square, Temple Street (at Pai Lau near Jordon Road), the Hong Kong-Zhuhai-Macao Bridge Passenger Clearance Building, the Peak and the Kowloon Visitor Centre at the Tsim Sha Tsui Pier), with average connection speed reaching 100Mbps.

16.29 Mr KWONG Chun-yu enquired about the progress of work on increasing the number of "Wi-Fi.HK" hotspots and the quality of "Wi-Fi.HK" connection. GCIO replied that OGCI had carried out various enhancements on the provision of Wi-Fi service at government venues, including improving the display of hotspot signage at proper locations; adopting the latest Wi-fi technology standard, which could help reduce signal interference and improve the speed and stability of data transmission; and requesting the contractors to carry out work installing fibre network to provide faster and more stable Wi-Fi service and increase the connection speed to over 10Mbps. In 2019-2020, it was anticipated that there would be an increase of around 11 000 Wi-Fi hotspots under the "Wi-Fi Connected City" programme.

Opening up of data

16.30 Mr Tony TSE said that despite the persistent public concern about the real-time information of public transport, the Transport Department would only progressively install the relevant devices on green minibuses ("GMB") and conduct field testing and system trial from mid-2020. The system was expected to be launched in phases from 2021 with a view to achieving full implementation by 2022. He considered that the progress of the Administration's work to promote the opening up of operating data by public transport operators was slow. PSIT undertook to relay Members' request for expediting the provision of real-time arrival information of GMB routes.

Mobile applications for e-government services

16.31 Referring to Reply Serial No. ITB168, Mr CHAN Chi-chuen noted that the number of downloads of the mobile applications ("apps") developed by the Government was generally low. For instance, the total number of downloads of the mobile app "InvestHK News & Events" launched by InvestHK was only 850. He urged the authorities

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to use public funds in a proper manner and publicize the news and events of the departments concerned via various platforms. The Administration took note of Mr CHAN's views.

Social media publicity

16.32 Noting that the number of "Likes" on ITB's Facebook was on the low side, Mr KWONG Chun-yu enquired how the number of "Likes" on the ITB's social platform could be improved. S for IT responded that the work of ITB included coordinating inter-bureau policy efforts in R&D and technology matters. He considered that it was not appropriate to focus only on the number of "Likes" on ITB's Facebook, and stressed that the various aspects of ITB's work were effective from a macro perspective.

IT Innovation Lab in Secondary Schools Programme

16.33 Dr CHIANG Lai-wan noted that the Administration had planned to implement the IT Innovation Lab in Secondary Schools Programme, under which each secondary school benefiting would be granted \$1 million to procure the necessary information technology ("IT") equipment and professional services, and organize more relevant extra-curricular activities to deepen students' knowledge of cutting-edge IT. She said that as secondary school teachers might not be familiar with the latest IT development, it might be difficult for schools to pursue IT innovation education in a sustained manner. Dr CHIANG considered that clear guidelines should be provided to secondary schools benefiting from the Programme.

16.34 S for IT replied that the "IT Innovation Lab in Secondary Schools" was an enhancement initiative launched under the existing "Enriched IT Programme in Secondary Schools" ("EITP"), and the scope of funding was extended to all publicly-funded secondary schools in Hong Kong. The initiative mainly aimed to nurture secondary students' interest in learning IT so as to encourage them to enrol in technology related post-secondary programmes and pursue a future career in I&T. OGCIO would set up a one-stop professional support centre to provide necessary assistance to participating secondary schools and teachers.

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16.35 Mr LEUNG Yiu-chung enquired about the measures in place to facilitate schools to properly utilize the resources provided under the "IT Innovation Lab in Secondary Schools Programme", and to ensure that the Programme could encourage secondary students to participate in IT-related extra-curricular activities actively and voluntarily in a bid to explore their direction in further studies and career.

16.36 S for IT advised that EITP had currently granted funding support to 142 secondary schools for organizing various types of IT activities, which were all open to voluntary participation by students. The overwhelming response of students to these activities showed that they were generally willing to learn more about advanced technology. Making reference to the successful experience of the above-mentioned programme, ITB was confident that secondary students would actively participate in IT-related extra-curricular activities.

16.37 PSIT added that OGCIIO had consulted the views of various stakeholders (including secondary school principals and teachers) on the IT Innovation Lab in Secondary Schools Programme. The stakeholders' feedback to the proposed Programme was positive in general. Participating secondary schools could use the funding to procure IT equipment and professional services having regard to their actual situation and the needs of their students.

Work of Efficiency Office

16.38 Referring to Reply Serial No. ITB075, Mr Alvin YEUNG sought the contents of the projects in which the Efficiency Office ("EffO") assisted bureaux/departments in streamlining the administration of services in the past year. In response, Commissioner for Efficiency advised that EffO was considering a comprehensive programme. As its details were being worked out, EffO was unable to give detailed information in its reply. As regards the details about EffO's work in streamlining the administration of services of government departments in the past year (i.e. 2018), Commissioner for Efficiency undertook to provide the relevant information after the meeting.

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Financial technology

16.39 Dr Elizabeth QUAT suggested that the Administration should provide a sandbox in HKSP as a platform for research institutes to conduct pilot trials of their new I&T solutions, and provide services and advice to assist research institutes in matters related to the application for licences from various government departments for their trial products. S for IT responded that Cyberport had successfully built a financial technology ("FinTech") ecosystem which brought together more than 300 FinTech companies, making it the largest FinTech community in Hong Kong. In addition, HKSP had created a sandbox for FinTech solutions for different companies from start-ups to medium-sized financial institutions.

Sites for innovation and technology development

16.40 Dr Elizabeth QUAT opined that apart from providing land in the Lok Ma Chau Loop for I&T development, the authorities should also consider increasing the floor area of HKSP to provide more rooms for sustainable development. Dr QUAT was also concerned that the transport services in HKSP were unable to meet the demand of the tens of thousands people working in and living near HKSP. She said that she was studying ways to improve the public transport facilities in HKSP with the local district. She called on the Administration to support the relevant proposals in the future.

16.41 S for IT responded that the Administration had revised the Industrial Estate policy and increased the floor area of newly built industrial buildings in industrial estates. As to whether the floor area of the sites in HKSP should be increased correspondingly, S for IT advised that ITB had to carefully study the demand and traffic problems of HKSP.

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16.42 Mr Charles Peter MOK pointed out that the industry had urged the Administration to give an account of the planning details of the land for I&T development. He said that information on land planning of new development areas, including the land area earmarked for I&T development by year and the development approach of the land concerned, would facilitate international and Mainland enterprises/technology companies work out their investment strategies in Hong Kong.

16.43 S for IT replied that the Government had reserved land for supporting the development of innovative and high-end technology industries, including first batch of land parcels in the Lok Ma Chau Loop to be provided to the Hong Kong-Shenzhen Innovation and Technology Park Limited by 2021 for the construction of the first batch of buildings and related facilities. At the same time, Stage 1 of HKSP Expansion Programme was progressing at full steam and scheduled to be completed in 2019; the Government had also earmarked \$5.5 billion for the development of Cyberport 5. ITB would continue to review the demand for I&T land so as to dovetail with the development of relevant industries.

E-sports

16.44 Mr SHIU Ka-chun said that social workers from the welfare organizations which provided the Jockey Club Cyber Youth Outreach Service reflected that it was difficult for traditional Integrated Children and Youth Services Centres ("ICYSCs") to attract young e-sport lovers to participate in their activities. Due to space constraints, ICYSCs also had difficulties in organizing e-sports competitions. Noting that the Government had injected \$100 million into Cyberport in August 2018 to promote the development of e-sports industry, of which \$50 million would be used for setting up a dedicated e-sports competition venue in the Cyberport Arcade for the industry to host e-sports competitions, activities and training, Mr SHIU asked whether welfare organizations providing cyber youth outreach services were among the industries eligible for funding. He also urged the Administration to foster cooperation with non-governmental organizations ("NGOs") to support cyber outreach services. Mr Charles Peter MOK shared Mr SHIU's views.

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16.45 S for IT replied that the Administration would consider whether to support an organization or work with the organization in promoting e-sports development taking into account whether the organization and the Government shared a common goal in e-sports development as well as other factors. Regarding the requirements for organizing e-sports competitions, apart from location considerations, the venues had to be equipped with advanced information and communications technology infrastructure. He said that ITB could explore with NGOs the possibility of jointly promoting e-sports.

16.46 Mr SHIU Ka-chun suggested that the Administration should consider developing e-sports venues in urban areas which were more easily accessible instead of in Cyberport. S for IT advised that overseas experience showed that the cradle of I&T industry was usually places relatively far from the urban areas. On promoting the development of local e-sports industry, Cyberport would provide funding for the e-sports industry to nurture talents in addition to setting up a dedicated e-sports competition venue.

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17.1 At the invitation of the Deputy Chairman, Mr Michael WONG, Secretary for Development ("SDEV"), briefed members on the major initiatives and expenditure on the policy areas of planning and lands for the 2019-2020 financial year (Appendix IV-15).

Impacts of a judgment on a judicial review of the small house policy

17.2 Quoting Reply Serial Number DEVB(PL)184, Mr Jeremy TAM pointed out that the Lands Department ("LandsD") had set 2 300 as the target number of small house applications to be processed in each of the past 10 years. He enquired about the criteria adopted for setting the aforesaid target number. Mr TAM pointed out that according to the judgment handed down by the Court of First Instance of the High Court on 8 April 2019 on a judicial review of the small house policy (HCAL 260/2015), the Private Treaty Grant ("PTG") and Land Exchange arrangements under the small house policy were not within the meaning of lawful traditional rights and interests of the New Territories indigenous inhabitants under Article 40 of the Basic Law. He enquired about the impacts of the aforesaid judgment on LandsD's workload, staff establishment and expenditure in relation to the processing of small house applications, including whether it would be necessary to make any downward adjustment to the target number of applications to be processed and reduce the number of staff required, as well as when and how LandsD would make the necessary changes.

17.3 Director of Lands advised that LandsD had set the targets for processing relevant applications according to the manpower and resources available. He pointed out that LandsD's manpower for processing small house applications had been stable in the past decade. As such, the target number of small house applications to be processed each year had been maintained at 2 300, and currently, there were several thousands of applications pending. He further pointed out that, among the 2 000-odd cases actually processed by LandsD each year in recent years, the number of approved applications for building houses under Free Building Licence arrangements accounted for about 80% to 90% of the total number of approved applications, and the remaining 10% to 20% approved applications involved building houses through PTG and Land Exchange arrangements. While the

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Administration was considering whether to lodge an appeal against the aforesaid judgment, LandsD would, for the time being, suspend the receipt of new applications for building small houses through PTG and Land Exchange arrangements, while the processing of relevant applications already received would also be suspended.

17.4 Mr Andrew WAN quoted Reply Serial Number DEVB(PL)091. He considered that government land originally reserved for "Village Type Development" might be released and could be used for other purposes because of the aforesaid judgment handed down by the Court of First Instance of the High Court. Mr Michael TIEN noted that 900 hectares of land had been reserved and zoned for "Village Type Development". Nevertheless, as only around 100 small houses were built with approved PTG and Land Exchange applications each year in the past, Mr TIEN queried the need for reserving and zoning 900 hectares of government land for "Village Type Development". Mr WAN and Mr TIEN enquired whether the Administration would start examining the development potential of such land at this stage and grasp information relating to the sizes of and the ancillary facilities in the vicinity of the relevant land lots, so as to prepare for a possible need to rezone such land for other development purposes in future, even though a final decision on the judicial review case of the small house policy might still be pending. Mr WAN further asked whether the Administration would concurrently freeze/suspend the processing of rezoning applications involving land in the New Territories.

17.5 SDEV reiterated that the Administration's present intention was to suspend the receipt of and discontinue the processing of applications for building small houses through PTG or Land Exchange only. He advised that the Administration was still considering whether it would lodge an appeal against the judgment, and apart from that, Heung Yee Kuk and the judicial review applicant had not yet indicated whether they would take further actions in respect of the judgment. SDEV further pointed out that land sites planned for "Village Type Development" could also be used for agricultural purposes or for the provision of the required road infrastructure and community facilities, apart from being used to build small houses. As pointed out earlier by the Chairman of the Task Force on Land Supply,

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given that such land parcels were rather fragmented and scattered, it would be comparatively difficult to use them for large-scale high-density development. Although the Administration would follow the established practice of reviewing the uses of individual sites from time to time, in the light of the above situations and from the perspective of properly using and planning land resources, it was necessary for the Development Bureau ("DEVB") to devote its efforts to deal with a number of priority options that aimed to increase land supply in the short-to-medium term at present. DEVB also considered it inappropriate to, solely on the ground of the aforesaid judicial review judgment, comprehensively review the relevant lands uses of "Village Type Development" zones at the present stage.

17.6 Mr Andrew WAN enquired how the Administration would step up efforts to combat acts of "buying and selling ding rights", including whether it would increase the manpower and resources designated for investigating acts of "buying and selling ding rights".

17.7 Director of Lands advised that in LandsD, there were about 104 staff members responsible for processing small house applications, and the staff members in this unit would also be responsible for investigating complaints relating to "buying and selling ding rights". Upon initial investigation, if false representation or fraudulent acts were suspected, LandsD would refer such cases to law enforcement departments for follow-up. Among the complaints received in recent years, 133 cases had already been referred to the relevant law enforcement departments for criminal investigation to date. Besides, the staff members in this unit were also responsible for handling other matters relating to the development and regulation of village houses, including redevelopment of village houses.

17.8 Mr CHU Hoi-dick pointed out that according to the existing policy of the Administration, if applications were lodged for building small houses under Free Building Licence arrangements, the applicants could apply for building small houses in another village within the same "Village Type Development" zone to which their village belonged, and they might also resell the small houses upon their completion. Quoting paragraph 113 of the aforesaid judicial review judgment handed down by the Court of First Instance of the High

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Court, Mr CHU said that it was pointed out in the judgment that small houses built under Free Building Licence arrangements could only be built for the applicants' own use or the use of their families within their own village area. As such, Mr CHU asked whether the Administration had considered if the existing policy had deviated from the principle set out in paragraph 113 of the aforesaid judgment.

17.9 SDEV advised that as the judicial proceedings regarding the judicial review case of the small house policy had yet to be completed, he did not intend to discuss the contents of the judgment openly. He stressed that the Administration would vet each application for building small house individually, but not each and every application would necessarily be approved. He pointed out that prior to the aforesaid judgment, according to the Government's policy on small houses, applicants were allowed to apply for the building and owning of completed small houses through three means. Irrespective of the means through which they submitted their applications, applicants had to comply with the relevant land lease terms in case of future sale of small houses, including the payment of land premium to the Government where applicable.

Land supply

Overall land supply

17.10 Quoting Reply Serial Numbers DEVB(PL)105 and 198, Mr YIU Si-wing pointed out that the overall occupancy rate of hotels in Hong Kong was over 90% and the strong demand had pushed up the room rates and dampened tourists' desire to stay in Hong Kong. As a result, the growth of visitor arrivals from overseas had been slow in recent years. Nevertheless, the area of sites put up by the Administration for hotel use last year had decreased remarkably when compared with that in the previous two years. Besides, it was expected that if the Hotel and Guesthouse Accommodation (Amendment) Bill 2018 was passed, the licences of around 200 guesthouses would not be renewed, while the supply of guesthouses on the market and the choices available for tourists would be further reduced. Mr YIU enquired about the Administration's policy initiatives to increase the land supply for hotel use from the

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perspective of overall planning in future, so as to alleviate the tight supply of rooms, such as enhancing the measures to revitalize industrial buildings and including provisions favourable for the development of the hotel industry as incentives in processing rezoning applications. Given that some hotels had been demolished for redevelopment into commercial buildings, Mr YIU also asked whether the Administration would, in the course of land use planning in future, set out in clear terms that individual sites must be used for hotel development.

17.11 SDEV advised that it was an indisputable fact that there was a shortage of land in Hong Kong. Nevertheless, some hotel sites would be available from the Kai Tai Development in future, and under the revitalization scheme for industrial buildings, converted industrial buildings might also be used for increasing the supply of hotels. That said, he supplemented that it was the owners' decision as far as the future uses of redeveloped/converted industrial buildings were concerned. The Administration would, in the course of planning for land uses, consider whether the construction of hotels was a permitted use, and stipulate the permitted floor areas for use by the hotel industry in the land sale terms for individual sites. DEVB would maintain liaison with the Commerce and Economic Development Bureau, keep in view the development of the tourism industry and enhance policy initiatives to support the development of the hotel industry.

17.12 Dr KWOK Ka-ki was of the view that the Government possessed plenty of land sites but had delayed in putting them up for sale. As a result, it had given rise to an exuberant private property market and rendered it impossible for the general public to acquire home ownership at reasonable prices. Dr KWOK asked whether the Administration would expedite land sale so as to alleviate the tight supply in the private property market.

17.13 SDEV replied that the construction of roads and other infrastructure facilities had to be completed before developable land could be put up for auction on the market. The Administration would strive to speed up and complete the aforesaid advance works with a view to expediting the supply of land. He further advised that as the Administration had adjusted the split between public and private housing supply from the previous ratio of 60:40 to the existing ratio of

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70:30 in December 2018, there were thus fewer sites put up for sale on the market for developing private housing.

17.14 Quoting Reply Serial Number DEVB(PL)70, Ms Alice MAK enquired about the timetable for the restructured Steering Committee on Land Supply ("SCLS") to commence its work and the subjects it would explore. SDEV advised that the Administration expanded the composition and terms of reference of SCLS in April 2019. SCLS would soon convene its first meeting, so as to formulate the strategy and timetable for carrying out relevant work. It would also brief the relevant Panel(s) of the Legislative Council on its work in due course.

17.15 Mr SHIU Ka-fai opined that creation of land through reclamation could effectively solve the problem of shortage of land supply. He asked whether the time required for creating land through reclamation and that for developing brownfield sites to increase land supply was more or less the same. Besides, he was of the view that the period of 42 months required for carrying out the studies related to artificial islands in the central waters was too long. He asked whether the Administration could speed up the progress of the studies.

17.16 SDEV advised that the time required for creating land through reclamation and the development of land so created was comparable to that required for implementing new development area projects of comparatively large scale. Quoting the Kwu Tung North ("KTN")/Fanling North ("FLN") New Development Areas project as an example, he explained that the Administration had started the project's planning in 2008. If funding approval was obtained from the Finance Committee ("FC") within 2019 to commence the aforesaid project, population intake of the first batch of housing units was expected to take place from 2023 to 2024. The time required for implementing the project was around 16 years. Regarding the project of the Kau Yi Chau artificial islands, if funding approval for carrying out the relevant studies could be obtained from FC within 2019, and if reclamation could start in 2025 upon the completion of the aforesaid studies, the Administration expected that the first piece of land site would be ready for development in 2028. It was believed that the first population intake could then take place in 2032. The time required for implementing the project would be around 13 years. He said that it

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would be difficult to further shorten the 42-month period for carrying out studies related to artificial islands in the central waters, as the authorities had to, under the existing regime and legislation, carry out relevant studies, conduct public consultation exercises, complete the detailed design, and go through the statutory procedures (which included vetting and approving land uses by the Town Planning Board ("TPB")).

Single site, multiple uses

17.17 Expressing support for the implementation of the "single site, multiple uses" development mode on government sites, Mr LEUNG Che-cheung considered that such policy would bring benefits to society. Quoting Reply Serial Number DEVB(PL)055, Mr LEUNG asked whether the Administration had studied if some other government sites were suitable for "single site, multiple uses" development, apart from the projects mentioned in the 2019-2020 Budget Speech. Mr Tony TSE also expressed support for the promotion of "single site, multiple uses" policy in respect of government sites.

17.18 SDEV replied that the Administration had set aside \$22 billion to implement the first batch of development projects under the "single site, multiple uses" scheme, including the redevelopment of Tuen Mun Clinic, the development of a proposed ambulance depot near Sheung Wan Fire Station and the consolidation of several government sites in Tsuen Wan town centre. Among them, the two sites of the Tsuen Wan Town Hall and the former Tsuen Wan Magistrates' Courts were relatively larger. SDEV said that he was aware of the fact that the Tsuen Wan District Council had formed a working group to follow up the projects in Tsuen Wan town centre. He advised that the Administration welcomed any proposal put forward by local communities to DEVB through District Councils in respect of government sites suitable for "single site, multiple uses" in their districts. He supplemented that, to achieve "single site, multiple uses", different government departments must complement each another and be ready to share the use of government sites with other departments/community facilities.

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Exploring more developable space

17.19 Mr LAU Kwok-fan enquired about the reasons why the completion of the Pilot Study on Underground Space Development in Selected Strategic Urban Areas ("Pilot Study on Underground Space Development"), which was originally scheduled for completion in 2018, had to be deferred to 2020. Concerning the scope of the Pilot Study, Mr LAU enquired whether, apart from studying the aspects of technical and financial viability, issues relating to geotechnical and structural constraints, fire safety and ownership would also be covered under the Pilot Study. Besides, Mr LAU suggested that the Administration should consider relaxing the overall plot ratios of and/or height restrictions on the buildings in individual districts (e.g. the New Territories) so as to increase developable space. Regarding applications submitted by private land owners for relaxing the plot ratios and/or height restrictions of the land concerned, he enquired about the conditions with which such applications had to comply.

17.20 SDEV advised that the Pilot Study on Underground Space Development currently being undertaken by the Administration covered four areas. He explained that developing underground space was not only costly, but also subject to various development constraints. The Administration would publicize the study results once the Pilot Study was completed. He pointed out that it was generally expected by TPB that applications for relaxation of plot ratios must satisfy the requirements under various impact assessments, such as traffic, environment and other related aspects, and such relaxation would not be unrestricted. In 2014, TPB approved an application from the private sector for relaxation of the plot ratio of an individual district by as much as 20%, e.g. an increased plot ratio from five to six. In 2018, TPB agreed to relax the plot ratios of and the height restrictions on buildings on the government sites in FLN and KTN so as to increase the number of public housing units to be provided on those sites.

17.21 Ms Alice MAK pointed out that due to the constraint on plot ratio, the expansion of the Lai King Building of the Princess Margaret Hospital was limited to a maximum of six storeys. To expedite the increase in land supply, Ms MAK urged DEVB to compress the time required for rezoning land uses, and for the purpose of optimizing the

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use of land, proactively facilitate the relaxation of the plot ratios of the sites designated for government facilities.

17.22 SDEV noted Ms MAK's concerns and views. For projects that had already commenced, he advised that extra time might be taken if they were to be planned afresh, which was not an ideal arrangement.

Optimizing the utilization of vacant government sites

17.23 Mr Tony TSE pointed out that many government sites were left idle for years after the original user departments/facilities had been relocated. Mr TSE suggested that the Administration should plan ahead the new uses for soon-to-be-vacated government sites, and urged DEVB to actively participate in the planning process. SDEV advised that the Planning Department ("PlanD") would, from time to time, review the possible uses of the sites that were reverted to the Government.

17.24 Quoting Reply Serial Number DEVB(PL)106, Mr SHIU Ka-chun opined that given that only two short-term tenancies ("STTs") for the lease of vacant government sites ("VGSs") (including vacant school premises) managed by LandsD were approved by the latter in 2018-2019 (up to the end of January 2019), the progress was far from satisfactory. In addition, citing these two STTs as an example, he pointed out that the tenancy periods were only one year and three years respectively, and the tenancies were renewable on a quarterly basis afterwards. However, many non-governmental organizations ("NGOs") found it difficult to afford the costs of relocating their facilities in case their tenancies could not be renewed upon expiry. Moreover, since some vacant sites or school premises were situated at remote locations with insufficient communal facilities, NGOs serving persons with impaired mobility did not find it feasible to use such VGSs/premises. He enquired whether the Administration would, at the time when STTs were awarded to NGOs, apply for the rezoning of such sites to community uses so that NGOs would be confident that the VGSs/premises could be leased on a longer-term basis and that their services could be continuously provided. He also enquired whether it would provide the necessary communal and road facilities for the remotely-located VGSs or school premises, or provide subsidies to

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NGO lessees for procuring the facilities concerned.

17.25 Permanent Secretary for Development (Planning and Lands) advised that the Government had, not long ago, obtained FC's approval for the creation of a \$1 billion commitment to introduce a funding scheme to support NGOs in using VGSs and restoring school premises for various short-term uses that were beneficial to the community. The scheme was launched on 21 February 2019. DEVB would actively participate in the process of processing, vetting and approving applications, which included strengthening the coordination among various departments concerned (e.g. LandsD), with a view to expediting the processing of relevant applications. She pointed out that most of the VGSs currently available for lease by NGOs were already zoned for "Government, Institution and Community" uses. As regards the length of tenancy periods, apart from taking into account whether the sites concerned had to be returned to the Government for long-term uses by a certain date, it must also consider the policy direction of the bureau to which the services provided by the applicant organization were related. In addition, since the experiences of NGOs in operating service facilities varied, the bureaux concerned might need some time to observe their operations to ascertain if it would be appropriate to stipulate a longer tenancy period in future. She advised that under the circumstances where no long-term use had been prescribed for a site, depending on the evaluation made by the bureau concerned after balancing all the aforesaid factors, the fixed tenancy period of an STT could be up to seven years, and there was a chance for the tenancy to be renewed upon expiry.

17.26 Quoting Reply Serial Numbers DEVB(PL)022 and 158, Mr Gary FAN opined that with only a total of 13 STTs approved by LandsD for NGOs to lease VGSs (including vacant school premises) between 2016-2017 and 2018-2019 financial years (up to the end of January 2019), the number was on the low side. Mr FAN noted that among the 22 posts to be created in the Planning and Lands Branch in 2019-2020, 10 were created to provide professional support for optimizing the use of VGSs. He enquired how the increased manpower might help in expediting the processing of the relevant lease applications. In addition, pointing out that among the STTs approved, two projects involved the lease of VGSs for use as village offices, he

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enquired about the details of the relevant sites, including the areas and the rentals.

17.27 Permanent Secretary for Development (Planning and Lands) replied that with a view to expediting the processing of the relevant applications, the posts newly created in the Planning and Lands Branch would be responsible for taking the initiative to contact those NGOs which intended to lease VGSs (including vacant school premises), and explaining to them the details of and application procedures for the funding scheme launched to support NGOs in using VGSs and restoring school premises. Concerning the two village office projects for which STTs were approved, she explained that village offices were one of the facilities that provided support for community needs. The implementation of such projects was supported by the district offices of the districts concerned. She advised that information on the two projects would be provided to members after the meeting.

17.28 Dr Fernando CHEUNG said that apart from DEVB, the Education Bureau ("EDB") also kept a list of vacant school premises. However, as the contents of the lists kept by the two bureaux were inconsistent and the information on the lists was not updated in a timely manner, prospective NGOs felt confused. Dr CHEUNG suggested that the Administration should consolidate and update such information in a timely manner to facilitate public access.

17.29 Permanent Secretary for Development (Planning and Lands) replied that the reasons for the discrepancies in the lists of vacant school premises respectively kept by DEVB and EDB could be broadly summarized as follows: (a) as some school premises were still managed by EDB for education purposes, including serving as temporary school premises or for decanting purpose, information on these school premises would not be included in DEVB's list; (b) as some school premises were managed by the Government Property Agency, such premises were not on the lists of vacant school premises kept by DEVB and EDB; and (c) as applications for lease of individual vacant school premises were being processed by LandsD, for the avoidance of confusion, such school premises would not be shown on the lists of vacant school premises. In addition, as some vacant school premises were located on private land and the land owners might decide how

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their land was to be used, such premises would not be put on the list. She welcomed members to approach the Administration for information on individual vacant sites or school premises.

Development of brownfield sites

17.30 Quoting Reply Serial Number DEVB(PL)104, Mr Frankie YICK requested that the Administration must give the affected industry the opportunities to fully express their views and requests well before it formulated policy initiatives in response to the outcomes of the study report on the feasibility of accommodating brownfield operations in multi-storey buildings ("MSBs"). He pointed out that since the smooth operation of brownfield business had significant impacts on Hong Kong's economic activities, he was concerned whether, under the new measures, brownfield operators could be seamlessly relocated to MSBs and restored their operation after their open-air operation sites had been resumed. Mr YICK enquired whether the Administration would, in promoting the reactivation of the revitalization scheme for industrial buildings, reserve certain old industrial buildings for use as warehouses for those brownfield operations which could not be relocated to MSBs.

17.31 SDEV noted Mr Frankie YICK's request for the Administration to consult the industry. He advised that the policy initiatives to be implemented by the Government were not aimed at relocating all brownfield operations to MSBs. For brownfield operations currently operating in the Hung Shui Kiu area, the land in Hung Shui Kiu New Development Area ("NDA") reserved for purposes relating to logistics and industrial uses accounted for about a third of the area currently occupied by affected brownfield operations in the area. As regards whether those brownfield operations currently operating in other proposed NDAs could be seamlessly relocated, it depended on the implementation progress of the NDAs concerned. Regarding those brownfield operations which could not be relocated to MSBs for continued operation, although the Administration did not intend to offer other pieces of land in exchange for the open-air areas currently occupied by the operators, it would extend the coverage of ex-gratia allowances to open-air business operators pursuant to the enhanced rehousing and compensation package approved by FC in July

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2018 in order to improve the compensation arrangement for business operators. SDEV advised that only a total of 124 conversion applications were approved under the old revitalization scheme for industrial buildings. He envisaged that upon the reactivation of the revitalization scheme for industrial buildings, some old industrial buildings might be available for use by various industries such as logistics and storage.

Land management and enforcement

17.32 Dr KWOK Ka-ki was dissatisfied that the Administration had been ineffective in taking enforcement actions against unauthorized building works ("UBWs") in village houses in the New Territories. He referred to cases in which the Administration had not taken any actions against UBWs in individual village houses for as long as 15 years.

17.33 Director of Buildings explained that the Buildings Department ("BD") had been conducting village by village surveys of New Territories Exempted Houses in the New Territories to identify UBWs that constituted serious contravention of the law and posed higher potential risks to building safety (i.e. the First Round Targets) for priority enforcement action.

17.34 Mr LEUNG Che-cheung advised that after the onslaught of typhoon Mangkhut on Hong Kong, some occupants residing in surveyed squatter structures had reflected that their typhoon-battered structures were in urgent need of repair. However, repair of surveyed squatter structures was regarded as non-compliance by LandsD, and the time allowed for occupants to rectify the allegedly non-compliant structures varied from one District Lands Office to another. In some cases, the squatter structures concerned even lost their status as surveyed squatter structures. Mr LEUNG opined that the Administration's actions were rather inconsiderate, and the practice of cancelling the squatter survey number would only bring about increased demand for housing and rehousing. Mr LEUNG advised that the Administration should adopt more lenient measures in respect of repair cases involving surveyed squatter structures affected by typhoons.

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17.35 Quoting Reply Serial Number DEVB(PL)175, Mr CHU Hoi-dick shared Mr LEUNG Che-cheung's concerns. Mr CHU suggested that the Administration should give reasonable and practicable time frames for occupants residing in surveyed squatter structures to reinstate their structures to their original states or rectify non-compliant structures, depending on the unique circumstances of each case. He opined that the Administration should, as far as possible, adopt a standardized policy in handling cases involving the repair or rebuilding of typhoon-battered squatter structures.

17.36 Mr CHAN Chi-chuen was concerned about the large-scale enforcement actions taken by LandsD to tie in with the implementation of NDA projects in the wake of the enhanced squatter control measures implemented by LandsD in 2016.

17.37 Director of Lands advised that since 22 June 2016, LandsD had strengthened squatter control and enforcement actions, and zero-tolerance policy was adopted in respect of any addition, alteration or extension works on squatter structures carried out after 22 June 2016. As regards addition, alteration or extension cases carried out before 22 June 2016, LandsD would, depending on the circumstances of each case, set a time frame for reinstatement or rectification works, which would last at least one month. LandsD would conduct regular patrols of surveyed squatter structures and investigate the complaints received. The non-compliance so identified would be followed up and enforcement actions would be prioritized according to the seriousness and safety hazards of the non-compliance. Under the prevailing system, in principle, repair or rebuilding of surveyed squatter structures should not be carried out unless with prior applications to and approval by LandsD. However, concerning repair or rebuilding works that had been carried out on surveyed squatter structures affected by typhoons, LandsD would exercise its discretion in handling such structures, depending on whether the repaired or rebuilt squatter structures still complied with the tolerance criteria under squatter control policy. Citing as an example, he advised that after the onslaught of typhoon Mangkhut, LandsD had, in response to Heung Yee Kuk's suggestion, expedited the processing of some applications for repair or rebuilding of surveyed squatter structures in Sha Tau Kok and updated the practice notes issued to the Squatter Control Unit with a view to catering for the

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genuine needs of the squatter structures affected by the typhoon. He also welcomed members to approach LandsD for discussion on how an individual case should be handled.

17.38 Mr CHU Hoi-dick enquired about the number of applicants under the one-off voluntary registration exercise for domestic occupants residing in licensed non-domestic structures/surveyed non-domestic squatter structures ("non-domestic structures"). Mr CHU advised that the domestic occupants residing in non-domestic structures might be worried that once their applications had been submitted, LandsD officers would, in the course of processing their applications, demolish their non-domestic structures or cancel their squatter survey numbers on different grounds.

17.39 Director of Lands explained that the one-off voluntary registration exercise for domestic occupants residing in non-domestic structures was introduced in tandem with the enhancements to ex-gratia compensation and rehousing arrangements for government development clearance exercises announced by DEVB on 10 May 2018. Upon registration and approval, occupants residing in non-domestic structures would become eligible for compensation under the government development clearance exercises in future on the premise that such occupants complied with other stipulated conditions. The Deputy Chairman directed that due to time constraint, the Administration might provide Mr CHU with the supplementary information required after the meeting.

Planning and development

17.40 Quoting Reply Serial Number DEVB(PL)200, Mr CHAN Chi-chuen enquired whether there would be changes in the staff establishment required by the Cross-boundary Infrastructure and Development Section of PlanD in the coming year (i.e. the 2019-2020 financial year) as compared to that in the past. He enquired about the details of the tasks/projects for which the Section would be responsible to substantiate its manpower demand in the coming year.

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17.41 Director of Planning replied that the staff establishment required by the Cross-boundary Infrastructure and Development Section in the 2019-2020 financial year was similar to those over the past few years. The staff concerned would carry out a biennial cross-boundary travel survey in the coming year, which aimed to collect data to facilitate the Administration's evaluation of the need for implementing cross-boundary infrastructure projects, and would communicate and exchange data with Mainland departments responsible for planning matters. He advised that the Cross-boundary Infrastructure and Development Section did not have any work plans for the implementation of new large-scale infrastructure projects at present.

Urban redevelopment

17.42 Quoting Reply Serial Numbers DEVB(PL)004 and 069, Mr Tony TSE indicated that in view of the gravity of the problem of aging private buildings in Hong Kong, it might not be sufficient to rely on the Urban Renewal Authority ("URA") alone to facilitate urban redevelopment. He enquired about the measures in place to solve the problem of urban decay. Noting that the Urban Renewal Unit of DEVB had a total of nine staff members, Mr TSE enquired about the details of the Unit's work.

17.43 SDEV advised that in order to enhance the efficiency of urban redevelopment, URA commenced in 2017 a two-year district planning study for Yau Ma Tei and Mong Kok ("Yau Mong District Study") with its own resources. The Yau Mong District Study aimed to explore ways of enhancing the efficiency of existing land use and the redevelopment potential in the two districts. It would be completed around end-2019 to early-2020, and the study findings would, by then, serve as the basis for URA to identify more effective and efficient ways for urban renewal as well as practical and feasible ideas and modus operandi for adoption in the work strategy of urban renewal in future. He advised that in the area of urban redevelopment, the Administration maintained partnership with URA in such a way that the former was responsible for policy formulation while the latter would play a supporting role by implementing the policy.

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17.44 Dr CHENG Chung-tai pointed out that URA implemented redevelopment projects in partnership with private developers. Upon completion of individual development projects, the prices of the flats were close to those in the private sector but the flat sizes were extremely small. In his view, such a redevelopment mode was tantamount to evicting some local residents from their homes. It was commonplace that local characteristics would disappear after redevelopment, and the facilities of individual projects had to undergo massive alterations due to non-compliance with the outline zoning plans of the respective areas. Concerning URA's recent and proposed strategy to adopt a district-based approach in taking forward redevelopment projects, Dr CHENG suggested that the Administration should incorporate a number of conditions to regulate the development approach of such projects, so that the projects would not proceed along the same redevelopment direction as that of private property developments.

17.45 Ms Alice MAK declared that she was a non-executive director of URA. Ms MAK pointed out that at present, after URA had acquired land under an urban renewal project, it would solicit private developer partners through open tender for joint project implementation. She opined that such a project implementation approach would only give rise to contracts being awarded to the highest bidding private developer. As a result, the flats completed would invariably be expensive, which was contrary to URA's policy objectives. Ms MAK urged the Administration to review the "Urban Renewal Strategy" so as to boost URA's role in the supply of subsidized sale flats. Mr Vincent CHENG opined that if the Administration did not intend to raise the plot ratios in Yau Ma Tei and Mong Kok, the potential effectiveness of the renewal strategy to be introduced based on the findings of the Yau Mong District Study might be limited.

17.46 SDEV advised that as the target buyers of the redevelopment projects launched by URA were home buyers in the private property market, the prices of their flats would inevitably be led by private market trend. He added that URA had in recent years adopted a planning-led approach in rolling out redevelopment projects. Apart from the district-based approach, URA's "Kai Tak Road/Sa Po Road Development Plan" in Kowloon City that commenced in February 2019

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was a project which showcased the concept of connecting an old district to the Kai Tak New Development Area through a proposed sunken plaza; whereas future redevelopment projects would also enhance street vibrancy and retain local characteristics by increasing on-street shops. In addition, URA had been adopting a new approach in recent years to sell individual development projects (e.g. eResidence) which aimed to provide flats at affordable prices in the private sector. In future, URA would be tasked with identifying Civil Servants' Co-operative Building Society Scheme sites suitable for high-density development with a view to increasing housing supply through redevelopment.

17.47 Quoting Reply Serial Number DEVB(PL)202, Ms CHAN Hoi-yan advised that by the time URA announced the implementation of the "Kai Tak Road/Sa Po Road Development Plan", a number of private companies had already been proactively acquiring old buildings in the area. Ms CHAN expressed concern that the redevelopment effectiveness of the Plan would therefore be reduced. She suggested that the Administration should consider redeveloping the government sites in that area, as the redevelopment effectiveness thus achieved might be greater with no competition from the private sector. In addition, Ms CHAN pointed out that although the public and private housing development projects in Kai Tak Development Area had been completed for a few years, their pedestrian and transport connectivity facilities for connection to the adjoining areas had all along been inadequate. She urged the Administration to, in its future planning for new development projects, mandate the adoption of a planning approach that accorded priority to the building of transport infrastructure.

17.48 SDEV advised that pedestrian accessibility between Kowloon City and Kai Tak Development Area would be greatly improved with the smooth implementation of the "Kai Tak Road/Sa Po Road Development Plan" and it was premature to comment on the effectiveness of the project at the moment. He subscribed to Ms CHAN Hoi-yan's views on the adoption of the district-based approach that accorded priority to the building of transport infrastructure.

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Mandatory Window Inspection Scheme

17.49 Referring to Reply Serial Number DEVB(PL)134, Mr Vincent CHENG expressed concern about the implementation and progress of the Mandatory Window Inspection Scheme and the Mandatory Building Inspection Scheme. He asked the Administration how BD's manpower shortage had affected the implementation of the aforesaid Schemes, as well as the measures that had been put in place to assist building owners in complying with the statutory notices issued by BD, and to raise the efficiency in administering the Schemes.

17.50 Director of Buildings advised that since 2015, the Administration had re-prioritized its law enforcement policies by shifting its focus to law enforcement actions taken against cases involving non-compliant notices, and had introduced various facilitation measures to assist owners in complying with statutory notices. At present, 88% of statutory notices were complied with. Upon the implementation of such measures, BD publicized on its official web page market information on window inspection works, including cost information on various repair items. BD had also developed a mobile application, which set out lists of qualifying persons who were qualified to undertake the related works, as well as the compliance status of the statutory notices issued.

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18.1 At the invitation of the Deputy Chairman, Mr Michael WONG, Secretary for Development ("SDEV"), briefed members on the major initiatives and expenditure on the policy areas of works for the 2019-2020 financial year (Appendix IV-16).

Reclamation Plans

Lantau Tomorrow Vision

18.2 Mr CHU Hoi-dick requested that before submission of the funding application for the studies related to the artificial islands in the Central Waters to the Finance Committee ("FC"), the Administration should provide the report entitled "Report on Preliminary Traffic and Transport Impact Assessments (Final) (Ref. R08-03)", which was incorporated in the final report of the Technical Study on Transport Infrastructure at Kennedy Town for Connecting to East Lantau Metropolis — Feasibility Study, and the latest estimate of the land shortfall of Hong Kong in the long run in view of the Administration's comment that the estimated land shortfall of 1 200 hectares as mentioned by the Planning Department in the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" study ("Hong Kong 2030+") was an underestimation of the long-term needs for land.

18.3 SDEV replied that the Administration would handle Mr CHU's request for the aforesaid report in accordance with the Code on Access to Information. Moreover, the "Hong Kong 2030+" study was still underway and the estimate of Hong Kong's long-term needs for land would be updated in the later part of 2019. However, the updated estimate might not be available to members by the time when FC deliberated on the funding proposal for the studies related to the artificial islands in the Central Waters.

18.4 Referring to Reply Serial No. DEVB(W)059, Mr CHAN Chi-chuen said that the Administration had incurred an estimated expenditure of about \$2.8 million in 2018-2019 for promotion of development and conservation of Lantau (including the Lantau Tomorrow Vision). He enquired about the expenditure on the promotion efforts (including the production cost of pamphlets) for

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previous large-scale development projects, such as the Kwu Tung North and Fanling North New Development Areas ("NDAs") and the Hung Shui Kiu NDA. Noting that no expenditure was incurred for the studies on the artificial islands in the Central Waters in 2018-2019 as the studies would commence in the second half of 2019 after obtaining FC's funding approval, Mr CHAN enquired why the design of the relevant pamphlet had been finalized in as early as end-September 2018, and which government departments were involved in the design work.

18.5 SDEV replied that the workload arising from the advance work for the Lantau Tomorrow Vision was absorbed by the Administration through internal manpower deployment. He undertook to provide supplementary information on the expenditure on the promotion of other large-scale land development projects.

18.6 Referring to Reply Serial Nos. DEVB(W)057 and 059, Dr CHENG Chung-tai said that in mid-2018, the Administration had utilized internal resources to conduct a preliminary broad technical analysis of the proposed reclamation in the Central Waters, and the expenditure in 2019-2020 related to promotion of development and conservation of Lantau was estimated to be around \$2 million. He enquired about the progress of the preliminary broad technical analysis, the use of the aforesaid expenditure on promotion, and the timetable and scale of the planned studies on the artificial islands in the Central Waters.

18.7 SDEV replied that the Administration had launched the study on "Enhancing Land Supply Strategy — Reclamation Outside Victoria Harbour and Rock Cavern Development" in 2011, which included exploring the feasibility of artificial island development in the Central Waters. Meanwhile, the subject had been brought up in the "Hong Kong 2030+" study and the discussion of the Task Force on Land Supply on the East Lantau Metropolis development. Taking the view that exploration on the subject had been completed substantially within the Government, the Administration intended to seek FC's funding approval for commencing further studies on the artificial islands in the Central Waters. The Administration would provide supplementary information on the progress of the preliminary broad technical analysis and the timetable and scale of the studies related to the artificial islands

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in the Central Waters after the meeting. Furthermore, apart from the longer term plan of artificial island development in the Central Waters, the Lantau Tomorrow Vision also comprised initiatives such as conservation of Lantau that could be implemented immediately. In this connection, the Administration planned to set up the Lantau Conservation Fund, and would carry out publicity on the relevant conservation work.

18.8 Mr Michael TIEN enquired how many stations were expected to be provided on the Kau Yi Chau ("KYC") Artificial Islands under the proposed railway system connecting the Hong Kong Island, the KYC Artificial Islands, Lantau and Tuen Mun. SDEV said that it was the Administration's initial idea that three stations would be provided on the KYC Artificial Islands under the aforesaid railway system.

Reclamation at Ma Liu Shui

18.9 Referring to Reply Serial No. DEVB(W)058, Mr CHAN Chi-chuen noted that the reclamation project at Ma Liu Shui would be put on hold, but the Civil Engineering and Development Department ("CEDD") would deploy staff to conduct the subject review on a part-time basis. He urged the Administration to cease pursuing the reclamation project, and enquired about the manpower involved in the subject review. SDEV said that the Administration would not preclude any reclamation option prematurely, and would consider in due course how the public concerns about the traffic impact and housing mix of reclamation at Ma Liu Shui should be addressed. The subject review would be undertaken by the existing manpower of CEDD. However, not much progress was expected in this respect in 2019-2020.

Kai Tak Development and Kowloon East Development

18.10 Referring to Reply Serial No. DEVB(W)051, Mr YIU Si-wing enquired about the development positioning of the site earmarked for the Kai Tak Tourism Node; why the Administration did not include the site in the Land Sale Programme until 2019-2020; and whether the Administration would stipulate requirements on how the site should be developed.

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18.11 Head of Energizing Kowloon East Office ("Head/EKEO") replied that the Kai Tak Tourism Node site was zoned for tourism-related uses under the Kai Tak Outline Zoning Plan ("OZP"), and some requirements had been laid down on the land use and development design of the site. The Administration would pursue the project in accordance with the above OZP and prepare a development statement for the site, so that the developer awarded the bid would have rules to follow.

18.12 Referring to Reply Serial No. DEVB(W)046, Dr CHENG Chung-tai enquired about the long-term development plan for Kwun Tong Typhoon Shelter subject to the Protection of the Harbour Ordinance (Cap. 531), including whether a water recreation and sports centre would be provided there.

18.13 SDEV and Head/EKEO replied that the Administration did not have any plan to carry out reclamation or provide a water recreation and sports centre at Kwun Tong Typhoon Shelter. However, it would manage the water body at the typhoon shelter in a more effective way to facilitate water recreation and sports activities. Meanwhile, the Lands Department was processing three applications for short term tenancies to set up water sports facilities at the sites on the shore of Kwun Tong Typhoon Shelter.

Works supervision

18.14 Mr Michael TIEN pointed out that the construction works of both the Hong Kong-Zhuhai-Macao Bridge ("HZMB") and Hung Hom Station of the MTR Shatin to Central Link ("SCL") had experienced the problem of contractors failing to comply with the requirements of the works procedure concerned. He was concerned how the Administration would plug the loophole in works supervision. He further asked whether suppliers of concrete were required under the current supervision procedure of public works projects to obtain the Request for Inspection and Survey Checking Forms ("RISCFS") issued by the Government before delivering the concrete to the works sites for use by contractors.

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18.15 SDEV said that the Transport and Housing Bureau was responsible for the construction of HZMB and Hung Hom Station of SCL, and the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension under the Shatin to Central Link Project was currently in action. He undertook that the Administration would provide a written response to Mr TIEN's questions after the meeting.

18.16 Dr CHENG Chung-tai and Dr Helena WONG were also concerned about the problems of poor quality and slack supervision in many construction projects in Hong Kong in recent years. Dr CHENG noted that the Administration planned to launch pilot projects that would try digital supervision systems (i.e. one of the initiatives under "Construction 2.0" proposed by the Administration) within this year with a view to enhancing the effectiveness of site supervision. He asked whether the said system could play a gate-keeping role, such as denying contractors the right to input information of the next procedure if they had not submitted the RISCs. Dr WONG enquired how the Administration could effectively monitor project quality and ensure that the contractors complied with the relevant requirements in works delivery.

18.17 SDEV and Permanent Secretary for Development (Works) ("PS/DEV(W)") advised that Construction 2.0 received the support from the Construction Industry Council and various trade associations and unions of the industry for its broad direction in pursuit of innovation, professionalization and revitalization, and the industry had reacted positively to the introduction of digital supervision system. PS/DEV(W) added that the Administration would make use of the system to collect information such as the latest site conditions and works progress (including RISCs) for the thorough tracking and monitoring of various works procedures. The system had a built-in function to issue alerts on outstanding RISCs from contractors. The Administration planned to implement several pilot projects within this year, and extend the application to all public works projects under the Capital Works Programme in 18 months afterwards. In addition, the Administration was making an effort to promote the adoption of Building Information Modelling ("BIM") by the industry with a view to promoting innovation, minimizing errors arising from design changes

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and improving site safety for workers. In the long run, there would be a prospect of integration between the aforesaid digital supervision system and BIM. For works supervision, the Administration would establish a Centre of Excellence for Major Project Leaders within this year, which was expected to provide training for about 40 to 50 project leaders for major public works projects in each of the next three years to bestow on them better project management skills. Since December 2018, consultancy companies on the list of authorized consultants were grouped under different categories. Only the consultants in the relevant categories were allowed to bid for the project consultancies of the Government, thereby allowing small and medium consultants to share out the workload of major consultancy companies.

Water supply and safety

18.18 Referring to Reply Serial No. DEVB(W)111, Dr Helena WONG urged the Administration to review as early as possible the Waterworks Ordinance (Cap. 102) and the Waterworks Regulations (Cap. 102A) in order to enhance regulation of water safety in respect of hot water dispensers and water dispensers. She was also concerned whether buildings in Hong Kong were allowed to use integrated modules equipped with plumbing installations (including concealed plumbing installations) manufactured outside the territory and how to ensure that the people who manufactured integrated modules outside Hong Kong complied with the relevant local water laws. Dr WONG was worried that even though the Administration required the responsible licensed plumber ("LP") to supervise the construction of plumbing installations outside Hong Kong and the Water Authority ("WA") to arrange for inspection of the plumbing installations inside integrated modules by his Inspection Agent before they were covered up, it was difficult to ensure the quality of those plumbing installations and identify the party to be held responsible in case the plumbing did not meet safety standards. She urged the Administration to consult the industry and Members of the Legislative Council ("LegCo") on the measures concerned.

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18.19 SDEV replied that in the light of Dr WONG's views, the Administration was preparing to bring the water safety of hot water dispensers under regulation. On the other hand, given the shortage of local construction workers, the fact that manufacturing the modules in modulated integrated construction ("MiC") factories enabled easier quality control and that many advanced places overseas already allowed plumbing installations to be manufactured in MiC factories, the Administration considered it desirable to introduce the MiC method to Hong Kong and would ensure that the plumbing installations met the safety standards during the MiC process.

18.20 Director of Water Supplies ("DWS") stressed that to ensure the quality of plumbing installations inside integrated modules, the requirements for plumbing installations inside the modules manufactured in MiC factories had been laid down in accordance with the Waterworks Ordinance and the Waterworks Regulations. Such requirements included submitting a supervision plan of the construction of the plumbing installations at the MiC factory to WA, manufacturing the plumbing installations concerned under the supervision of a local LP and a locally registered plumbing worker, and having the Inspection Agent of WA to conduct an inspection before the plumbing installations were covered up, etc..

18.21 Dr Helena WONG pointed out that the Guangdong Provincial Department of Transportation had commenced a preliminary study in mid-2018 on the Dongjiang ("DJ") River (from Heyuan to Shilong Reach) waterway expansion and upgrading project for dredging down the waterway to at least 2.5 metres so as to accommodate vessels of 1 000 tonnage. As the intake of DJ water (i.e. Taiyuan Pumping Station) supplied to Hong Kong located within the scope of the above project, she was worried that the relevant works would affect the quality of DJ water. She enquired whether the Administration had sought information on the preliminary study from the Guangdong authorities; whether it would provide the Guangdong authorities with a formal submission in the capacity of an important stakeholder expressing its objection to the proposed DJ River waterway expansion and upgrading project, and request the Guangdong authorities to release information on DJ in a transparent manner. Dr WONG also enquired whether the Administration could, after obtaining information on the

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preliminary study, report to the LegCo Panel on Development and explain the measures put in place to develop new water resources locally so as to reduce Hong Kong's reliance on DJ water.

18.22 SDEV replied that it was not practicable to prohibit any works projects from being carried out in DJ. Notwithstanding this, such works should be implemented on the premise that the quality of DJ water would not be affected. The Water Supplies Department ("WSD") would express its views and grasp the contents of the preliminary study at the working meeting with the Department of Water Resources of Guangdong Province ("DWRGP") in order to brief the Panel on Development on this subject. As to whether the Hong Kong side would present its views to the Guangdong authorities by way of a formal submission, it would be up to both sides to discuss. Meanwhile, the information on DJ released by DWRGP was rather transparent. For example, the facilities related to the water supply system was open to the Panel on Development during its duty visit to the DJ River Basin in April 2017 and the delegation was satisfied with the quality of DJ water at that time.

18.23 DWS supplemented that after making enquiries with DWRGP, WSD was given to know that the proposed DJ River waterway project was just a preliminary proposal which was being reviewed by experts. Experts from different parties would express views on the project, including those from DWRGP who would provide views on the implications of the project on the quality of DJ water. Moreover, WSD would endeavour to promote the diversification of water sources, including building a desalination plant in Tseung Kwan O (tenders for the design and build contract of the first stage of the plant were being assessed), taking forward the project to supply reclaimed water to the northeast New Territories (the related infrastructural facilities were under construction), and constructing a centralized grey water recycling system at the Anderson Road Quarry Site Development.

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Preparation for coping with typhoons and recovery work

18.24 Dr CHENG Chung-tai referred to Reply Serial No. DEVB(W)022, which mentioned that after the passage of Super Typhoon Mangkhut in September 2018, there were over 60 800 tree failure reports. As at 11 March 2019, 588 debris locations remained outstanding. Dr CHENG enquired whether the Administration had reviewed the reasons, apart from the huge number of fallen trees, for the slow progress of the tree debris clean-up work, including whether it was owing to the outsourcing system under which clearance of tree debris was carried out by service contractors. Dr CHENG also enquired about the measures in place to address the frequent flooding in low-lying coastal areas such as Heng Fa Chuen and Tseng Kwan O during heavy rainstorms.

18.25 SDEV replied that Mangkhut caused damage to a large number of trees and it took time to do the clean-up work. So far, the Administration had already removed tens of thousands of fallen trees. The remaining fallen trees and broken branches, which were mainly found in relatively remote locations, would not have any direct implications on the pedestrians. The Administration anticipated that the related clearance work could be finished in the next few weeks. Furthermore, the review of the response and recovery work related to typhoon coordinated by the Security Bureau was underway for completion before the next typhoon season. The Administration would report to the relevant Panel in due course. During heavy rainstorms, waves approaching shores might overtop seawalls and those overtopping waves caused flooding in areas such as Heng Fa Chuen. In this connection, CEDD would commence a study in the second half of this year aiming at reviewing comprehensively the low-lying coastal and windy locations, and carrying out relevant investigations on storm surge and wave in order to assess the impacts of extreme weather on the low-lying coastal and windy locations.

Built Heritage Conservation

18.26 Referring to Reply Serial No. DEVB(W)044, Mr YIU Si-wing noted that under the Revitalizing Historic Buildings Through Partnership Scheme, the number of visitors to various revitalized built heritage varied significantly. Among them, the Viva Blue House, the revitalized Blue House Cluster in Wan Chai which won the Award of Excellence of UNESCO Asia-Pacific Awards for Cultural Heritage Conservation, only had 112 996 accumulated visitors. He enquired why there were comparatively few visitors to the revitalized built heritage.

18.27 SDEV replied that after the Blue House Cluster was revitalized into Viva Blue House, it did not only preserve the historic buildings but also provide accommodation for existing tenants and other people who were interested in community engagement. As such, the effectiveness of the project should not be assessed simply by the number of visitors. In addition, visitors did not have to enter the Viva Blue House and could appreciate the built heritage from the outside.

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19.1 At the Deputy Chairman's invitation, Mr Kevin YEUNG, Secretary for Education ("SED") briefed members on the main initiatives and expenditure on the policy area of education for the coming year (Appendix IV-17).

Kindergarten education

Kindergarten education scheme

19.2 Dr Helena WONG and Mr HO Kai-ming expressed concern that many kindergartens ("KGs") joining the KG education scheme ("the Scheme") were not free. Dr WONG queried whether KGs charged school fees because of insufficient government subsidies. Mr HO enquired why 34% of half-day ("HD") KGs and 20% of whole-day ("WD") KGs had not yet joined the Scheme.

19.3 SED explained that with the implementation of the Scheme, most HD KGs would be free. WD and long whole-day ("LWD") services would be provided on a co-payment basis between the Administration and parents. At present, almost 90% of HD KGs joining the Scheme were free. In 2017-2019 school years, school fees of WD and LWD KGs only increased from \$730 to \$790 per instalment on average. The Education Bureau ("EDB") considered that the Scheme had generally achieved its policy objectives. The Administration would give due consideration to members' concerns and suggestions when reviewing the implementation of the Scheme in mid-2019.

19.4 Dr Helena WONG noted that many KGs, particularly those in new development areas ("NDAs"), offered only HD services, resulting in a serious shortage of WD/LWD places. She asked the Administration to urge KGs to provide WD/LWD places so as to ensure that the revised planning standards for provision of KG (i.e. 500 HD and 500 WD places for every 1 000 children in the age group of three to under six) could be fulfilled. Mr HO Kai-ming held the view that WD/LWD KGs to some extent provided childcare services under the purview of the Labour and Welfare Bureau ("LWB"). He urged EDB and LWB to collaborate in encouraging more KGs to provide WD/LWD services.

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19.5 SED responded that the revised planning standards for provision of KG places would be applied to NDAs for developing new KGs as appropriate. Besides, the Administration considered it necessary to provide the KG sector with more flexibility in offering various services to better meet the needs of the market.

Primary, secondary and special education

Territory-wide System Assessment

19.6 Mr CHAN Chi-chuen expressed concern over the increase by \$13 million in the budgeted expenditure for the Territory-wide System Assessment ("TSA") in 2019-2020. In his view, there should not be such an increase if the same sampling approach was adopted (i.e. 10% of Primary ("P") 3 students from each school) for P3 TSA. He also enquired about the marginal cost for administering TSA.

19.7 Mr HUI Chi-fung was concerned about the large amount of expenditure incurred for TSA and related study under the project (i.e. \$290 million) and enquired about the reasons for that. He also asked whether the expenditure would be reduced in the long run if the Administration continued to adopt the sampling approach for P3 TSA.

19.8 SED advised that the TSA expenditure covered P3, P6 and Secondary ("S") 3 TSA. As the expenditure was largely a fixed cost, such as question paper setting, logistical arrangements for administering school-based participation in the assessment, the decrease in the number of participating students would not reduce much of the expenditure. On the contrary, the increase in expenditure mainly reflected the necessary price adjustments such as staff costs. As regards the expenditure on TSA and related study under the project, it also covered the continued development of the Student Assessment Repository which was an online assessment platform as well. Deputy Secretary for Education (5) ("DS(Ed)(5)") added that the increase in the expenditure had also taken into account the accumulated inflation rate over the years, which was more than 13%.

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Liberal Studies

19.9 Ms Starry LEE urged the Administration to make Liberal Studies ("LS") an elective subject with a pass/fail grading system so as to reduce stress on students taking the Hong Kong Diploma of Secondary Education Examination ("HKDSE"). Dr Helena WONG said that the Democratic Party urged EDB to provide the Liberal Studies Curriculum Support Grant to schools again. On LS's grading system, she held a contrary view that existing practice should be maintained. She urged the Administration to collect views from different stakeholders.

19.10 Dr Priscilla LEUNG considered the curriculum and assessment of LS too difficult. The Administration should review the curriculum of LS and remove the compulsory examination questions for LS in HKDSE. If the compulsory questions were not removed, LS should be made an elective subject. In addition, she did not support the suggestion of giving students an option to conduct the Independent Enquiry Study or to have HKDSE grading capped at Level 4.

19.11 SED advised that the Administration was aware of the diverse views on LS and would give due consideration to public concerns. The Task Force on Review of School Curriculum was conducting a review on the school curriculum framework and assessment as a whole and was expected to put forward preliminary recommendations for public consultation in mid-2019. EDB would carefully consider the final recommendations made by the Task Force with a view to creating more space and opportunities for students' whole-person development.

19.12 Mr AU Nok-hin noticed that the post of LS Section Head of the Curriculum Development Institute ("CDI") of EDB had been vacant for quite a long time. He was worried that the review of LS would be affected, and enquired about the related staffing arrangement. DS(Ed)(5) advised that an acting appointment would be made to fill the vacant post. In the meantime, the Task Force would review the primary and secondary curricula including LS.

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Promotion of Putonghua

19.13 Mr CHAN Chi-chuen enquired about the policy direction of and expenditure on the promotion of Putonghua in primary and secondary schools, including teaching Putonghua as an independent subject, and using Putonghua as the medium of instruction for teaching the Chinese Language Subject ("PMIC"). SED advised that the expenditure on the promotion of Putonghua in primary and secondary schools was subsumed under EDB's recurrent expenditure. There was no separate breakdown for individual items. In addition, the policy of promoting Putonghua had remained unchanged. For PMIC, schools would take into account their own school contexts when considering whether or not to adopt it.

19.14 Mr CHAN Chi-chuen enquired why there were only one or two schools participating in the Collaborative Research and Development ("Seed") Projects on Chinese Language Education in the 2015 to 2019 school years. DS(Ed)(5) advised that not all schools would participate in the Seed Projects. There were different themes and topics under the Seed Projects. Open invitation would be sent to ask schools to submit proposals. EDB would vet the proposals and decide whether to accept them. Successful schools would collaborate with EDB to organize the Seed Projects and the good practices would be shared with the school sector.

Primary and secondary school places

19.15 Mr Gary FAN was concerned about the surge in the number of cross-boundary students ("CBS") in primary schools. Noting that the Administration had adopted the arrangements of "across-the-board place reinstating" and "operating 35 additional S1 class in North, Tai Po, Yuen Long and Sha Tin districts" in light of fluctuations in student population, he enquired about the effectiveness of these arrangements and the measures to be taken to cope with the increasing student population in districts other than the said districts.

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19.16 SED explained that there was an increasing demand for P1 places from CBS in the past few years. However, the demand would decrease in the coming years. EDB was maintaining close liaison with the sector to alleviate the impact arising from the decrease. As S1 student population had started to rebound from the 2017/2018 school year, the arrangements of "place reinstating" and "operating additional S1 class in various districts" were implemented according to the consensus reached within the sector. In the light of the demand and supply of school places in individual districts, EDB would continue to discuss with the sector the strategies to cope with the changing demand for S1 and P1 school places every year.

Teaching and learning resources

19.17 Mr HUI Chi-fung commented that the contents of EDB's learning and teaching materials for Basic Law education were biased and brainwashing. He requested EDB to provide the list of experts/organizations involved in the development of these materials. DS(Ed)(5) explained that the development of teaching and learning materials involved collaboration between relevant bureaux/departments ("B/Ds") and consultation with the school sector and various experts. As a usual practice, the Administration would not announce who had been consulted in the development of the materials.

19.18 Mr AU Nok-hin said that according to Reply Serial No. EDB005, CDI of EDB did not provide any subsidy for external parties to compile teaching and learning resources in the 2011-2019 school years. However, he found that the handbook entitled "The China Model" for teaching moral and national education was produced by the National Education Services Centre. SED would provide more information on "The China Model" after the meeting.

School-based management

19.19 In the light of the recent chaos in school administration as reported by the media, Mr IP Kin-yuen queried whether EDB had taken sufficient measures to monitor the operation of schools under the school-based management ("SBM") policy. In his view, EDB should step up its regulatory efforts, take intervention measures at early stage

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and reactivate the consultative arrangements between teachers and EDB. Dr CHENG Chung-tai considered that there was a pressing need to review the SBM policy and related legislation.

19.20 SED stressed that EDB had all along been putting in tremendous effort in monitoring the operations of schools. For every complaint about non-compliant schools, detailed investigation would be carried out before issuing verbal or written advice and warning. In fact, with the implementation of the SBM policy, the participation of various stakeholders, including parents, alumni, teachers, etc., in formulating school policies had greatly improved the transparency and accountability of school governance. Moreover, EDB attached great importance to communication with teachers and encouraged schools to strengthen communication with their stakeholders. EDB would continue to explore different liaison mechanisms to enhance the communication with teachers. On the suggestion of reviewing the SBM policy, SED advised that the Task Force on School-based Management Policy had been formed to study the current implementation of the SBM policy. The Administration would seriously consider the recommendations put forward by the Task Force to improve the SBM policy.

19.21 Mr IP Kin-yuen further enquired whether the Task Force on School-based Management Policy had completed its work in the first quarter of 2019. SED advised that the Task Force would hold further discussions in view of the recent incidents in school administration.

Support for students with special educational needs

19.22 Ms CHAN Hoi-yan pointed out that the number of students with special educational needs ("SEN"), particularly those with attention deficit/hyperactivity disorder, in mainstream primary schools was increasing. However, the number of primary school teachers having received special education training was declining. She considered that more school teachers should be provided with special education training in the light of the increasing number of students with SEN. She was also concerned about the long waiting time for students with SEN to receive assessment by the Department of Health ("DH"). In order not to miss the prime time for effective and timely

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assistance, she urged the Administration to set up multi-disciplinary service teams comprising clinical psychologists, educational psychologists, psychiatric nurses, etc. to provide services at schools. Furthermore, she called for a review of the implementation of integrated education ("IE") policy because some parents relayed that certain schools did not cater for the needs of students with SEN, for example, no special examination arrangements were made.

19.23 SED advised that the Administration provided services for students with SEN through the collaborative efforts of DH, Hospital Authority ("HA"), Social Welfare Department and EDB. To ensure timely assistance, schools could deploy resources to provide immediate support to students suspected to have SEN or refer the students concerned to EDB pending the assessment results. EDB would continue to gauge the views of stakeholders to explore improvement measures for IE policy. On the number of teachers having received special education training, SED clarified that it had actually increased. The reduced percentage in the total number of such teachers might be owing to the increase in the total number of serving teachers.

19.24 Dr Fernando CHEUNG said that the unsuccessful tendering of hearing aid provision in September 2018 and January 2019 had affected more than 1 000 students with hearing impairment ("HI") and aroused wide public concern. Certain audiologists of the University of Hong Kong indicated that EDB's audiologists had requested the audiologists of outsourced service providers to revise assessment reports so that some students with HI were not provided with hearing aids. The audiologists of outsourced service providers considered this arrangement inappropriate and tendered resignation. Also, EDB's tender documents required service providers to use the old hearing aid software version released 18 years ago, which greatly affected service quality. He enquired what further remedial measures would be taken by EDB and what agreement had been made with HA to help the affected students.

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19.25 SED responded that unsuccessful tendering of hearing aid provision did affect the hearing aid fitting service for some time. However, with the implementation of various contingency measures, all backlog cases had been cleared and at present, hearing aid fitting service resumed normal in principle. Meanwhile, EDB would develop long-term measures with HA to improve hearing aid fitting and related services for students with HI. Regarding the allegations made by Dr Fernando CHEUNG, SED advised that EDB had reviewed the assessment reports and no obvious cases had been found. In fact, the allegations were in contrary to EDB's policy which encouraged students with HI to use hearing aids. Moreover, as EDB had allocated funding for providing hearing aid fitting service, he saw no case for dissuading students from using hearing aids. SED further asked Dr CHEUNG to refer the cases to EDB for further investigation and follow-up, if there was any.

19.26 Mr LEUNG Yiu-chung pointed out the fact that EDB's tender requirements were out of tune with the market might be one of the reasons for the unsuccessful tendering for hearing aid provision. He considered it necessary to update the tender requirements, taking on board the views of audiologists in the market, parents and students with HI. Moreover, he enquired whether the Administration would re-consider the suggestion of providing each student with HI a lump sum for purchasing hearing aids in the market, and whether EDB would liaise with HA on the arrangements for repairing and replacing external speech processors and related accessories of cochlear implant ("CI").

19.27 SED advised that EDB was reviewing the long-term enhancement measures for the provision of hearing aid fitting and related services, including exploring the feasibility of introducing vouchers for purchasing hearing aids, liaising with HA regarding the management of children who required CI for one ear and hearing aid for the other, etc. As regards the replacement of external speech processor of CI, SED undertook to relay Mr LEUNG Yiu-chung's concerns to HA as both parties agreed that CIs were classified as medical device and clarified that the replacement of external speech processors had been covered under the Samaritan Fund to assist students with HI from families in need.

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Post-secondary education

Admission of non-local students

19.28 Mr Gary FAN expressed concern over the continuous increase in the number of non-local students admitted to University Grants Committee ("UGC")-funded universities in the past years. In particular, the number of Mainland students pursuing research postgraduate ("RPg") programmes was more than the locals by two folds. He was worried whether there would be sufficient publicly-funded first-year first-degree ("FYFD") intake places for local students.

19.29 SED explained that the 15 000 UGC-funded FYFD intake places per academic year were solely for admitting local students. For RPg programmes, universities admitted non-local students on a merit basis without setting a cap on the maximum number. Meanwhile, the Administration had introduced a series of initiatives to incentivize more local students to pursue RPg programmes. For example, a studentship that equaled to the amount of the tuition fee, meaning that the tuition fee amount would be zero, was offered to all local students enrolled in UGC-funded RPg programmes starting from the 2018/2019 academic year.

Vocational and professional education and training

19.30 Mr YIU Si-wing enquired about the reasons for the declining number of graduates in the Hotel and Tourism Institute ("HTI")/Chinese Culinary Institute ("CCI")/International Culinary Institute ("ICI") of the Vocational Training Council ("VTC") in the 2016-2018 school years. Acting Executive Director, VTC advised that to better meet the needs of various sectors and expectations of parents and students, VTC offered a new diploma programme in hospitality starting from the 2017/2018 school year. Besides, the number of students enrolled in short courses offered by CCI/ICI had been growing as well.

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19.31 Mr Tommy CHEUNG expressed concern that in the 2018/2019 school year, the total number of subsidized places and actual intakes under the Study Subsidy Scheme for Designated Professions/Sectors ("SSSDP") were 2 776 and 1 817 respectively. He enquired about the reasons for under-enrolment.

19.32 Mr YIU Si-wing pointed out that under SSSDP, only healthcare-related programmes could achieve 100% enrolment of students. Others were under-enrolled. Taking Bachelor of Science (Honours) in Computer Science offered by Chu Hai College of Higher Education as an example, there were 90 places but only 9 students were admitted in the 2018/2019 school year. He considered it necessary to review the implementation of SSSDP so as to put public resources into effective use.

19.33 SED and DS(Ed)(1) advised that EDB, together with the relevant B/Ds, would conduct annual reviews to determine the number of subsidized places and programmes under SSSDP having regard to the manpower needs of different sectors. However, it was difficult to predict student interests in reality. Hence, EDB would discuss with institutions the number of places to be offered on the basis of student enrolment every year. For programmes with keen demand such as those in the healthcare discipline, the number of subsidized places would be increased where possible. For programmes with continuous low enrolment rates, EDB would reduce the number of subsidized places or discontinue subsidizing the programmes concerned if necessary.

19.34 Mr Tommy CHEUNG highlighted that the Bachelor of Arts (Honours) in Culinary Arts and Management programmes under SSSDP offered 60 subsidized places, however, the number of actual intakes was only 28. He enquired whether students needed to pay tuition fee with the provision of an annual subsidy amount of \$41,000 per student. In his view, the Administration should fully subsidize the programme so as to attract more youngsters to join the catering industry.

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19.35 Acting Executive Director, VTC advised that the tuition fee for Bachelor of Arts (Honours) in Culinary Arts and Management Programme was around \$70,000. In other words, each student had to pay some \$30,000 after deducting the subsidy amount. At present, students were admitted to this programme through the Joint University Programmes Admissions System. With new teaching facilities at the Chai Wan campus, it was expected that the number of students who applied for the programme would increase in the coming school year.

19.36 Mr Tony TSE enquired whether the Administration would implement any measures to assist working adults in pursuing continuing education. SED advised that the Continuing Education Fund, which was under the purview of LWB, subsidized adults with learning aspirations to pursue continuing education and training. In addition, EDB was exploring with UGC the feasibility of devoting more resources in offering postgraduate programmes with a view to nurturing necessary talents in support of specific areas with keen manpower demand.

Staff appointment of local universities

19.37 Mr IP Kin-yuen was gravely concerned that the number of contract staff in all the eight UGC-funded universities was continuously increasing in the past five years. At the same time, there was a continuous decline in the number of substantive staff. He wondered whether it was the funding policy of UGC or the policy of universities that required reduction in the number of substantive staff. He considered that there was a need for EDB to look into the reasons for that.

19.38 SED clarified that there was no policy requiring universities to reduce the number of substantive staff. Staff appointment of UGC-funded universities was conducted according to their operational needs. Secretary-General, UGC emphasized that UGC-funded universities enjoyed substantial institutional autonomy and had freedom in staffing matters. They had their own consideration in staff appointment in view of their own strategic development.

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Relief measures to support students

19.39 Ms Starry LEE said that despite repeated requests of the Democratic Alliance for the Betterment and Progress of Hong Kong for a support grant for all students, the Administration only provided the support grant of \$2,500 for students with financial needs who were eligible for the Student Travel Subsidy Scheme and/or Student Textbook Assistance Scheme. Referring to the complaints she received that such arrangement was unfair, she urged the Administration to re-consider disbursing the support grant to all students or relaxing the eligibility criteria so that more students would be benefited.

19.40 SED stressed that the support grant of \$2,500 was a one-off concessionary measure to help students with financial needs. The Administration had no plan at this stage to make changes to the proposed measure. Whether the measure would be implemented for all students in future could be further discussed. In case there was a policy change to disburse the grant to all students through schools in future, the Administration would need to plan ahead relevant administrative arrangements to ensure smooth implementation of the measure.

19.41 Ms Starry LEE was disappointed that this year's one-off examination fee payment arrangement for candidates sitting for HKDSE continued to confine to school candidates. She considered it necessary for the Administration to explore measures to assist private candidates in some way. SED explained that when similar measure was proposed last year, candidates sitting for the 2019 HKDSE and their parents were worried that people might enter HKDSE for "fun" because of free examination fees. The Administration therefore confined the scope of the measure to school candidates to protect the interests of candidates sitting for HKDSE. As the arrangements of confining the measure to school candidates had helped ensure the smooth operation of the 2019 HKDSE, the same arrangements would be adopted for the 2020 HKDSE. Meanwhile, EDB took note of members' views and was exploring feasible measures to help private candidates.

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Prevention of student suicide

19.42 Mr SHIU Ka-chun expressed dissatisfaction that no new initiatives were implemented to alleviate students' study pressure. He pointed out that the current measures that aimed to alleviate study pressure, including the implementation of the New Academic Structure, introduction of HKDSE as a replacement for two previous public examinations, Other Learning Experiences and so on, had in fact imposed immense pressure on students. He enquired whether the Administration would conduct a review of the existing policy with a view to introducing measures to reduce students' heavy homework and examination loads.

19.43 SED advised that learning was an integral part in a student's life. It was important to help students maintain a healthy study-life balance. The implementation of the New Academic Structure, HKDSE and so on was aimed at introducing fundamental changes to the curriculum with a view to reducing students' study pressure. As there was wide public concern over the existing curriculum, a task force had been formed to review the primary and secondary curricula in order to achieve the original objective of optimizing the curricula in creating space and opportunities for students' whole-person development.

19.44 Mr Vincent CHENG expressed disappointment towards the platitudinous recommendations made by the Task Force on Prevention of Youth Suicides to tackle the problem of student suicide. He said that in light of the spate of student suicides, the Administration should adopt a target-specific approach to tackle the problem and introduce concrete measures to strengthen life education at schools to tackle bullying and violence.

19.45 SED advised that the problem of student suicide was tackled at various levels. For instance, diversified personal development programmes were organized to cultivate students' positive attitudes to take on challenges and enhance their resilience to adversity. Teachers were provided with training to enhance their professional knowledge and skills to early identify and support students with mental health needs. Given that student suicide was a multi-faceted problem, the Administration would adopt a comprehensive and multi-pronged

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approach to deal with it.

Long-term planning of education

19.46 Mr Michael TIEN pointed out that according to a survey published by the World Economic Forum, 65% of children entering primary school today would ultimately end up in working in completely new job types that had not yet existed due to rapid technological changes. He called on the Administration to equip young people with diversified and all-round abilities to cope with changes in an innovation and technology era, and seek public views on the setting up of a "Long-term Education Planning in Hong Kong Branch" in EDB to enhance the competitiveness of Hong Kong in the long run.

19.47 SED advised that the Administration would give due consideration to Mr Michael TIEN's suggestion. To equip students with necessary knowledge and skills in response to the rapid economic, scientific and technological developments, the Administration had made significant efforts to promote Science, Technology, Engineering and Mathematics (STEM) education. A new recurrent Life-wide Learning Grant would also be provided to schools with a view to enriching students' learning experiences.

School educational television programmes

19.48 In light of the criticisms made by the Audit Commission against school educational television ("ETV") programmes, declining number of students watching ETV programmes, increasing production cost of ETV programmes and change of TV viewing habits of young people, Mrs Regina IP urged EDB to conduct a review of ETV programmes, including examining the need for production and exploring measures to enhance cost-effectiveness. Mr Vincent CHENG expressed similar concern and considered that the contents of ETV programmes should be reviewed with a view to meeting the needs of society.

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19.49 SED advised that EDB had accepted the recommendations of the Audit Commission to conduct a comprehensive review of the future direction for the development of ETV programmes. Given that the mode of use of video resources in the education sector had changed, EDB had divided ETV programmes in segments and uploaded short clips with a length of a few minutes to the Hong Kong Education City ETV website for schools' flexible use. Moreover, the cost of ETV programmes was mainly for production.

19.50 Noting that ETV programmes would be uploaded on the Hong Kong Education City ETV website, Mr Vincent CHENG pointed out that there were quite a number of famous short clips on the Internet, which were popular among students. The Administration should explore measures to enhance the competitiveness of ETV short clips.

Opening Up School Facilities for Promotion of Sports Development Scheme

19.51 While supporting the Opening Up School Facilities for Promotion of Sports Development Scheme, Mr Tony TSE expressed concern that only some 130 schools had indicated willingness to participate in the Scheme and only about 40 schools had opened up their facilities to some 40 sports organizations for running around 200 sports programmes in the 2017-2019 school years. He asked whether the Administration had looked into the reasons for the low participation rate.

19.52 SED explained that some organizations could not hire school facilities for organizing activities because relevant schools' opening time slots and facilities did not fit their proposed activities. In fact, since the launch of the Scheme in the 2017/2018 school year, the number of sports programmes organized in hired school facilities had been increased by several folds to more than 200. The Administration would continue developing and enhancing the Scheme.

Chapter XIX: Education

School premises of private schools

19.53 Dr CHENG Chung-tai observed that many private KGs and schools had difficulties in finding suitable premises for their operation. He enquired whether EDB could help operators of private schools in this regard. SED advised that private schools had to comply with various licensing requirements, namely locations, curriculum, teachers' qualifications, etc. It was the policy that the Administration would not, in principle, provide private schools with land/school premises. Operators of private schools had to identify suitable school premises by themselves. If schools had any difficulties, they could contact EDB for advice.

Chapter XX: Security

20.1 At the invitation of the Deputy Chairman, Mr John LEE, Secretary for Security ("S for S") briefed members on the main initiatives and expenditure on the policy area of security for the 2019-2020 financial year (Appendix IV-18).

Access to computer with criminal or dishonest intent

20.2 Ms Claudia MO expressed concern that the Police often instituted prosecutions in the past under the offence of "access to computer with criminal or dishonest intent" in section 161 of the Crimes Ordinance (Cap. 200). However, the Court of Final Appeal ("CFA") had recently ruled that the offence of "access to computer with dishonest intent" did not apply to the acts committed by perpetrators using their own computers. She enquired about the ways and means to be adopted in future by the Police to handle similar cases.

20.3 Mr Charles Peter MOK said that despite his enquiries over the past years about the types of cases in which prosecutions were instituted for the offence of "access to computer with criminal or dishonest intent" under section 161 of the Crimes Ordinance (Cap. 200), the Administration had always said that the Police Force did not maintain the pertinent figures and information, as indicated in Reply Serial No. SB148. He considered that the Police should not abuse the relevant provision and sought information on the number of cases which were currently affected by the CFA's ruling and how the Police would deal with such cases.

20.4 Dr Elizabeth QUAT referred to a case of clandestine photo-taking in which the accused, owing to the recent ruling of CFA, could not be charged with the offence of "access to computer with criminal or dishonest intent" and was eventually only fined and bound over to be of good behavior by entering into his own recognizance for one year. She expressed concern in this regard, and asked how the Administration currently carried out effective law enforcement and prosecutions against clandestine photo-taking acts in private places.

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20.5 S for S said that the Department of Justice ("DoJ") and law enforcement departments would find ways to deal with such cases based on individual merits in the light of the clear interpretation of "access to computer with dishonest intent" made recently by CFA. He said that the offences of "loitering", "outraging public decency" and "disorderly conduct in public places" under the existing legislation were applicable to general cases occurring in public places. For cases which did not occur in public places but involved the breach of public peace, it was still possible for the Police to take appropriate measures in accordance with the law. S for S undertook to provide the number of cases affected by the CFA's ruling after the meeting. As regards clandestine photo-taking and peeping, both the Security Bureau and DoJ agreed that it was imperative to legislate in this regard. The Law Reform Commission ("LRC") issued a consultation paper on miscellaneous sexual offences last year, recommending, among others, the introduction of a new offence of "voyeurism", and consulted the public in this regard. He said that the associated legislative exercise would be taken forward actively after LCR completed the consultation and put forward recommendations.

Processing of non-refoulement claims

20.6 Referring to Reply Serial No. SB020, Dr Priscilla LEUNG expressed concern that the significant reduction in the manpower for the provision of the Duty Lawyer Service ("DLS") to non-refoulement claimants would affect the quality of non-refoulement claim screening, in turn resulting in more associated applications for judicial review ("JR").

20.7 Referring to Reply Serial No. SB005, Dr Elizabeth QUAT was concerned that the number of non-ethnic Chinese ("NEC") persons on recognizance arrested for serious drug offences was on the rise, and most of such persons were non-refoulement claimants. She enquired whether the Administration would step up relevant enforcement actions, and when it expected to complete the processing of the existing 10 000-odd appeal and JR cases relating to non-refoulement claims.

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20.8 S for S responded that with the implementation of various measures by the Immigration Department ("ImmD"), the number of new non-refoulement claims was already down by 80% from its peak, and ImmD had also completed the screening of pending claims. As such, for the proper use of public funds, the manpower for DLS was reduced. Notwithstanding this, he stressed that the provision of legal assistance to claimants would still be handled by qualified lawyers, and hence there should be no impact on the quality of claim screening. Besides, the number of appeals pending handling by the Torture Claims Appeal Board ("TCAB") had started to decrease gradually, and these cases were expected to be cleared up in two to three years. He emphasized that ImmD and TCAB would respectively expedite the screening of claims and the processing of appeals, which would then facilitate the removal of claimants whose cases were found unsubstantiated. According to his understanding, there were currently over 3 000 JR cases relating to non-refoulement claims and the court would explore ways to deal with such a huge number of cases. Commissioner of Police ("CP") added that, the number of NEC persons on recognizance arrested for criminal offences in 2018 decreased by 25% as compared to that in 2017. Among these persons, while there were 7 more persons arrested for serious drug offences, the rate of increase was small, showing that the relevant crime situation had improved. He stressed that the Organized Crime and Triad Bureau of the Police Force had all along been concerned with the situation of relevant crimes and taken enforcement actions accordingly.

Disciplined Services Quarters

20.9 Referring to Reply Serial Nos. SB163, SB178 and SB181, Mr AU Nok-hin pointed out the great disparity in remuneration packages for different disciplined services. For example, it was estimated that as at 31 March 2020, the numbers of officers being allocated disciplined services quarters ("DSQs") in the Fire Services Department ("FSD") and the Hong Kong Police Force would respectively constitute about 70% and 80% of the total number of eligible disciplined services officers in the departments. Besides, he highlighted the views of the local community on redeveloping Western Police Married Quarters ("PMQ") for comprehensive development, and commented that needs of the local community should be taken into

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consideration. S for S responded that although eight projects were proposed in the 2014 Policy Address to increase the supply of quarters for various disciplined services, the supply still fell short of the demand. The Administration would continue to increase the supply. CP supplemented that the Police Force had, over the years, been calling for the provision of more quarters, and yet the current number of police officers being allocated DSQs constituted only 73% of the total number of eligible disciplined services officers in the department. As the Western PMQ was adjacent to the Western Police Station, public facilities could not be provided within the PMQ site for security reasons. While noting the demand for police departmental quarters, Mr AU pointed out that given the shortage of land in Hong Kong with the average waiting time for public housing reaching more than five years, he hoped that the Administration could understand the needs of the public.

20.10 Mr WU Chi-wai said that given the tight public housing supply, some disciplined services staff living in DSQs were worried that as they might not be allocated public housing immediately after their retirement, they might have to pay a market rent for DSQs. He enquired about the post-retirement accommodation of disciplined services staff, and whether the Administration would explore with the Hong Kong Housing Authority ("HA") the feasibility of other options for the provision of accommodation, such as giving them priority to purchase Home Ownership Scheme flats, so as to expedite the vacation of DSQs. S for S thanked Mr WU for his views, and said that he would exchange views with HA on the accommodation issue of disciplined services.

Police

20.11 Referring to Reply Serial No. SB165, Mr Alvin YEUNG expressed concern about the increased number of regular police officers arrested by the Police in 2018, and enquired how the Police evaluated the work effectiveness of the "Special Working Group on Integrity Management" ("SWGIM"). S for S responded that each disciplined force had its own stringent discipline requirements. If any disciplined services staff member breached disciplinary rules or codes of conduct, the case would be handled according to internal guidelines and

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procedures. CP added that the Police showed zero tolerance towards the commission of crimes by police officers and was determined to tackle the problem. Last year, SWGIM introduced a set of "Pointers on Aberrant Behaviours and Timely Intervention" to help supervising officers and fellow colleagues to intervene timely in conducts incompatible with Force values. SWGIM was also committed to enhancing the pride, commitment and loyalty of police officers. Apart from the above, the Police had been promoting integrity and honesty among police officers through a four-pronged approach of education, management, enforcement and rehabilitation.

20.12 Dr CHENG Chung-tai referred to Reply Serial Nos. SB130, SB158 and SB164 regarding the "Safe Houses" of the Police Force. It was mentioned that as the expenditure under the Subhead "Rewards and Special Services" and the relevant information involved the Police Force's operations of a confidential nature, the information could not be provided. He enquired about the reasons for the occurrence of a recent incident of suspected abuse of a "Safe House" by a Superintendent of Police, whether the police officer involved had currently been subject to disciplinary proceedings, and the measures taken by the Police to prevent the recurrence of similar incidents. In response, S for S stressed that the Police Force had always exercised stringent control over rewards and special services. CP added that he would not comment on the incident as it was still under investigation. He stressed that the Police attached great importance to the discipline, conduct and behaviour of police officers. Serious follow-up actions would certainly be taken against any non-compliance, indiscipline or law-breaking incidents.

20.13 Referring to Reply Serial No. SB107, Mr Holden CHOW noted the large number of child abuse cases received by the Police Force in the past three years, which averaged more than 800 cases per year, and enquired about the relevant prosecution figures. CP responded that, in fact, there was a downward trend in the number of child abuse cases over the past five years. He undertook to provide the relevant prosecution figures and the number of successful prosecutions after the meeting. CP also emphasized that the Police attached great importance to child abuse cases. Apart from setting up a Child Abuse Investigation Unit under each Police Region specially

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tasked to investigate into child abuse cases, the Police also enhanced training for police officers on the handling of relevant cases, and made timely referral of child abuse cases to the Social Welfare Department ("SWD"), social welfare organizations or courts for follow-up. Furthermore, the Police also strengthened the relevant publicity and education to raise public awareness about child protection. In 2018, the Police, in collaboration with SWD and the Education Bureau, organized 11 talks/seminars on early identification and intervention of suspected child abuse cases for more than 1 700 teachers, social workers and school staff.

20.14 Referring to Reply Serial No. SB107, Dr Fernando CHEUNG enquired why the Police did not maintain the number of child abuse cases handled and followed up by social workers, and why there were discrepancies between the figures provided by the Police and those by SWD in this regard. For example, the number of child abuse cases received by the Police Force in 2018 was 893 while those by SWD was 1 064. CP responded that the information kept by the Police was mainly used for enforcement and operation purposes. The discrepancies between the statistics from the Police Force and those from SWD might be due to the fact that some persons involved had only approached SWD and not reported their cases to the Police. Another reason was that the statistics from the Police Force were case-based while those from SWD were client-based. Dr CHEUNG said that child abuse cases should be handled in the best interests of children. In his view, all child abuse cases received by the Police Force should be referred to SWD for follow-up. CP said that he would consider Dr CHEUNG's views.

20.15 Referring to Reply Serial No. SB159, Dr Helena WONG enquired about the details of successful prosecutions and convictions for the offence of "letting premises for use as a vice establishment" under section 144 of the Crimes Ordinance (Cap. 200) in the past three years, and the current number of illegal vice establishments in Hong Kong. Dr WONG also enquired whether the Police would revisit the premises previously decided by the court to be an illegal vice establishment and conduct anti-vice operations within a specified period. In response, CP said that the Police had not compiled statistics on the number of vice establishments. In general, the Police would

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conduct intelligence collection and analysis and take corresponding actions in response to public complaints to combat illegal prostitution activities. If any premises which was decided by the court to be an illegal vice establishment was again decided to be involved in similar cases within a one-year period beginning four months after and ending 16 months after a previous conviction of such offence in relation to the same premises, the Police could apply for a closure order. He would provide supplementary information on the enquiries made by Dr WONG after the meeting.

20.16 Referring to Reply Serial No. SB139, Mr Tony TSE asked about the progress made in the handling of cases involving persons arrested during the Occupy Central movement in 2014. S for S responded that during the illegal Occupy Movement, 955 persons were arrested for various alleged offences, and another 48 persons were arrested afterwards. As at 10 April 2019, cases involving a total of 225 persons had completed or were undergoing judicial proceedings; and among those persons, 127 were convicted and 42 were bound over to keep the peace and be of good behavior. CP supplemented that the Police Force had maintained close communication with DoJ on arrestees who had yet to be prosecuted. If there was sufficient evidence, further actions would be pursued. Mr TSE said that he hoped that the Police would take follow-up actions accordingly as soon as possible.

20.17 Referring to Reply Serial No. SB101, Mr AU Nok-hin pointed out that while the number of persons prosecuted for illegal behaviour in relation to public assemblies or processions decreased from 273 in 2014 to 8 in 2018, there was a yearly increase in the staffing establishment and equipment for the Police Force, which he considered unreasonable. Besides, he asked whether the Police Force could strengthen communication with community groups on procession routes. CP advised that the Police had the responsibility to serve the needs of the community at large. He pointed out that a dedicated team was set up in the Police to communicate and liaise with the organizers of public meetings and public processions. CP also added that the new posts to be created by the Police Force in 2019-2020 were not related to the handling of public meetings and processions.

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20.18 Referring to Reply Serial No. SB166, Mr Frankie YICK said that despite the increase in the number of enforcement actions against illegal carriage of passengers for reward by vehicles (commonly known as "white licence cars") in the past three years, the figure was negligible when compared with the 10 000-odd white licence cars currently in the market. He hoped that the Police would enhance enforcement efforts. Mr SHIU Ka-fai called on the Police to step up efforts to crack down on illegal taxis operating without a licence (commonly known as "black taxis"). Regarding Reply Serial No. SB117, Mr YICK pointed out that since there were no dedicated parking spaces for light buses in Hong Kong, he hoped that illegal parking of light buses could be handled on a discretionary basis as long as traffic conditions remained unaffected. In response, CP said that the Police would monitor closely intelligence on "white licence cars" and "black taxis" and take follow-up actions accordingly. On illegal parking, the Police would try its best to balance the rights of both the complainant and the complaine by adopting a balanced approach to law enforcement.

20.19 Mr SHIU Ka-fai asked when all frontline police officers could be equipped with body-worn video cameras ("BWVCs"). In response, CP said that the Police Force currently had 2 260 BWVCs, and would continue to procure more BWVCs in the coming one or two years, with an aim of equipping all frontline police officers with BWVCs by 2021. Some beat radios under the Police's Fourth Generation Command and Control Communications System would also be equipped with the portable video recording function.

Immigration matters

20.20 Dr Fernando CHEUNG appreciated the arrangement made under the territory-wide identity card replacement exercise, which enabled the holders of Hong Kong identity cards ("HKIC") at the time when their respective age groups were called up for identity card replacement to bring along two elderly persons to replace their HKICs together during the same visit to a Smart Identity Card Replacement Centre ("Replacement Centre"). He asked whether such arrangement could be extended to benefit persons with disabilities so that they might also be brought along to have their HKICs replaced. Director of Immigration (D of Imm) responded that ImmD had introduced the

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on-site identity card replacement service at residential care homes for elderly persons and persons with disabilities ("RCHs") such that residents of RCHs need not visit a Replacement Centre for HKIC replacement. He took note of Dr CHEUNG's views and said that the Administration would study how to provide better replacement service taking into account all relevant considerations.

20.21 Ms Claudia MO expressed concern about the reports that there were currently between 30 and 40 persons being granted on special grounds One-way Permits ("OWPs") for entry into Hong Kong every day. She was worried that the Administration had not conveyed to the Central People's Government ("CPG") the concerns and indignation expressed by Hong Kong people over the OWP scheme. Mr WU Chi-wai referred to Reply Serial No. SB027 and enquired whether the Administration had exchanged views with CPG on the operation of OWP and Two-way Permit (TWP) Schemes.

20.22 S for S stressed that the Administration had discussed with the Legislative Council the subject concerning OWPs and TWPs on various occasions in the past and had been maintaining communication with the Mainland authorities. In fact, the Mainland authorities had, in the light of the views put forward by the HKSAR Government, adjusted and refined the relevant schemes, including the introduction of an eight-phase scheme in 2011 to allow Mainland overage children of Hong Kong residents to apply for OWPs to settle in Hong Kong. The Administration would continue its communication with the Mainland authorities on the relevant schemes. He stressed that the Administration must handle the issues relating to OWPs and TWPs in accordance with the requirements of the Basic Law.

20.23 Referring to Reply Serial Nos. SB053 and SB056, Mr Gary FAN expressed concern about the continuous rise in the number of persons who were approved for admission to Hong Kong and the number of those who acquired the right of abode in Hong Kong through various admission schemes. He considered that the Administration should pay due regard to the receiving capacity of Hong Kong, and asked how the applications were vetted and approved under various admission schemes. S for S responded that attracting outside talents was essential to enhancing the competitiveness of Hong Kong. The

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application requirements for various admission schemes were clearly set out on the ImmD's website. D of Imm added that in general, ImmD officers would check all relevant supporting documents (including academic and professional qualifications, work experience, market pay levels, and whether the applicant was a talent needed in Hong Kong, etc.), and require the applicant to provide supplementary information to ensure the authenticity of the supporting documents when necessary. He stressed that ImmD had exercised vigilance in administering the various admission schemes.

20.24 Referring to Reply Serial No. SB079, Mr POON Siu-ping requested the Administration to provide a breakdown of the industries/sectors under the category of "Others" engaged in by the applicants approved for admission to Hong Kong under the General Employment Policy, the Admission Scheme for Mainland Talents and Professionals and the Quality Migrant Admission Scheme. He also sought supplementary information on the types of industries engaged in by the applicants who were earning a monthly salary below \$20,000 under the General Employment Policy and how "other academic qualifications" were classified. Furthermore, he asked the Administration how it developed the standards for the arts and cultural sector under the Admission Scheme for Mainland Talents and Professionals, and about the reasons for the increase in the staff establishment of ImmD in 2018-2019 for the processing of applications under various admission schemes. D of Imm responded that the manpower increase was mainly due to the increased workload and the strengthening spot checks on cases. As regards other enquiries made by Mr POON, he would provide the relevant information after the meeting.

20.25 Referring to Reply Serial Nos. SB059 and SB067, Mr Tony TSE enquired whether the Administration had conducted a review of the staff establishment for the West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("WKS of XRL") and the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port having regard to the current numbers of passenger trips at these two control points. S for S responded that when planning the manpower requirements of entry and exit points, the Administration had taken into account the peaks of cross-boundary traffic in Hong Kong. ImmD, the

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Customs and Excise Department ("C&ED"), etc., would also make manpower deployment on a need basis. He considered that the current staff establishment was appropriate and the aforesaid two control points were operating smoothly in general.

20.26 Referring to Reply Serial No. SB037, Mr CHAN Chi-chuen noted that 660 visitors were refused entry at WKS of XRL for not holding proper documents within 3 months after the commissioning of WKS of XRL in September 2018, which were higher than the refusal cases at the Lo Wu control point. He asked whether this was related to the implementation of a co-location arrangement at WKS of XRL, and whether a review would be conducted. In response, D of Imm advised that some visitors might have failed to pay attention to the relevant entry visa arrangements since WKS of XRL was a new boundary control point. ImmD would step up promotion efforts in this regard.

20.27 Referring to Reply Serial No. SB061, Mr LAM Cheuk-ting said that according to his understanding, Mainland visitors currently entering Hong Kong on the strength of "individual visit endorsements" were not subject to restrictions under the "one trip per week policy" and could make an application for another endorsement immediately after the current one had been used up. In other words, they might enter Hong Kong on multiple occasions within one day to engage in parallel trading activities. He asked whether the Administration would relay the situation to the Mainland authorities. In response, S for S said that the "individual visit endorsement" measure and the "one trip per week" measure were implemented under two separate policies. D of Imm added that while the application, approval and issuance of exit endorsements for Mainland residents fell within the remit of the Mainland authorities, ImmD could approach the Mainland authorities to know more about the approval situation and reflect views to the Mainland authorities when necessary.

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Correctional services

20.28 Referring to Reply Serial Nos. SB185 and SB190, Dr Fernando CHEUNG pointed out that the average monthly earnings of a person in custody ("PIC") ranged from \$500 to \$600. He considered that such earning rates could hardly help them make rehabilitation arrangements and live their life upon release from prison. Furthermore, he enquired about the number of PICs benefitted from the vocational training courses provided for PICs. In response, Commissioner of Correctional Services ("C of CS") said that as PICs were provided with daily necessities and medical services, they could save most of their monthly earnings for use after release from prison. Where necessary, the Correctional Services Department ("CSD") would liaise with relevant non-governmental organizations to provide other support, including support for addressing their accommodation needs and providing initial financial assistance after their release from prison. On vocational training, the current annual number of vocational training places provided for adult PICs was 1 400, which was sufficient to meet the relevant demand and would be suitably adjusted if necessary. For young PICs under the age of 21, CSD provided mandatory half-day education and half-day vocational training for them.

20.29 Referring to Reply Serial No. SB182, Mr SHIU Ka-chun enquired why the number of applications approved under the Release Under Supervision Scheme and Pre-release Employment Scheme had dropped year after year since 2016, and whether the Committee on Community Support for Rehabilitated Offenders ("CCSRO") knew and documented the justifications for those applications being rejected. Given that it was not easy for former PICs to seek employment, Mr SHIU asked whether CCSRO would step up publicity among employers to enhance their understanding of the two schemes, so that they would provide assistance to PICs and rehabilitated offenders. C of CS responded that CSD had to submit a report for each application under the Release Under Supervision Scheme and Pre-release Employment Scheme to the Release under Supervision Board for its consideration and deliberation. Besides, CCSRO had all along been responsible for advising on the measures to facilitate the re-integration of rehabilitated offenders into society and publicity strategies. The

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current registered number of "Caring Employers" was approximately 700 with more than 2 000 job vacancies offered. Where necessary, CSD would also provide assistance to PICs. Mr AU Nok-hin suggested that CSD should disclose the assessment criteria adopted under the Release Under Supervision Scheme and Pre-release Employment Scheme to employers and PICs. The Administration noted the views.

20.30 Mr SHIU Ka-chun further referred to Reply Serial No. SB188 and asked, apart from enhancing CSD's efficiency in custodial management and the security of institutions, whether the development of "Smart Prison" could also strengthen the management of correctional officers so as to avoid their abuse of power. He also expressed concern about the guidelines on the use of the "Video Analytic Monitoring System", the risk of leakage of video recording and the psychological impact on PICs. C of CS responded that CSD had always attached great importance to the integrity and conduct of correctional officers. As regards the operation of the "Video Analytic Monitoring System", CSD would retain the video recording for 31 days under the existing mechanism, and strictly enforce the relevant guidelines to avoid leakage of the videos. He stressed that CSD would carefully deal with the matter and conduct review timely, so as to reduce the psychological impact of the operation of the system on PICs.

Customs and excise matters

20.31 Mr Christopher CHEUNG referred to Reply Serial No. SB192. Regarding the average value of \$11 million in the currency and bearer negotiable instruments ("CBNIs") declared in each declaration made by each traveller since the commencement of the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance (Cap. 629) up to 28 February 2019, he sought supplementary information on the classification of CBNIs, nationalities of travellers and the comparison with the relevant international figures. In response, Commissioner of Customs and Excise ("C of C&E") said that the total value of CBNIs in the possession of a traveler so declared ranged from \$120,000 to several billions of dollars, and over 90% of these declarations were made by or

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on behalf of financial institutions. He stressed that C&ED would handle such declarations with care and initiate investigations into suspicious cases. As regards the comparison with the figures in other regions, C of C&E said that such information was not available.

Government Flying Service

20.32 Referring to Reply Serial No. SB200, Mr MA Fung-kwok enquired about the participating departments and subject matters of exchanges in the exchange activities between the Government Flying Service ("GFS") and the Mainland or overseas government departments in 2018-2019. He also enquired whether the Administration, by making reference to the disposal of Jetstream 41 fixed-wing aircraft, had any plan to install the retiring helicopters at the Kai Tak Runway Park for permanent public exhibition to echo with the aviation theme of the Park. In response, Controller, Government Flying Service advised that the departments participating in the exchange activities in the past year were the Ministry of Transport and Ministry of Public Security in the Mainland, and the exchanges were mainly focused on professional training. He undertook to provide detailed information after the meeting on the exchange activities, including whether any joint exercise had been conducted. On the suggestion that the retiring helicopters should be installed at the Kai Tak Runway Park for public exhibition, he said that GFS would proactively explore its feasibility with the relevant departments.

Ambulance service

20.33 Referring to Reply Serial No. SB179, Mr Jeremy TAM enquired about the expected time when the Administration would consult the public on arrangements of advance directives and the relevant end-of-life care. Director of Fire Services ("D of FS") responded that the relevant study would commence shortly, and the FSD would review the operational guidelines as and when appropriate in the light of the results of the study. He would also provide the commencement date of the public consultation on the relevant issues after the meeting. D of FS emphasized that, under the existing legislation, ambulance personnel should provide first aid to patients and convey them to the nearest hospitals for appropriate treatment.

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Other issues

20.34 Referring to Reply Serial No. SB036, Mr CHAN Chi-chuen said that there was insufficient awareness of and sensitivity to sexual minorities on the part of some law enforcement officers. For example, transsexual persons whose sex description on identity cards or passports had yet to be changed were intercepted and detained upon arrival and departure clearance owing to the non-conformity of their appearance and dress code with the gender indicated on their identity documents. He opined that this might affect Hong Kong's international image, and hoped that the disciplined services could consider heightening their frontline staff's awareness of and sensitivity to sexual minorities to reduce the relevant conflicts. S for S thanked Mr CHAN for his views and undertook to convey his views to the relevant departments for consideration.

20.35 Mr SHIU Ka-fai thanked the Security Bureau for its continuous efforts in making Hong Kong one of the safest places in the world with the highest efficiency in immigration clearance. He pointed out that Mainland visitors played an important role in supporting Hong Kong's retail industry. He hoped that the Administration, when addressing the issue of Mainland visitors, would balance the interests of various stakeholders by reducing their impact on the daily lives of Hong Kong residents while avoiding giving people the false impression that tourists were not welcome.

20.36 Referring to Reply Serial No. SB 198, Mr Jeremy TAM enquired, in the light of the introduction of a new policy by the International Civil Aviation Organization on the security screening on air cargoes, whether the Administration would explore with the Airport Authority Hong Kong the possibility of offering franchise fee concessions to airport cargo terminals temporarily during the transitional period. S for S thanked Mr TAM for his views. He stressed that the Administration had been closely liaising with the relevant sectors and would consider the views received from all parties.

Chapter XXI : Welfare and Women

21.1 At the invitation of the Chairman, Dr LAW Chi-kwong, Secretary for Labour and Welfare ("SLW") briefed members on the major initiatives and expenditure concerning welfare and women for the 2019-2020 financial year (Appendix IV-19).

Elderly services

Residential care services for the elderly

21.2 Referring to Reply Serial No. LWB(WW)0068, Mr CHAN Chi-chuen expressed concern that the number of applicants for various subsidized residential care places for the elderly who had passed away while on the waiting list had increased in recent years. He enquired about the Administration's measures to address the problem, and whether any study had been conducted on it. Mr KWONG Chun-yu shared a similar concern. Dr Fernando CHEUNG considered that while the Enhanced Bought Place Scheme ("EBPS") might enhance the service quality of private residential care homes for the elderly ("RCHEs"), it could not increase the overall provision of RCHE places.

21.3 SLW responded that as the construction of a new subsidized RCHE took around 10 years or even longer from site identification to actual service provision, the Administration had introduced EBPS as an interim measure under which a total of 5 000 EA1 places would be purchased in the coming five years (i.e. an additional 1 000 places each year), so as to increase the provision of subsidized RCHE places and enhance the overall service quality of private RCHEs. He also pointed out that the 5 000 additional EA1 places were approximately equal to the number of subsidized places provided by 50 subsidized RCHEs. Moreover, as contract homes had provided more subsidized nursing home ("NH") places in recent years, the average waiting time for NH places had been substantially shortened from seven to eight years over a decade ago to the current 22 months.

21.4 Referring to Reply Serial No. LWB(WW)0218, Mr LUK Chung-hung expressed concern about the low participation rate of accreditation schemes for RCHEs and enquired how the service quality of RCHEs could be enhanced through these schemes. He also commented that the low occupation rate was caused by the fact that

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elderly persons would not be eligible for subsidized RCHEs after being admitted to private RCHEs participating in EBPS, and that the quality of RCHEs participating in EBPS was poor. In this connection, he suggested that only those private RCHEs which had passed accreditation should be allowed to join EBPS.

21.5 SLW advised that RCHEs would need to spend about \$50,000 to join an accreditation scheme, which accounted for the low participation rate. The Social Welfare Department ("SWD") planned to launch a five-year scheme in the second quarter of 2019 to provide full subsidies for private RCHEs to join accreditation scheme(s) recognized by the Hong Kong Accreditation Service, so as to encourage private RCHEs to improve service quality on a sustained basis and to join independent accreditation schemes. In the future EBPS purchase exercise, whether private RCHEs had passed accreditation would be one of the factors that SWD would take into account. Moreover, the occupation rate of private RCHEs currently participating in EBPS was around 92%. In view of the longer waiting time for RCHE places under EBPS in recent years, the Administration would purchase more such places to shorten the waiting time.

Community care services

21.6 Referring to Reply Serial Nos. LWB(WW)0056 and LWB(WW)0065, Dr Fernando CHEUNG expressed concern that both the number of waitlisted persons and the average waiting time for integrated home care services (frail cases) ("IHCS(FC)", enhanced home and community care services ("EHCCS") and day care centres/units for the elderly had increased substantially over the past years. He enquired how the Administration would achieve the policy direction of ageing in place. He suggested that the Administration should increase the provision of IHCS and allocate additional resources to subsidized elderly service units, thereby enabling these service units to recruit sufficient frontline care workers. Mr LEUNG Yiu-chung raised similar concerns and suggestions.

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21.7 SLW advised that the demand for subsidized long-term care services was expected to increase drastically with the growth of elderly population and the increase in the average age of elderly people. The Administration would further provide an additional 1 000 vouchers (bringing the total to 7 000) under the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly and an additional 2 000 service quota under EHCCS.

21.8 SLW further advised that the elderly care service sector had long been encountering human resources shortage, which was the major bottleneck for the increase in service provision. As shown in the statistics of 2017, vacancy rates of personal care workers and home helpers in elderly services were both around 18%. As far as he understood, manpower shortage was also the reason for the Pilot Scheme on Support for Elderly Persons Discharged from Public Hospitals after Treatment launched by the Administration being tried out only in three hospital clusters. SWD had provided additional resources for subsidized elderly service units to increase the salaries of personal care workers and home helpers, with a view to enabling these service units to recruit and retain staff more effectively. The Administration would examine the manpower shortage of the elderly care service sector shortly and explore measures to address the problem.

21.9 Mr LEUNG Yiu-chung sought information on the number of waitlisted persons and the average waiting time for community care services ("CCSs"), broken down by District Council district. Considering that the number of the existing EHCCS teams could hardly cope with the service demand in remote areas, he suggested that the Administration should review and increase the number of these service teams.

21.10 SLW advised that SWD did not maintain the requested information. In allocating the 2 000 additional service quota, the Administration would take into account factors including the provision of EHCCS in individual districts, service boundary coverage and operational conditions of the existing service teams, the overall condition of home care services provided for frail elderly persons, etc. The Administration also planned to allocate more resources to the

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existing service teams for provision of the 2 000 additional service quota. SLW further advised that according to the recommendations of the Elderly Services Programme Plan ("ESPP"), the catchment areas of IHCS(FC) and EHCCS should be reviewed to increase efficiency while maintaining a degree of choices for users. The Administration would consider how to follow up on the above recommendations.

Human resources for care services

21.11 Referring to Reply Serial No. LWB(WW)0249, Mr POON Siu-ping sought information on the details and implementation timetable of the enhancement measures for the Navigation Scheme for Young Persons in Care Services ("the Navigation Scheme"). SLW responded that the Administration would discuss with the service operators implementation details of the enhancement measures in due course. Details had yet to be finalized.

21.12 Referring to Reply Serial No. LWB(WW)0094, Mrs Regina IP sought information on the respective numbers of trainees who participated in and those who left the Navigation Scheme. SLW advised that as at end-December 2018, a total of 1 018 trainees had been recruited under the Navigation Scheme. Among them, 314 trainees graduated and 287 trainees remained in, while 417 trainees had left the Navigation Scheme. The Administration would enhance the current scheme so as to attract young people for enrolment.

Rehabilitation services

Redevelopment of the site of the Factory for the Blind in To Kwa Wan

21.13 Mr SHIU Ka-chun and Dr Fernando CHEUNG referred to Reply Serial No. LWB(WW)0055. Mr SHIU enquired about the Administration's arrangements for reprovisioning the Factory for the Blind ("the Factory") under the Hong Kong Society for the Blind ("HKSB"), whilst Dr CHEUNG was concerned that the number of paid workers at the Factory started to drop from 65 in the 2014-2015 financial year to the current 55. Dr CHEUNG also considered that HKSB's plan for arranging service users of the Factory to receive service in Tuen Mun during the redevelopment would affect their

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chance of being remained in employment. Dr CHEUNG suggested that the Administration should take measures to assist the operation of the Factory, so as to facilitate employment of persons with disabilities.

21.14 SLW responded that the existing paid workers would still be hired by HKSB upon completion of the redevelopment of the Factory site. The Administration would discuss with the service operator details on the reprovisioning of the Factory in due course. As for the transitional arrangement during the redevelopment, the Administration was looking for a place near the Factory to serve as an alternative to HKSB-Jockey Club Tuen Mun Home for the Aged Blind for service users of the Factory to continue to receive services there. Moreover, the Administration would support persons with disabilities in seeking employment at all fronts, including providing them with supported employment services. In face of the changing social trends, HKSB would continue to review the operation mode of the Factory.

21.15 In response to Dr Fernando CHEUNG's enquiry about the additional 100 places for integrated vocational rehabilitation service centres ("IVRSC") that could be provided after the redevelopment of the Factory site, Deputy Director of Social Welfare (Services) said that HKSB had applied under the Special Scheme on Privately Owned Sites for Welfare Uses ("the Special Scheme") to redevelop the site at 19 Mok Cheong Street into a multi-services complex. Apart from the reprovisioning and expansion of the existing sheltered workshop and the Bradbury Care and Attention Home for the Aged Blind, rehabilitation service would also be introduced, including 100 places for IVRSC.

Provision of residential care homes for persons with disabilities

21.16 Referring to Reply Serial No. LWB(WW)0063, Mr Alvin YEUNG noted that the average waiting time for hostels for severely mentally handicapped persons ("HSMHs") and hostels for severely physically handicapped persons had become much longer over the past years. He enquired about the Administration's measures to address the problem. SLW responded that since the number of places of these hostels and the number of waitlisted persons were not large, even a small increase in the latter will have a significant impact. The

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Administration expected that the successive completion of hostels in the coming few years would effectively alleviate the waiting situation.

21.17 Referring to Reply Serial Nos. LWB(WW)0071 and LWB(WW)0077, Dr Fernando CHEUNG expressed concern that the average waiting times for HSMHs, small group homes for mildly mentally handicapped children and special child care centres ("CCCs"), etc. were unduly long and tended to become increasingly longer. He sought information on the Administration's plans and timetables to shorten the waiting times for various types of residential care homes for persons with disabilities ("RCHDs").

21.18 SLW responded that in view of the keen demand for the rehabilitation services for persons with disabilities, the Government would continue to take a multi-pronged approach to proactively identify land and premises to increase the number of service places, so as to meet the rehabilitation service need in Hong Kong. Moreover, upon completion of the redevelopment projects at the site of ex-Kai Nang Sheltered Workshop and Hostel in Kwun Tong and that of ex-Siu Lam Hospital in Tuen Mun in the 2019-2020 financial year and the 2022-2023 financial year respectively, the number of service places of various types of RCHDs would be increased.

Special Needs Trust

21.19 Referring to Reply Serial No. LWB(WW)0301, Mr Alvin YEUNG enquired about the details and progress of the implementation of the Special Needs Trust ("SNT"). Commissioner for Rehabilitation responded that the Special Needs Trust Office held a number of service briefings in the first quarter of 2019 for parents and stakeholders. Application for the service opened on 25 March 2019. SLW added that the Administration would observe the service need after the implementation of SNT, so as to review the service mode in the long run and the staffing requirement of the Office.

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Licensing and regulatory regimes for residential care homes for the elderly and residential care homes for persons with disabilities

21.20 Referring to Reply Serial No. LWB(WW)0081, Mr SHIU Ka-chun enquired about the scope of the consultancy study on the licensing and regulatory regimes for RCHEs and RCHDs to be conducted by the Administration, and whether there would be any overlapping between the consultancy study and the work of the Working Group on the Review of Ordinances and Codes of Practice for Residential Care Homes ("the Working Group"). Dr Fernando CHEUNG raised a similar enquiry.

21.21 SLW and Director of Social Welfare ("DSW") advised that the Administration would report to the Panel on Welfare Services ("the Panel") at a later time on the work progress and recommendations of the Working Group on the review of the codes of practice and ordinances for RCHEs and RCHDs, and the amendment proposals made by the Working Group would be submitted to the Labour and Welfare Bureau ("LWB") for consideration and follow-up later. Moreover, as the focus of the above consultancy study was on the licensing and regulatory regimes for RCHEs and RCHDs, there would not be any overlapping between the research of the consultant and the work of the Working Group.

21.22 Referring to Reply Serial No. LWB(WW)0254, Mr POON Siu-ping enquired about SWD's manpower deployment for RCHE inspections, and whether there was any RCHE being convicted repeatedly due to non-compliance. DSW responded that SWD had 68 professional inspectors responsible for RCHE inspections and a total of eight retired disciplined service officers were hired under contract terms to assist in carrying out such inspections. Moreover, no RCHE was convicted repeatedly due to non-compliance in the past year.

21.23 Referring to Reply Serial No. LWB(WW)0216, Mr KWONG Chun-yu expressed concern that while the Administration aimed to have all RCHDs issued with Certificates of Exemption ("CoEs") complying fully with the licensing requirements by the end of 2019, some RCHDs had not yet obtained a licence. SLW advised that RCHDs operating with CoEs had expeditiously commenced the

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necessary rectification works, but the progress of the works was affected by various factors. It was estimated that the works of the majority of these RCHDs would complete or nearly complete for meeting the licensing requirements by the end of 2019. SLW stressed that the Administration would ensure that RCHDs issued with CoEs met the licensing requirements and standards before they could obtain a licence.

21.24 Referring to Reply Serial No. LWB(WW)0104, Dr Fernando CHEUNG considered that although the number of non-compliant cases uncovered by the Licensing Office of Residential Care Homes for Persons with Disabilities had dropped over the past three years, there remained no improvement to the service quality of RCHDs. He enquired whether the Administration had gained an understanding of the care needs of residents in private RCHDs and the situation of the rehabilitation services they were receiving.

21.25 SLW responded that such information was not available. However, the Administration would set up district-based professional teams under a pilot scheme to provide outreach services for residents in private RCHEs and RCHDs, so as to support their social and rehabilitation needs. It would then be able to further grasp the operational situation of these homes.

Purchase of premises for provision of welfare facilities

21.26 Referring to Reply Serial No. LWB(WW)0096, Mr SHIU Ka-chun expressed concern that only about 500 subsidized RCHE places would be provided under new public rental housing ("PRH") development projects. He enquired about the new development projects to which subsidized RCHEs would be attached, and how the number of subsidized RCHE places under new PRH development projects would be increased.

21.27 Referring to Reply Serial No. LWB(WW)0087, Mr Gary FAN considered that the Administration's initiative to allocate \$20 billion to purchase 60 properties for provision of welfare facilities might boost the market price of properties. He enquired why the Government, on the one hand, changed the land use of sites originally earmarked for

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provision of "Government, Institution or Community" facilities and put them up for sale and, on the other hand, purchased private properties for provision of welfare facilities. He suggested that the Administration should, before purchasing properties, use government sites first for provision of welfare facilities.

21.28 SLW advised that in the light of the recommendations of ESPP and the announcement in the 2018 Policy Address, the Administration had reinstated the population-based planning ratios in the Hong Kong Planning Standards and Guidelines in respect of subsidized residential care services and CCSs, district elderly community centres and neighbourhood elderly centres in December 2018. The Government had all along been adopting a multi-pronged approach with short, medium and long-term strategies to identify suitable sites or premises for provision of more welfare services which were in acute demand. These strategies included identifying suitable government sites and including, as appropriate, in land sale conditions the requirements of the construction of welfare facilities where feasible. In response to Mr Gary FAN's enquiry about the information on the reserve of \$3.4 billion for the purchase of properties under the Capital Works Reserve Funds in the 2019-2020 Budget, such as floor areas of the properties and uses of the facilities, SLW said that the Administration planned to brief the relevant Panel in June 2019 after collating the relevant information.

21.29 Noting that the Administration would utilize the \$20 billion funding to purchase properties from the market for accommodating child care services, Dr Helena WONG sought information on the resultant increase in the number of service places available in various districts. Dr Elizabeth QUAT enquired whether the Administration would purchase properties to accommodate temporary child care services or after-school care services. Mr LEUNG Che-cheung enquired whether the Administration would purchase properties in each of the 18 districts, and whether it would purchase properties for provision of CCCs mainly in districts with such needs.

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21.30 SLW advised that to further enhance day child care services, SWD planned to provide in phases a total of about 300 additional long full-day child care places for children aged below three at aided standalone CCCs in North District, Kwun Tong, Sha Tin and Kwai Tsing. Moreover, SWD planned to provide about 100 additional aided CCC places in Yuen Long in the 2020-2021 financial year. In addition, the Administration would, in purchasing properties, take into account the current provision of child care services in each of the 18 districts. SLW further said that the Administration would utilize the aforesaid funding of \$20 billion to purchase suitable properties from the market for provision of welfare facilities. This initiative involved more than 130 welfare facilities, scattering around 18 districts. The Administration planned to consult the relevant Panel in June 2019 before submitting the funding proposal to the Finance Committee.

21.31 In response to Mr LEUNG Che-cheung's suggestion that District Councils ("DCs") should be consulted on the locations of properties to be purchased, SLW said that the Administration would, through DCs and SWD's District Social Welfare Officers, gauge the welfare needs of the local community. Given the uncertainties regarding the locations of properties to be purchased, it was difficult for the Administration to consult DCs in this regard.

21.32 Mr LEUNG Yiu-chung suggested that the Administration should, in purchasing properties for provision of welfare facilities, particularly CCCs, consider their accessibility as this was very important to parents using CCC services. SLW responded that apart from property price, accessibility would also be one of the factors that the Administration would take into account in purchasing properties for provision of CCCs.

Social security

Comprehensive Social Security Assistance

21.33 Referring to Reply Serial No. LWB(WW)0226, Mr KWONG Chun-yu was concerned that there were about 12 000 job seekers aged 50 or above registering with the Labour Department ("LD") for employment services in 2018, but only about 2 000 placements were

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secured for these job seekers through LD's employment referral services. He enquired whether the Administration had any effective measures to assist persons aged between 60 and 64 (including recipients of the Comprehensive Social Security Assistance ("CSSA")) to secure employment. SLW responded that the number of persons aged between 60 and 64 under employment had been increasing in recent years, from about 80 000 in 2007 to about 250 000 by the end of 2018. The Administration would continue to enhance the employment services for persons aged between 60 and 64.

21.34 Mr SHIU Ka-fai said that the Administration should enhance social security services to assist those in need. He was concerned about some CSSA recipients being involved in fraud cases and sought information on the number of these cases. He urged the Administration to strengthen its investigation work in this regard.

21.35 SLW responded that SWD had all along referred the fraud cases relating to CSSA to the Police for follow-up investigation. Moreover, SWD would provide comprehensive support for able-bodied adult CSSA recipients under the Integrated Employment Assistance Programme for Self-reliance. The Government planned to strengthen the collaboration among SWD, LD and the Employees Retraining Board, so as to assist able-bodied adult recipients to secure employment more effectively. DSW added that in the 2018-2019 financial year (as at end-December 2018), the number of reports on suspected fraud relating to CSSA was 1 104, and that of established fraud cases relating to CSSA was 291.

Old Age Living Allowance

21.36 Mr LEUNG Yiu-chung enquired whether the Administration would relax the asset limits of the Higher Old Age Living Allowance ("OALA"), so that elderly persons currently receiving the Normal OALA would be eligible for a higher allowance of \$3,585 per month. SLW pointed out that the Administration had announced enhancements to OALA in January 2017, including adding a higher tier of allowance and relaxing the asset limits, so as to benefit more elderly persons with financial needs. Currently, it had no plans to review the asset limits of OALA.

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Women's interests

21.37 Referring to Reply Serial No. LWB(WW)0019, Mr CHAN Chun-ying was concerned that some advisory and statutory bodies ("ASBs") currently had no female non-official members or had a proportion of such members lower than the prevailing 35% gender benchmark. He enquired how the Administration facilitated women's participation in the work of ASBs, and sought information on the number of women who had refused to serve as non-official members of ASBs.

21.38 Dr Helena WONG referred to Reply Serial No. LWB(WW)0031 and expressed similar concerns. She enquired whether the Administration had any specific strategies to assist ASBs with female members accounting for less than 35% of the non-official members in meeting the gender benchmark. Dr WONG also mentioned Reply Serial No. LWB(WW)0032. She considered that the Administration should place the Women's Commission ("WoC") at a higher level under the steering and coordination of the Chief Secretary for Administration.

21.39 SLW responded that the Administration did not maintain statistics relating to persons who refused to serve as non-official members of ASBs. Since some ASBs belonged to sectors in which more members or the more experienced practitioners were male, the Administration's objective was to achieve a gender benchmark of 35% for female participation in ASBs as non-official members. LWB would continue its efforts with a view to gradually raising the female participation rate in ASBs. Moreover, LWB maintained a list of ASBs with less than 35% appointed non-official members being female. It would also remind bureaux and departments ("B/Ds") to meet the 35% gender benchmark as far as possible in considering appointments to ASBs.

21.40 Dr Helena WONG suggested that B/Ds should publicize to the public the appointment exercises of non-official members of the ASBs under their purview so that members of the public could make nominations or self-nominations to serve as non-official members of such ASBs, which might help to raise the female participation rate in

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ASBs. SLW advised that the Administration recruited young people under the Member Self-recommendation Scheme for Youth to join different advisory committees under B/Ds and encouraged B/Ds to appoint women to the posts concerned when suitable candidates were available. SLW further said that he would refer members' relevant suggestions to other policy bureaux for consideration.

21.41 Referring to Reply Serial No. LWB(WW)0030, Dr Helena WONG enquired about the Administration's plans to provide relevant training programmes for Gender Focal Points ("GFPs") in order to enhance their gender sensitivity. SLW advised that LWB adopted a flexible approach to provide civil servants with training programmes on gender mainstreaming, and encouraged GFPs of various B/Ds to participate in relevant training programmes.

21.42 Referring to Reply Serial No. LWB(WW)0015, Mr LEUNG Che-cheung enquired about the Administration's specific measures to promote the well-being and interests of women in Hong Kong. SLW advised that the Administration earmarked about \$36.7 million in the 2019-2020 financial year to carry out work on promoting women's interests and strengthening the support for WoC. This included the provision for assisting WoC in implementing the Capacity Building Mileage Programme and continuing to implement the Funding Scheme for Women's Development, under which 18 DCs and women's groups might implement programmes that were conducive to women's development.

Child care services

21.43 Referring to Reply Serial No. LWB(WW)0236, Dr Helena WONG was concerned that no aided standalone CCC places were provided in six districts, while the average utilization rates of such services in other districts reached 100%. She sought information on the waiting times for such services. SLW advised that at present, applications for services in aided standalone CCCs were directly handled by the operators. SWD did not maintain information on the waiting times for such services. Dr Elizabeth QUAT took the view that the Administration should maintain the above information in order to properly plan for child care services. SLW responded that the

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demand for child care services for children aged below three had been projected in the Consultancy Study on the Long-term Development of Child Care Services ("the Study"). The Administration accepted the recommendations of the Final Report of the Study to set a planning ratio for aided CCC places, and planned to incorporate the planning ratio into HKPSG in the 2019-2020 financial year.

21.44 Regarding Dr Helena WONG's enquiry about making public the Final Report of the Study, SLW advised that SWD had uploaded the Final Report of the Study to its official website.

21.45 Referring to Reply Serial No. LWB(WW)0089, Mr HO Kai-ming noted that the Administration had planned in 2014 to provide about 1 000 additional aided long full-day child care places. He enquired whether the 400 additional child care places being planned were already included in the said 1 000 places, and what plans the Administration had to increase the number of places for such services.

21.46 SLW advised that the 400 additional aided long full-day child care places being planned were already included in the 1 000 additional places planned in 2014. The Administration also planned to further provide about 500 additional places over the next three to four years. In addition, LWB would continue to implement special schemes to encourage non-governmental organizations ("NGOs") to provide social welfare services, including child care services, through expansion, redevelopment or new development.

21.47 Referring to Reply Serial No. LWB(WW)0304, Ms YUNG Hoi-yan expressed concern about the high service fees currently charged by CCCs, and enquired about the Administration's estimation of the reduction in service fees paid by parents as a result of the increase in the level of subsidy. SLW advised that the current level of subsidy for such services had been increased to about 20% of the service operation costs, and the Administration aimed to further increase the level of subsidy to about 40% of the service operation costs. The Administration would increase the level of subsidy for CCC services within the 2019-2020 school year. This comprised full funding for the cost of the proposed increase in the manning ratios for child care workers, as well as additional subsidy with a view to

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alleviating parents' financial burden in paying service fees. The Administration would also further explore with the operators the feasibility and scope of reducing service fees. On the other hand, to support families in need, the Administration would also explore the feasibility of enhancing the Kindergarten and Child Care Centre Fee Remission Scheme.

Child Care Training Programme for Grandparents

21.48 Referring to Reply Serial No. LWB(WW)0256, Mr POON Siu-ping noted that SWD would launch a Child Care Training Programme whose mode of operation would be similar to that of the Pilot Project on Child Care Training Programme for Grandparents, and enquired about the reasons why the per capita cost of the training programme would be lower than that of the pilot project. SLW responded that the per capita cost of the training programme was lower because it was operated on a larger scale than the pilot project, and was thus more cost-effective.

Neighbourhood Support Child Care Project

21.49 Referring to Reply Serial No. LWB(WW)0251, Mr Michael TIEN suggested that the training programmes for home-based child carers ("HCCs") under the Neighbourhood Support Child Care Project ("NSCCP") should be standardized under either Level 1 or Level 2 of the Qualifications Framework, and that the incentive payment for HCCs should be increased to a level comparable to the statutory minimum wage. Ms YUNG Hoi-yan and Mr KWONG Chun-yu mentioned Reply Serial No. LWB(WW)0305 and raised similar suggestions in respect of the incentive payment for HCCs.

21.50 SLW advised that the Administration would strengthen the training for HCCs and raise the level of incentive payment for HCCs in the 2019-2020 financial year. The Administration had met with service users and HCCs. They agreed that the Administration should enhance the NSCCP services progressively. SLW emphasized that HCCs provided service as volunteers, which might promote the spirit of mutual help in the community. If HCCs became full-time employees, issues in relation to monitoring, regulation, training, employees'

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compensation insurance, etc., had to be addressed. As to whether NSCCP should be professionalized, SLW said that further studies had to be conducted.

Mutual Help Child Care Centre services

21.51 Referring to Reply Serial No. LWB(WW)0306, Ms YUNG Hoi-yan sought the reasons for the persistently low utilization rate of Mutual Help Child Care Centres ("MHCCCs"). She asked how the Administration could increase the number of MHCCC places, and enquired about the details of the re-engineering of MHCCCs.

21.52 SLW responded that manpower shortage in MHCCCs had resulted in their persistently low utilization rates. The Administration would first tackle the manpower problems faced by MHCCCs. Moreover, SWD would re-engineer the existing MHCCCs in phases from the 2019-2020 financial year onwards and consider converting their services to after-school care services for pre-school children so as to further meet the child care needs in the community. In this connection, SWD would discuss the details with the operators of MHCCCs.

Support services for divorced/separated families

21.53 Dr Elizabeth QUAT enquired whether specialized co-parenting support centres would provide support for divorced/separated parents in recovering maintenance payments, and whether the Administration would set up an alimony council. SLW advised that the Home Affairs Bureau had commissioned a consultancy study through the Family Council to examine various divorce-related issues including matters related to maintenance. The study was expected to complete in early 2020. Besides, the services currently provided by specialized co-parenting support centres did not include recovery of maintenance payments. Where necessary, these centres would provide relevant information for divorced/separated parents when rendering assistance to them.

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Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities

21.54 Mr HO Kai-ming enquired whether the Administration would consider extending the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities ("the Concession Scheme") to the elderly aged between 60 and 64. SLW advised that the Administration was conducting a review of the Concession Scheme, under which the scope of target beneficiaries to be covered by the Concession Scheme would also be considered. It was expected that the outcome of the review would be available in early 2020.

21.55 Referring to Reply Serial No. LWB(WW)0028, Dr CHENG Chung-tai was concerned that the Administration's reimbursement of the revenue forgone to the participating public transport operators under the Concession Scheme had increased year on year, and the Concession Scheme had been abused by cross-boundary elderly in recent years. He was aware that when similar schemes were implemented in Macao, corresponding monitoring measures were taken to prevent abuse. He enquired whether the Administration had looked into the relevant problems in reviewing the Concession Scheme.

21.56 Referring to Reply Serial No. LWB(WW)0333, Mr Jeremy TAM was concerned that the Administration had not maintained information on the breakdown of passenger trips taken under the Concession Scheme by weekdays and holidays/public holidays. He enquired whether the Administration would collect the information concerned in order to understand the traffic implications of the Concession Scheme.

21.57 SLW responded that the Administration's review of the Concession Scheme covered ways to minimize improper use of the concessions under the Scheme and encourage service users to use the concessions under the Scheme during non-peak hours. Moreover, when designing the Concession Scheme, the Administration had studied the feasibility of limiting the concessions to only Personalized Octopus Card users. Since it would presumably take time for all the elderly to apply for a Personalized Octopus Card, this option was not adopted at the time.

Enhancing social work services for schools and kindergartens

21.58 Referring to Reply Serial No. LWB(WW)0092, Mrs Regina IP said that when planning to enhance the social work services for schools and kindergartens, the Administration required that such services be provided by registered graduate social workers, making serving student guidance teachers, student guidance personnel and non-graduate social workers worry about displacement in future. She enquired whether the Administration had considered the above issue before implementing the relevant policies, and whether the current supply of social work graduates was sufficient to cope with the implementation of such policies.

21.59 SLW advised that the Administration planned to implement the measure of "two school social workers for each school" in secondary schools from the 2019-2020 school year, and the number of school social workers for each secondary school would be increased from 1.2 to 2. At present, secondary school social work service was provided through NGOs subvented by SWD. Regarding the implementation of the policy of "one school social worker for each school" in primary schools by the Education Bureau ("EDB"), SLW advised that EDB had started reviewing the mode of collaboration between student guidance and social work services, and exploring various feasible proposals with the sector. In response to Mrs IP's enquiry about the reasons why the Administration provided social work services in kindergartens, SLW advised that the major objectives of the Administration's Pilot Scheme on Social Work Service for Pre-primary Institutions included identifying early and assisting pre-primary children and their family members with welfare needs so as to prevent family violence (e.g. child abuse) or other family problems.

Chapter XXII : Labour

22.1 At the invitation of the Chairman, Dr LAW Chi-kwong, Secretary for Labour and Welfare ("SLW") briefed members on the main initiatives and expenditure on the policy area of labour and manpower development for the coming year (Appendix IV-20).

Occupational safety and health

22.2 Mr Tony TSE sought information on the types and causes of the 1 780 cases of occupational injuries in the real estate industry in the first three quarters of 2018. Commissioner for Labour ("C for L") said that he would provide the requisite information after the meeting.

22.3 Mr Tony TSE expressed concern that the average fine for summonses involving occupational safety and health ("OSH") offences for the construction industry in 2016, 2017 and 2018 was some \$10,000 only and that there were only three cases of suspended imprisonment for the convicted persons. Mr TSE sought explanation for the low penalty level for non-compliance with the OSH legislation.

22.4 Mr HO Kai-ming was concerned that no convicted employer had so far been sentenced with an immediate imprisonment term for breaching the OSH legislation in relation to fatal industrial accidents.

22.5 C for L responded that in determining the sentence for OSH offences, the court had all along made reference to the fine level imposed on similar offences in the past. For fatal industrial accidents in the construction industry, the average fine for each summon was only about \$27,000 in 2018. To strengthen the deterrent effect of the penalties, the Labour Department ("LD") was conducting a comprehensive legislative review of the penalties of the OSH legislation.

22.6 Mr SHIU Ka-fai held the view that the Administration should study why the court imposed low level of penalties on OSH offences. Mr SHIU was concerned that during the investigation of industrial accidents, it was found that in some cases employers had failed to provide the necessary safety devices and equipment for workers when working at height, and in some other cases workers had not made use of the work safety devices and equipment, such as

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independent lifelines or full body safety harnesses. Mr SHIU remarked that while raising the OSH penalties for duty holders, heavier penalties should also be imposed on employees for breaching the OSH legislation correspondingly. He also sought information on the number of prosecutions taken out against employees for non-compliance with the OSH legislation in 2018. C for L and Deputy Commissioner for Labour (Occupational Safety and Health) ("DC for L (OSH)") said that they did not have the requisite information on hand. Nonetheless, there were cases of prosecutions against employees for failing to take care for the safety and health of persons (including employees themselves) who were at the employees' workplace under the relevant OSH legislation.

22.7 Referring to the Administration's preliminary amendment proposal of pitching the maximum fines of the general duty provisions for indictable OSH offences at \$6 million or 10% of the turnover of the convicted company, whichever was the greater, Mr SHIU Ka-fai expressed grave concern that the proposed penalty level was unreasonably high and might cause difficulties for business operation. Mr SHIU sought information on the outcome of consultation with the business sector on the proposal.

22.8 SLW advised that the Administration noted members' concerns about the preliminary amendment proposal to raise penalties on OSH offences when it was considered by the Panel on Manpower in March 2019. DC for L (OSH) supplemented that the business sector agreed that the OSH penalties should be raised to enhance their deterrent effect. However, the employer organizations had reservation over the proposal to peg the maximum fines for extremely serious offences with the convicted companies' turnover, which in their views would negatively impact on Hong Kong's business environment. LD would continue to listen to the views of different sectors of the community as appropriate in the course of refining the legislative amendment proposals.

22.9 Noting that the total establishment and strength of Occupational Safety Officers ("OSOs") II in various operations divisions under Occupational Safety - Operations of LD's Occupational Safety and Health Branch (as at 31 December 2018) were 143 and 73

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respectively, Mr POON Siu-ping asked whether the manpower was adequate for the OSH-related inspection work.

22.10 C for L advised that in 2018, a number of frontline OSOs in LD were internally redeployed to step up inspection and enforcement of OSH-related work. The difference between the establishment and strength of OSO II as mentioned above was mainly attributed to the need of the newly recruited OSOs to receive relevant training before they were posted to fill the vacancies.

Employment services

Employment support for young people

22.11 Mr LUK Chung-hung declared that the Hong Kong Federation of Trade Unions was one of the training bodies providing training courses for the Youth Employment and Training Programme ("YETP"). Mr LUK noted with concern that only some 4 000 trainees enrolled in pre-employment training courses in the 2017-2018 programme year of YETP. As opposed to some 50 000 young persons of same age group who were non-engaged and not pursuing studies, he considered that the participation of YETP was on the low side. Mr LUK called on the Administration to step up its publicity efforts to arouse the awareness of employers and young people (in particular those hidden youth) on YETP, and consider expanding the scope of service target from the age group of 15-24 to 15-30. He further called on the Administration to provide assistance to training bodies in designing and developing tailor-made training courses.

22.12 SLW explained that the drop in participation of YETP in recent years was partly attributed to the decrease in the population of the target group of young people aged 15-24 and more opportunities for them to pursue further studies. C for L added that LD had undertaken various measures to publicize YETP, including outreaching to schools to promote the programme to students. While the target group of YETP was young people aged 15-24, LD had also set up two Youth Employment Resource Centres named Youth Employment Start to provide personalized advisory and support services on employment and self-employment to those aged between 15 and 29. C for L further said

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that LD was ready to discuss with training bodies on the arrangements regarding provision of training services under YETP.

Employment support for elderly job seekers

22.13 With respect to the 5 600 underemployed persons and 7 600 unemployed persons aged 60 or above in the fourth quarter of 2018, Mr HO Kai-ming sought information on the categorization criteria for these two groups of people. Referring to the 444 placements secured for job seekers aged 60 or above through LD's employment referral services in 2018, Mr HO considered the figure small and asked how the Administration could, apart from the implementation of the Employment Programme for the Elderly and Middle-aged, enhance the employment support for elderly job seekers.

22.14 SLW responded that the statistics on underemployed or unemployed persons were compiled by the Census and Statistics Department based on a set of criteria. In light of the fast ageing population, LD would continue to implement various measures to strengthen the employment support for elderly job seekers. It was noteworthy that elderly job seekers looking for jobs through LD might make use of services in addition to the referral services. Currently, the vast majority of vacancies advertised through LD provided employers' contact details. Job seekers might obtain information of these vacancies through LD's various channels and make direct application to employers. Therefore, those who were placed into employment through LD's referral services only represented a fraction of the successful placement cases of LD.

Employment support for persons with disabilities

22.15 Dr Fernando CHEUNG expressed disappointment that LD did not keep statistics on the average wage of some 800 placements of job seekers with disabilities under the Work Orientation and Placement Scheme ("WOPS") in the past three years. Assistant Commissioner for Labour (Employment Services) ("AC for L(ES)") responded that LD maintained individual wage records of the placements under WOPS as the amount of allowance payable to employers was related to the amount of wages paid to their employees with disabilities concerned.

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However, as the method for calculating wages varied from case to case and could be quite complicated, LD did not work out separate statistics on the average wage of job seekers with disabilities placed into employment under WOPS.

22.16 Expressing grave concern that the retention rate of persons with disabilities employed under WOPS in 2015 and 2016 was only around 30% after an employment period of 12 months, Dr Fernando CHEUNG considered the Scheme ineffective and asked whether the Administration had reviewed the Scheme over the years.

22.17 Raising query about abuse of the allowance under WOPS, Mr Jeremy TAM sought clarifications about the participating employers' eligibility for the allowance.

22.18 AC for L(ES) responded that LD implemented WOPS to encourage employers to hire job seekers with disabilities and provide them with on-the-job training, coaching and support through the provision of an allowance. Since 2015, LD had extended the post-placement follow-up period for job seekers with disabilities under WOPS up to 12 months of their employment. Through the follow-up on their employment situation, LD noted that 70% of the termination cases in 2017 involved persons with disabilities quitting the job on their own accord due to various reasons, such as health reason. Among the 30% dismissal cases by employers, most of them took place in the first three months. Only less than 3% of WOPS participants were dismissed during the ninth to twelfth months of employment. There was no evidence showing that employers abused the Scheme by dismissing employees with disabilities after drawing down all allowances. AC for L(ES) further advised that different employers who engaged the same person with disabilities in different employment periods were entitled to the allowance under WOPS. However, allowance would not be payable to an employer who re-engaged the same person with disabilities. SLW and AC for L(ES) stressed that LD would closely monitor the situation to forestall abuse of WOPS.

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22.19 Dr Fernando CHEUNG took the view that the Administration should conduct a study on the reasons why person with disabilities quitted the job on their own accord under WOPS and the support services in need. SLW said that LD would continue to examine the matter. SLW further pointed out that one of the areas of the current review of rehabilitation services was on the employment support for persons with disabilities.

Employment support for ethnic minority job seekers

22.20 Expressing dissatisfaction that interpretation services were arranged to less than 1% of ethnic minority ("EM") job seekers in 2016 to 2018, Dr Fernando CHEUNG sought explanation in this regard.

22.21 AC for L(ES) responded that staff at LD's job centres/industry-based recruitment centres would proactively introduce free interpretation service to each EM job seeker visiting the centres. Of those who did not require the interpretation service, around 90% of the EM job seekers indicated that they could communicate in English or Chinese, while around 10% of them considered the assistance provided by the Employment Services Ambassadors ("ESA") under the ESA Programme for EMs or employment assistants who were proficient in EM languages sufficient.

22.22 Dr Fernando CHEUNG asked whether the civil service, in particular LD, had recruited any trainees under LD's ESA Programme for EMs upon their completion of the programme.

22.23 AC for L(ES) responded that EM trainees were employed by LD to undergo on-the-job training under ESA Programme for EMs. Upon completion of the on-the-job training which had been extended recently from six months to 12 months, the trainees would be assisted to find employment in the open market.

Abolishing the "offsetting" of severance payment and long service payment with employers' mandatory contributions under the Mandatory Provident Fund System

22.24 Expressing concern about the Administration's timetable to abolish the "offsetting" of severance payment and long service payment with employers' mandatory contributions under the Mandatory Provident Fund ("MPF") System, Mr LEUNG Yiu-chung asked whether the lead time required could be compressed so as to benefit the elderly workers as early as practicable.

22.25 SLW advised that the Government had embarked on the preparatory work for abolishing the "offsetting" arrangement and was working in full swing with the relevant stakeholders on the operational details for the abolition, which needed to be sorted out before drafting the enabling bill. Abolition of the "offsetting" arrangement involved complex legislative amendments. The Government would strive to take forward the relevant work for the abolition and introduce the enabling bill into the Legislative Council by 2020. Depending on the progress of the scrutiny of the bill by a Bills Committee, the target was to secure its passage by 2022 and implement the arrangements for abolishing "offsetting" two years after the enactment of the enabling legislation.

22.26 Pointing out that a significant lump sum of employers' contribution to MPF would continue to be withdrawn under the existing "offsetting" arrangement, Mr POON Siu-ping called on the Administration to put forth proposal for additional manpower resources, if necessary, in order to expedite the relevant work.

Rehabilitation services for injured employees

22.27 Mr LEUNG Yiu-chung sought information on the progress of the Government's study on new measures for strengthening the rehabilitation services for employees injured at work. Mr LEUNG was concerned about the implementation timetable and whether a quota would be set for receiving the relevant treatment and rehabilitation services. He called on the Administration to expedite the relevant work.

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22.28 SLW responded that with a view to speeding up recovery of injured employees and facilitating their early return to work, LD would strive to complete the study within 2019 and come up with recommendations to take forward the initiative.

22.29 Casting doubt about the authenticity of some occupational injuries cases, Mr Frankie YICK enquired how the Administration could assist employers in addressing the situation.

22.30 SLW advised that LD would enhance its support service for handling disputes in work injury cases through dedicated follow-up and would proactively gather information with a view to assessing the likelihood of the cases being related to work injury. It was believed that there would not be many fraudulent work injury cases. Mr Frankie YICK and the Chairman maintained the view that there were a number of such cases and the Administration should squarely address the situation.

Problem of manpower shortage

22.31 Expressing concern about the prolonged shortage of drivers for public transport, including franchised bus, public light bus and taxi as well as non-franchised bus, and the ageing problem of the professional drivers concerned, Mr Frankie YICK called on the Administration to consider importing professional drivers under the Supplementary Labour Scheme ("SLS").

22.32 Mr SHIU Ka-fai expressed grave concern about the problem of severe shortage of manpower in various trades and industries which had caused difficulties in business operation. In his view, the Administration should seriously consider importing labour under SLS to mitigate the pressure on manpower shortage in various trades and industries. Mr SHIU also considered it imperative for the Administration to address the issue of providing adequate subsidized child care services which was crucial to releasing more female homemakers with children to join the labour force.

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22.33 SLW responded that the Government attached great importance to the tight labour situation in relevant sectors and had been implementing a series of measures to unleash potential labour force, including elderly persons and female homemakers. As a matter of fact, the labour force recorded a notable increase of some 324 400 in the past decade (during 2007 to 2017), of whom 26% were elderly persons aged 65 and over, and 59% were females aged 15 to 59. As regards the suggestions to import labour for specific sectors, members were invited to discuss the manpower needs with the relevant government bureaux.

Hong Kong Qualifications Framework in relation to Continuing Education Fund

22.34 In relation to the registration of courses under the Continuing Education Fund ("CEF"), Mr Jeremy TAM sought information on the fees schedule and validity period for programme accreditation for recognition under the Hong Kong Qualifications Framework ("HKQF").

22.35 Principal Assistant Secretary for Labour and Welfare (Manpower) advised that the fees for learning programme accreditation under HKQF, which was undertaken by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications ("HKCAAVQ"), would depend on the complexities of the programme and whether the operator concerned had gained an accreditation status. Course providers could apply for subsidy of accreditation/re-accreditation fees under the QF Fund. As regards the validity period, it would be subject to the duration of the programme and whether regular re-validation would be required.

22.36 To minimize the cost for re-accreditation of short-term programmes, Mr Jeremy TAM called on the Administration to consider streamlining the procedures. He expressed further concern about the difficulties faced by some course providers in applying to HKCAAVQ for accreditation of non-academic courses under HKQF and the subsequent registration for inclusion under the "Reimbursable Course List" of the CEF. SLW advised that the concern would be relayed to the Education Bureau for follow-up.

Employment of foreign domestic helpers

22.37 Mr Michael TIEN expressed dissatisfaction that although foreign domestic helpers ("FDHs") were required to return to their places of domicile upon termination or expiry of employment contracts before they could submit fresh employment visa applications, the Immigration Department ("ImmD") adopted a flexible approach in administering such requirement. This had given rise to job-hopping of FDHs as many of them merely departed for the neighbouring places and took up another employment in Hong Kong within a short period of time. Mr TIEN called on the Administration to squarely address the issue and plug the loophole.

22.38 SLW responded that LWB/LD would explore with ImmD on handling the arrangements for FDHs whose employment contracts were terminated pre-maturely.

22.39 Mr Michael TIEN asked whether consideration could be given to including more useful information, such as the number of FDHs placed by employment agencies ("EAs") placing FDHs and the renewal of their employment contracts, on the Portal of EAs so as to facilitate employers' decision on employing FDHs.

22.40 SLW said that LD would continue to enhance the Portal of EAs and provide more information as appropriate while paying heed to the need to protect individual's privacy, etc.

Issues relating to implementation of Statutory Minimum Wage

22.41 Dr Fernando CHEUNG expressed concern about the decreasing number of employees with disabilities who had undergone the productivity assessment under the Statutory Minimum Wage ("SMW") regime from 70 in 2014 to 31 in 2018. He considered that employees with disabilities would normally be paid with wages less than the SMW rate after undergoing the productivity assessment and called on the Administration to consider abolishing the productivity assessment.

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22.42 SLW responded that the Minimum Wage Ordinance (Cap. 608) ("MWO") provided a special arrangement for employees with disabilities to opt to undergo productivity assessment by approved assessors at their choice to determine whether they should be remunerated at no less than the SMW rate or at a rate commensurate with their productivity. This special arrangement sought to provide wage protection to employees with disabilities and safeguard their employment opportunities. The drop in the number of assessments might be attributed to the tight labour market and wage increase in recent years. That said, LD would monitor the situation.

22.43 Mr CHU Hoi-dick asked about the enforcement work of LD to check employers' compliance with MWO in 2018. SLW and Deputy Commissioner for Labour (Labour Administration) advised that labour inspectors in LD were responsible for conducting workplace inspections to check compliance with various pieces of labour legislation, including MWO and the Employment Ordinance (Cap. 57). In 2018, LD conducted 44 833 such workplace inspections of various establishments to check employers' compliance with labour laws, including MWO. There were a total of 11 cases of suspected breaches of MWO, including five cases detected during workplace inspections and six cases followed up by LD's investigation upon receipt of reports by the public. A total of eight convicted summonses involving two cases for failure to pay SMW were recorded in 2018. In addition, LD issued two written warnings to employers suspected to have contravened MWO as the employees concerned had recovered the shortfall of wages and were not willing to be the prosecution witnesses.

Continuing Education Fund

22.44 Pointing out that course fees for different CEF language courses varied greatly and some course providers had increased course fees close to the new subsidy ceiling of \$20,000, Mr HO Kai-ming expressed concern about the possible abuse of CEF and asked how the Administration would monitor the use of CEF.

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22.45 SLW responded that the CEF courses fees were, to a certain extent, determined by market demand. That said, the Administration would strengthen regulatory efforts on the enhancement measures to improve the operation of CEF.

Appendix I

Programme of special meetings of Finance Committee to examine the Estimates 2019-2020 from 8 to 12 April 2019

<u>Session No.</u>	<u>Director of Bureau / Controlling Officer</u>	<u>Date</u>	<u>Time</u>
1.	Secretary for the Civil Service	8 April	2:00 pm - 3:00 pm
2.	(i) Judiciary Administrator (ii) Secretary for Justice	8 April	3:15 pm - 4:30 pm
3.	Director of Administration Director of Audit Permanent Secretary to Chief Executive Commissioner, Independent Commission Against Corruption Secretary General, Legislative Council Secretariat The Ombudsman	8 April	4:45 pm - 6:00 pm
4.	Secretary for Financial Services and the Treasury • Financial Services	9 April	2:00 pm - 3:10 pm
5.	Secretary for Financial Services and the Treasury • Public Finance	9 April	3:20 pm - 4:00 pm
6.	Secretary for Constitutional and Mainland Affairs	9 April	4:10 pm - 5:40 pm
7.	Secretary for the Environment	9 April	5:50 pm - 7:00 pm
8.	Secretary for Transport and Housing • Housing	10 April	9:00 am - 10:45 am
9.	Secretary for Transport and Housing • Transport	10 April	11:00 am - 12:30 pm

<u>Session No.</u>	<u>Director of Bureau / Controlling Officer</u>	<u>Date</u>	<u>Time</u>
10.	Secretary for Home Affairs	10 April	2:00 pm - 3:20 pm
11.	Secretary for Commerce and Economic Development • Commerce, Industry and Tourism	10 April	3:35 pm - 5:05 pm
12.	Secretary for Commerce and Economic Development • Communications and Creative Industries	10 April	5:20 pm - 6:15 pm
13.	Secretary for Food and Health • Food Safety and Environmental Hygiene	11 April	9:00 am - 10:40 am
14.	Secretary for Food and Health • Health	11 April	10:55 am - 12:45 pm
15.	Secretary for Innovation and Technology	11 April	2:00 pm - 3:45 pm
16.	Secretary for Development • Planning and Lands	11 April	4:00 pm - 5:40 pm
17.	Secretary for Development • Works	11 April	5:50 pm - 7:00 pm
18.	Secretary for Education	12 April	9:00 am - 11:00 am
19.	Secretary for Security	12 April	11:15 am - 1:15 pm
20.	Secretary for Labour and Welfare • Welfare and Women	12 April	3:30 pm - 5:50 pm
21.	Secretary for Labour and Welfare • Labour	12 April	6:00 pm - 7:30 pm

Appendix II

Summary of written and supplementary questions and requests for additional information

<u>Session No.</u>	<u>Director of Bureau/ Controlling Officer</u>	<u>No. of initial written questions</u>	<u>No. of supplementary questions</u>	<u>No. of requests for additional information (verbal)</u>
1.	Secretary for the Civil Service	109	1	0
2.	(i) Judiciary Administrator	48	3	1
	(ii) Secretary for Justice	75	6	1
3.	Director of Administration	108	4	0
	Director of Audit	1	0	0
	Permanent Secretary to Chief Executive	41	0	0
	Commissioner, Independent Commission Against Corruption	27	1	0
	Secretary General, Legislative Council Secretariat	43	1	0
	The Ombudsman	1	0	0
4.	Secretary for Financial Services and the Treasury <ul style="list-style-type: none"> Financial Services 	117	6	1

<u>Session No.</u>	<u>Director of Bureau/ Controlling Officer</u>	<u>No. of initial written questions</u>	<u>No. of supplementary questions</u>	<u>No. of requests for additional information (verbal)</u>
5.	Secretary for Financial Services and the Treasury • Public Finance	157	9	0
6.	Secretary for Constitutional and Mainland Affairs	157	7	0
7.	Secretary for the Environment	365	5	0
8.	Secretary for Transport and Housing • Housing	120	7	1
9.	Secretary for Transport and Housing • Transport	402	4	0
10.	Secretary for Home Affairs	477	5	3
11.	Secretary for Commerce and Economic Development • Commerce, Industry and Tourism	296	4	2
12.	Secretary for Commerce and Economic Development • Communications and Creative Industries	82	2	2
13.	Secretary for Food and Health • Food Safety and Environmental Hygiene	454	13	0

<u>Session No.</u>	<u>Director of Bureau/ Controlling Officer</u>	<u>No. of initial written questions</u>	<u>No. of supplementary questions</u>	<u>No. of requests for additional information (verbal)</u>
14.	Secretary for Food and Health • Health	603	3	0
15.	Secretary for Innovation and Technology	228	2	1
16.	Secretary for Development • Planning and Lands	446	15	1
17.	Secretary for Development • Works	232	8	3
18.	Secretary for Education	674	3	1
19.	Secretary for Security	500	14	5
20.	Secretary for Labour and Welfare • Welfare and Women	1160	1	0
21.	Secretary for Labour and Welfare • Labour	186	2	1
	Total :	7109	126	23

Appendix III

Attendance of members and public officers at the special meetings of the Finance Committee from 8 to 12 April 2019

**Meeting held in the afternoon of 8 April 2019 (Sessions 1, 2 & 3)
2:00 pm to 6:00 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon CHAN Hoi-yan

Public officers attending:

Mr Raistlin Lau, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr Mike CHENG	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Session 1 – Civil Service

Mr Joshua LAW, GBS, JP	Secretary for the Civil Service
Mr Thomas CHOW, JP	Permanent Secretary for the Civil Service
Mr Brian LO, JP	Deputy Secretary for the Civil Service (1)
Ms Amy WONG	Deputy Secretary for the Civil Service (2)
Mr Eric CHAN, JP	Deputy Secretary for the Civil Service (3)
Mr Hermes CHAN	Director of General Grades
Ms Bertille LI	Principal Executive Officer (Management), Civil Service Bureau
Mr Charlix WONG, JP	Director of Accounting Services
Miss Winnie SO, JP	Secretary General, Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service
Dr Amy CHIU, JP	Deputy Director of Health
Ms Fontaine CHENG	Secretary, Public Service Commission

Session 2 – Judiciary Administration and Legal Administration

Miss Emma LAU, JP	Judiciary Administrator
Mrs Erika HUI, JP	Deputy Judiciary Administrator (Operations)
Mrs Connie NGAN	Assistant Judiciary Administrator (Corporate Services)
Mr Raymond NG	Chief Treasury Accountant, Judiciary
Ms Teresa CHENG, GBS, SC, JP	Secretary for Justice
Mr Alan SIU, JP	Director of Administration and Development

Mr David LEUNG, SC	Director of Public Prosecutions
Mr Wesley WONG, SC, JP	Solicitor General
Ms Theresa JOHNSON	Law Draftsman
Ms Christina CHEUNG, JP	Law Officer (Civil Law)
Mr Paul TSANG, SBS	Law Officer (International Law)

Session 3 – Central Administration and Other Services

Mr Bobby CHENG, JP	Acting Director of Administration
Ms Jennifer CHAN, JP	Deputy Director of Administration 2
Mr Adolph LEUNG, JP	Acting Government Economist
Mrs Betty FUNG, JP	Head, Policy Innovation and Co-ordination Office
Mr Donald CHEN, JP	Deputy Head (2), Policy Innovation and Co-ordination Office
Mr Thomas Edward KWONG, JP	Director of Legal Aid
Mr John CHU, JP	Director of Audit
Miss Janny WUN	Departmental Secretary, Audit Commission
Mrs Jessie TING, JP	Permanent Secretary, Chief Executive's Office
Mr Steve CHOW	Chief Executive Officer (Administration), Chief Executive's Office
Mr Simon PEH, SBS, IDSM	Commissioner, Independent Commission Against Corruption
Mr Ken HO	Director of Investigation (Private Sector), Independent Commission Against Corruption
Ms Sally KWAN	Assistant Director (Administration), Independent Commission Against Corruption
Mr Kenneth CHEN, SBS	Secretary General, Legislative Council Secretariat
Miss Roxanna LO	Accountant, Legislative Council Secretariat
Ms Winnie CHIU, PDSM, PMSM	The Ombudsman
Mr SO Kam-shing	Deputy Ombudsman

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Angel SHEK
Miss Bowie LAM

Chief Council Secretary (1)1
Council Secretary (1)1

**Attendance of members and public officers at the
special meetings of the Finance Committee
from 8 to 12 April 2019**

**Meeting held in the afternoon of 9 April 2019 (Sessions 4, 5, 6 & 7)
2:00 pm to 7:00 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-ki, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH

Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

Ms Kinnie WONG	Acting Deputy Secretary for Financial Services and the Treasury (Treasury) ¹
Mr Mike CHENG	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Session 4 – Financial Services

Mr James LAU Jr, JP	Secretary for Financial Services and the Treasury
Mr Joseph CHAN, JP	Under Secretary for Financial Services and the Treasury
Mr Andrew WONG, JP	Permanent Secretary for Financial Services and the Treasury (Financial Services)
Mr Chris SUN, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services) ¹
Mr Eddie CHEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services) ²
Ms Winnie NG, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services) ³
Miss Sara TSE	Administrative Assistant to Secretary for Financial Services and the Treasury
Mr Raymond CHAN	Chief Executive Officer (Financial Services), Financial Services and the Treasury Bureau
Mr Leslie TANG, JP	Commissioner for Census and Statistics

Ms Phyllis McKENNA
Ms Ada CHUNG, JP
Mr Enoch FUNG

Mr Archie NG

Mr Nelson CHOW

Mr William LEUNG

Official Receiver
Registrar of Companies
Acting Executive Director (External),
Hong Kong Monetary Authority
Head (External)¹, Hong Kong
Monetary Authority
Chief Fintech Officer, Hong Kong
Monetary Authority
Senior Manager (Currency)², Hong
Kong Monetary Authority

Session 5 – Public Finance

Mr James LAU Jr, JP

Ms Alice LAU, JP

Mr Andrew LAI, JP

Mr Raistlin LAU, JP

Miss Sara TSE

Dr Edward CHENG

Mr Hermes TANG, CMSM

Mr Jimmy TAM, CMSM

Mr WONG Kuen-fai, JP

Mr CHOI Lap-yiu, JP

Miss Mary CHOW, JP

Mr Vincent LIU, JP

Mr Kevin SIU, JP

Mrs Sylvia LAM, JP

Secretary for Financial Services and
the Treasury
Permanent Secretary for Financial
Services and the Treasury (Treasury)
Deputy Secretary for Financial
Services and the Treasury (Treasury)²
Deputy Secretary for Financial
Services and the Treasury (Treasury)³
Administrative Assistant to Secretary
for Financial Services and the
Treasury
Principal Assistant Secretary for
Financial Services and the Treasury
(Treasury) (H)
Commissioner of Customs and
Excise
Assistant Commissioner of Customs
and Excise (Excise & Strategic
Support)
Commissioner of Inland Revenue
Commissioner of Rating and
Valuation
Director of Government Logistics
Government Property Administrator
Deputy Government Property
Administrator
Director of Architectural Services

Mr LEUNG Kam Pui	Assistant Director of Architectural Services (Property Services)
Mr Charlix WONG, JP	Director of Accounting Services
Mr Esmond LEE, JP	Head, Working Family and Student Financial Assistance Agency

Session 6 – Constitutional and Mainland Affairs

Mr Patrick NIP, JP	Secretary for Constitutional and Mainland Affairs
Mr Andy CHAN, JP	Under Secretary for Constitutional and Mainland Affairs
Mr Roy TANG, JP	Permanent Secretary for Constitutional and Mainland Affairs
Miss Rosanna LAW, JP	Deputy Secretary for Constitutional and Mainland Affairs (1)
Ms Elizabeth TAI, JP	Deputy Secretary for Constitutional and Mainland Affairs (2)
Ms Maisie CHAN, JP	Deputy Secretary for Constitutional and Mainland Affairs (3)
Mr WONG See-man	Chief Electoral Officer
Mr John LEUNG, JP	Director, Beijing Office
Mr Larry CHU	Acting Director, Hong Kong Economic, Trade and Cultural Office (Taiwan)
Miss Renie LAI	Acting Director, Hong Kong Economic and Trade Affairs, Guangdong
Miss Victoria TANG	Director, Hong Kong Economic and Trade Affairs, Shanghai
Miss LI Wan-in	Director, Hong Kong Economic and Trade Affairs, Chengdu
Mr Vincent FUNG	Director, Hong Kong Economic and Trade Affairs, Wuhan
Ms Elena SHUM	Chief Executive Officer (Newspaper and Article Administration / Communications Authority)

Session 7 – Environment

Mr WONG Kam-sing, GBS, JP
Ms Irene YOUNG, JP

Mr Elvis AU, JP

Mrs Vicki KWOK, JP

Mrs Alice CHEUNG, JP

Mr Donald NG, JP

Mr Kelvin LO, JP
Dr LEUNG Siu-fai, JP

Mr Ricky LAU, JP

Mr Alfred SIT, JP

Mr Jimmy CHAN, JP
Mr Tony CHAN

Secretary for the Environment
Acting Permanent Secretary for the
Environment/Acting Director of
Environmental Protection
Deputy Director of Environmental
Protection (1)
Deputy Director of Environmental
Protection (2)
Deputy Director of Environmental
Protection (3)
Deputy Director of Environmental
Protection (Special Duties)
Director of Drainage Services
Director of Agriculture, Fisheries and
Conservation
Director of Civil Engineering and
Development
Director of Electrical and Mechanical
Services
Director of Highways
Assistant Director of Marine
(Planning and Services)

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Angel SHEK
Miss Bowie LAM

Chief Council Secretary (1)1
Council Secretary (1)1

**Attendance of members and public officers at the
special meetings of the Finance Committee
from 8 to 12 April 2019**

**Meeting held in the morning of 10 April 2019 (Sessions 8 & 9)
9:00 am to 12:30 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH
Hon CHEUNG Kwok-kwan, JP
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

Mr Raistlin Lau, JP

Mr Mike CHENG

Deputy Secretary for Financial Services and the Treasury (Treasury)³
Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Session 8 – Housing

Mr Frank CHAN, JP

Dr Raymond SO, BBS, JP

Mr Stanley YING, JP

Ms Esther LEUNG, JP

Mr Philip CHAN, JP

Ms Polly KWOK

Ms Connie YEUNG, JP

Miss Rosaline WONG

Mr Martin TSOI

Dr CHEUNG Tin-cheung, JP

Mr CHOI Lap-yiu, JP

Mr Alan FONG

Mr CHAN Nap-ming, JP

Mr Stephen WONG

Secretary for Transport and Housing
Under Secretary for Transport and Housing

Permanent Secretary for Transport and Housing (Housing)

Deputy Secretary for Transport and Housing (Housing)

Director of Sales of First-hand Residential Properties Authority

Deputy Director of Housing (Corporate Services)

Deputy Director of Housing (Development and Construction)

Deputy Director of Housing (Estate Management)

Head (Independent Checking Unit), Housing Department Permanent Secretary's Office

Director of Buildings

Commissioner of Rating and Valuation

Deputy Director of Lands(Legal)

Project Director 1, Task Force on Transitional Housing

Project Director 2, Task Force on Transitional Housing

Session 9 – Transport

Mr Frank CHAN, JP
Dr Raymond SO, BBS, JP

Mr Joseph LAI, JP

Ms Rebecca PUN, JP

Mr Kevin CHOI, JP

Ms Ivy LAW, JP

Mr Wallace LAU, JP

Ms Angela LEE, JP

Mr Jimmy CHAN, JP

Ms Mable CHAN, JP

Mr Simon LI, JP

Mr Victor LIU, JP

Ms Maisie CHENG, JP

Mr Alfred SIT, JP

Mr Raymond CHENG

Secretary for Transport and Housing
Under Secretary for Transport and
Housing

Permanent Secretary for Transport
and Housing (Transport)

Deputy Secretary for Transport and
Housing (Transport)1

Deputy Secretary for Transport and
Housing (Transport)2

Deputy Secretary for Transport and
Housing (Transport)3

Deputy Secretary for Transport and
Housing (Transport)4

Deputy Secretary for Transport and
Housing (Transport)5

Director of Highways

Commissioner for Transport

Director-General of Civil Aviation

Deputy Director-General of Civil
Aviation 1

Director of Marine

Director of Electrical and Mechanical
Services

Head (Airport Expansion Project
Coordination Office)

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Angel SHEK

Chief Council Secretary (1)1

**Attendance of members and public officers at the
special meetings of the Finance Committee
from 8 to 12 April 2019**

**Meeting held in the afternoon of 10 April 2019 (Sessions 10, 11 & 12)
2:00 pm to 6:15 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

Ms Kinnie WONG	Acting Deputy Secretary for Financial Services and the Treasury (Treasury) ¹
Mr Mike CHENG	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Session 10 – Home Affairs

Mr LAU Kong-wah, JP	Secretary for Home Affairs
Mr Jack CHAN, JP	Under Secretary for Home Affairs
Mrs Cherry TSE, JP	Permanent Secretary for Home Affairs
Mr Patrick LI, JP	Deputy Secretary for Home Affairs (1)
Mrs Angelina CHEUNG, JP	Deputy Secretary for Home Affairs (2)
Mr YEUNG Tak-keung, JP	Commissioner for Sports
Miss Janice TSE, JP	Director of Home Affairs
Ms Michelle LI, JP	Director of Leisure and Cultural Services
Miss Cathy CHU, JP	Director of Information Services

Session 11 – Commerce, Industry and Tourism

Mr Edward YAU, GBS, JP	Secretary for Commerce and Economic Development
Miss Eliza LEE, JP	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Ms Vivian SUM, JP	Deputy Secretary for Commerce and Economic Development (Commerce and Industry) ¹
Mr Gary POON, JP	Deputy Secretary for Commerce and Economic Development (Commerce and Industry) ²

Miss Erica NG, JP	Deputy Secretary for Commerce and Economic Development (Commerce and Industry) ³
Ms Cora HO, JP	Deputy Commissioner for Belt and Road
Mr Joe WONG, JP	Commissioner for Tourism
Mr Hermes TANG, CMSM	Commissioner of Customs and Excise
Mr Gordon LEUNG, JP	Postmaster General
Mr David WONG, JP	Director of Intellectual Property
Mr Stephen PHILLIPS	Director-General of Investment Promotion
Ms Salina YAN, JP	Director-General of Trade and Industry
Mr SHUN Chi-ming, JP	Director of the Hong Kong Observatory
Mr Anthony LAU	Executive Director, Hong Kong Tourism Board

Session 12 – Communications and Creative Industries

Mr Edward YAU, GBS, JP	Secretary for Commerce and Economic Development
Mr Clement LEUNG, JP	Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries)
Ms Julina CHAN, JP	Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries)
Mr Edward TO, JP	Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries) (Special Duties)
Mr Victor Tsang	Head of Create Hong Kong
Mr LEUNG Ka-wing, JP	Director of Broadcasting
Mrs Sharon YIP, JP	Deputy Director of Broadcasting (Developments)
Miss Agnes Wong, JP	Director-General of Communications

Mr Chaucer LEUNG

Mr Tony LI

Deputy Director-General of
Communications(Telecommunications)
Deputy Director of Film, Newspaper
and Article Administration

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Angel SHEK
Miss Bowie LAM

Chief Council Secretary (1)1
Council Secretary (1)1

**Attendance of members and public officers at the
special meetings of the Finance Committee
from 8 to 12 April 2019**

**Meeting held in the morning of 11 April 2019 (Sessions 13 & 14)
9:00 am to 12:45 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
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, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Dr Hon Pierre CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

Mr Raistlin Lau, JP

Deputy Secretary for Financial
Services and the Treasury (Treasury)³
Principal Executive Officer
(General), Financial Services and the
Treasury Bureau (The Treasury
Branch)

Mr Mike CHENG

Session 13 – Food Safety and Environmental Hygiene

Prof Sophia CHAN, JP

Dr CHUI Tak Yi, JP

Mr Philip YUNG, JP

Secretary for Food and Health

Under Secretary for Food and Health

Permanent Secretary for Food and
Health (Food)

Mr Michael YOUNG

Head, Resource Management and
Administration, Food and Health
Bureau

Miss Vivian LAU, JP

Director of Food and Environmental
Hygiene

Dr HO Yuk Yin, JP

Controller, Centre for Food Safety,
Food and Environmental Hygiene
Department

Dr LEUNG Siu-fai, JP

Director of Agriculture, Fisheries and
Conservation

Dr SIN Wai-mei, JP

Government Chemist

Session 14 – Health

Prof Sophia CHAN, JP

Dr CHUI Tak Yi, JP

Ms Elizabeth TSE, JP

Secretary for Food and Health

Under Secretary for Food and Health

Permanent Secretary for Food and
Health (Health)

Mr Howard CHAN, JP

Deputy Secretary for Food and
Health (Health)¹

Mr Michael YOUNG

Head, Resource Management and
Administration, Food and Health
Bureau

Dr Constance CHAN, JP

Director of Health

Dr Amy CHIU, JP
Dr LEUNG Pak-yin, JP
Dr Tony KO

Dr SIN Wai-mei, JP

Deputy Director of Health
Chief Executive, Hospital Authority
Director (Cluster Services), Hospital
Authority
Government Chemist

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Angel SHEK
Miss Bowie LAM

Chief Council Secretary (1)1
Council Secretary (1)1

**Attendance of members and public officers at the
special meetings of the Finance Committee
from 8 to 12 April 2019**

**Meeting held in the afternoon of 11 April 2019 (Sessions 15, 16 & 17)
2:00 pm to 7:00 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

Ms Kinnie WONG	Acting Deputy Secretary for Financial Services and the Treasury (Treasury) ¹
Mr Mike CHENG	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Session 15 – Innovation and Technology

Mr Nicholas YANG, GBS, JP	Secretary for Innovation and Technology
Dr David CHUNG, JP	Under Secretary for Innovation and Technology
Mr CHEUK Wing-hing, JP	Permanent Secretary for Innovation and Technology
Mrs Millie NG, JP	Deputy Secretary for Innovation and Technology (1)
Mr Davey CHUNG, JP	Deputy Secretary for Innovation and Technology (2)
Ms Annie CHOI, JP	Commissioner for Innovation and Technology
Mr Victor LAM, JP	Government Chief Information Officer
Ms Olivia NIP, JP	Commissioner for Efficiency

Session 16 – Planning and Lands

Mr Michael WONG, JP	Secretary for Development
Mr LIU Chun San, JP	Under Secretary for Development
Ms Bernadette LINN, JP	Permanent Secretary for Development (Planning and Lands)
Mr LAM Sai-hung, JP	Permanent Secretary for Development (Works)
Ms Doris HO, JP	Deputy Secretary for Development (Planning and Lands) ¹

Mr Maurice LOO, JP	Deputy Secretary for Development (Planning and Lands)2
Mr Vic YAU, JP	Deputy Secretary for Development (Planning and Lands) 3
Mr Thomas CHAN, JP	Director of Lands
Mr Raymond LEE, JP	Director of Planning
Dr CHEUNG Tin-cheung, JP	Director of Buildings

Session 17 – Works

Mr Michael WONG, JP	Secretary for Development
Mr LIU Chun San, JP	Under Secretary for Development
Mr LAM Sai-hung, JP	Permanent Secretary for Development (Works)
Miss Joey LAM, JP	Deputy Secretary for Development (Works)1
Mr Vincent MAK, JP	Deputy Secretary for Development (Works)2
Mr Francis CHAU, JP	Deputy Secretary for Development (Works)3
Ms Doris HO, JP	Deputy Secretary for Development (Planning and Lands)1
Ms Brenda AU, JP	Head of Energizing Kowloon East Office
Mrs Sylvia LAM, JP	Director of Architectural Services
Mr Ricky LAU, JP	Director of Civil Engineering and Development
Mr Alfred SIT, JP	Director of Electrical and Mechanical Services
Mr Jimmy CHAN, JP	Director of Highways
Mr Kelvin LO, JP	Director of Drainage Services
Mr WONG Chung Leung, JP	Director of Water Supplies
Mr Raymond LEE, JP	Director of Planning
Mr John KWONG	Head of Project Cost Management Office

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Angel SHEK
Miss Bowie LAM

Chief Council Secretary (1)1
Council Secretary (1)1

**Attendance of members and public officers at the
special meetings of the Finance Committee
from 8 to 12 April 2019**

**Meeting held in the morning of 12 April 2019 (Sessions 18 & 19)
9:00 am to 1:15 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP

Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

Ms Kinnie WONG

Acting Deputy Secretary for
Financial Services and the Treasury
(Treasury)¹

Mr Mike CHENG

Principal Executive Officer
(General), Financial Services and the
Treasury Bureau (The Treasury
Branch)

Session 18 – Education

Mr Kevin YEUNG, JP

Secretary for Education

Dr CHOI Yuk Lin, JP

Under Secretary for Education

Mrs Ingrid YEUNG, JP

Permanent Secretary for Education

Mr Rex CHANG, JP

Deputy Secretary for Education (1)

Ms Jessie WONG, JP

Deputy Secretary for Education (2)

Mrs Michelle WONG, JP

Deputy Secretary for Education (3)

Mr WOO Chun Sing

Deputy Secretary for Education (4)

Mrs HONG CHAN Tsui-wah

Deputy Secretary for Education (5)

Ms May CHAN, JP

Deputy Secretary for Education (6)

Prof James TANG

Secretary-General, University Grants
Committee

Mr LEUNG Yam-shing

Acting Executive Director, Vocational
Training Council

Mr Esmond LEE, JP

Head, Working Family and Student
Financial Assistance Agency

Dr SO Kwok Sang

Secretary General, Hong Kong
Examinations and Assessment
Authority

Session 19 – Security

Mr John LEE, SBS, PDSM,
PMSM, JP

Secretary for Security

Mr Sonny AU, PDSM,
PMSM, JP

Under Secretary for Security

Mrs Marion LAI, JP

Permanent Secretary for Security

Ms Manda CHAN, JP

Commissioner for Narcotics

Ms Jenny TAM	Principal Management Services Officer (Security), Security Bureau
Mr Stephen LO, PDSM, PMSM	Commissioner of Police
Mr Daryl LI, FSDSM	Director of Fire Services
Mr Erick TSANG, IDSM	Director of Immigration
Mr WOO Ying-ming, CSDSM	Commissioner of Correctional Services
Mr Hermes TANG, CMSM	Commissioner of Customs and Excise
Captain Michael CHAN, MBS, MBB GMSM, AE	Controller, Government Flying Service
Mr Francis FONG	Acting Chief Staff Officer, Civil Aid Service
Mr Sam HUI	Chief Staff Officer, Auxiliary Medical Service
Mr Richard YU, CDSM, CMSM	Secretary-General, Independent Police Complaints Council
Ms Flemy YIP	Secretary, Secretariat, Commissioner on Interception of Communications and Surveillance
Mr Simon LI, JP	Director-General of Civil Aviation

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Ms Angel SHEK	Chief Council Secretary (1)1
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**Attendance of members and public officers at the
special meetings of the Finance Committee
from 8 to 12 April 2019**

**Meeting held in the afternoon of 12 April 2019 (Sessions 20 & 21)
3:30 pm to 7:30 pm
Legislative Council Complex Conference Room 1**

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Hon CHEUNG Kwok-kwan, JP
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Public officers attending:

Ms Kinnie WONG

Acting Deputy Secretary for
Financial Services and the Treasury
(Treasury)¹

Mr Mike CHENG

Principal Executive Officer
(General), Financial Services and the
Treasury Bureau (The Treasury
Branch)

Session 20 – Welfare and Women

Dr LAW Chi-kwong, GBS, JP

Mr Caspar TSUI, JP

Secretary for Labour and Welfare

Under Secretary for Labour and
Welfare

Ms CHANG King-yiu, JP

Permanent Secretary for Labour and
Welfare

Miss Leonia TAI, JP

Deputy Secretary for Labour and
Welfare (Welfare) 1

Mr Johann WONG, JP

Deputy Secretary for Labour and
Welfare (Welfare)²

Mr David LEUNG, JP

Commissioner for Rehabilitation

Mr Dominic CHOW

Administrative Assistant to the
Secretary for Labour and Welfare

Mr Esmond LEE, JP

Head, Working Family and Student
Financial Assistance Agency

Ms Carol YIP, JP

Director of Social Welfare

Mr LAM Ka-tai, JP

Deputy Director of Social Welfare
(Services)

Miss Cecilla LI, JP

Deputy Director of Social Welfare
(Administration)

Ms Mable CHAN, JP

Commissioner for Transport

Ms Candy KWOK

Assistant Commissioner for Transport
(Management and Paratransit)

Session 21 – Labour

Dr LAW Chi-kwong, GBS, JP
Mr Caspar TSUI, JP

Ms CHANG King-yiu, JP

Mr Dominic CHOW

Mr Daniel FONG

Mr Carlson CHAN, JP
Miss Mabel LI, JP

Mr Jeff LEUNG, JP

Ms Melody LUK, JP

Mr Charles HUI, JP

Mr WU Wai-hung, JP

Dr Mandy HO, JP

Mr Esmond LEE, JP

Secretary for Labour and Welfare
Under Secretary for Labour and Welfare

Permanent Secretary for Labour and Welfare

Administrative Assistant to the Secretary for Labour and Welfare

Principal Assistant Secretary for Labour and Welfare (Manpower)

Commissioner for Labour

Deputy Commissioner for Labour (Labour Administration)

Deputy Commissioner for Labour (Occupational Safety and Health)

Assistant Commissioner for Labour (Labour Relations)

Assistant Commissioner for Labour (Employment Services)

Assistant Commissioner for Labour (Occupational Safety)

Occupational Health Consultant (1), Labour Department

Head, Working Family and Student Financial Assistance Agency

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Ms Angel SHEK
Miss Bowie LAM

Chief Council Secretary (1)1
Council Secretary (1)1

**Opening Remarks by Secretary for the Civil Service at the
Special Meeting of the Finance Committee of
the Legislative Council on 8 April 2019**

Chairman,

Among the matters related to the civil service in the 2019-20 Draft Estimates of Expenditure, I would like to focus my introduction on two items.

2. **The first item is civil service establishment.** In 2019-20, we will continue to suitably increase the manpower of government departments. The civil service establishment is expected to increase by 3 481 posts, representing a year-on-year increase of about 1.8% and resuming the stable growth of about 1% to 2% in the past ten years. About 40% of the additional posts will be for work related to people's livelihood, such as medical services provided by the Department of Health, education, and support services for the underprivileged. Another 40% or so will be invested on Hong Kong's future economic development, including infrastructure, land and housing as well as innovation and technology-related work. About 80% of the additional manpower belong to middle and lower ranks covering a number of frontline grades.

3. The Government has all along been managing the civil service establishment in a prudent manner. The increase in manpower will enable the civil service to grow stably on the one hand, and meet the practical manpower needs of government departments for implementing new policy measures and coping with the additional workload.

4. **The second item of my introduction is about financial provisions.** In the 2019-20 Draft Estimates of Expenditure, the financial provisions under a few Heads of Expenditure are related to the policy area of management of the civil service. They include -

- (a) Head 37 - Department of Health: Programme (7) “Medical and Dental Treatment for Civil Servants”: A financial provision of \$2,111.1 million is proposed, representing an increase of 27.9% over the 2018-19 Revised Estimate. This is to allow the Government to continually improve the various medical and dental services for civil service eligible persons (including pensioners). \$1,010 million of the provision will be allocated to families clinics and government dental clinics for strengthening their manpower support and the establishment of additional specialised dental surgeries, other than the daily operating expenditure of the clinics. Moreover, the Department of Health will also use the provision in 2019-20 to add two new programmes at the families clinics, namely the “Risk Assessment and Management Programme” for improving the quality of care for patients with diabetes mellitus, and the “Stable Drug Use Pilot Programme” for enhancing the drug safety for patients with chronic diseases and stable condition who are required to take multiple types of drugs. Regarding the payment and reimbursement of medical fees and hospital charges, an allocation of \$1,101.1 million is proposed for reimbursing medical expenses applied for by eligible persons; and
- (b) Head 120 - Pensions: Programme (1) “Public and Judicial Service Pension Benefits”: An amount of \$38,296.5 million is proposed for pension payments to retirees, representing an increase of 7% over the 2018-19 Revised Estimate. The increase is mainly due to an estimated increase in the number of new retirees and the full-year effect of pension payments to those retiring in 2018-19.

5. Chairman, this is the end of my introduction. I would welcome questions from Members.

**The Judiciary Administrator's Speaking Notes
at the Special Finance Committee Meeting
on 8 April 2019**

The Judiciary has the constitutional responsibility to administer justice fairly and impartially. In the financial year 2019-20, a total provision of \$2,109.5 million is sought to enable the Judiciary to discharge its responsibilities.

2019-20 Draft Estimates

2. In accordance with the budgetary arrangements agreed between the Judiciary and the Government in 2005, the Judiciary submitted its resource requirements for 2019-20 to the Government in August 2018, prior to the Government's drawing up of the 2019-20 budget for the Judiciary. The Judiciary considers that the above budgetary arrangements have been working satisfactorily, and that the Government has been helpful in the process.

3. The draft Estimates of 2019-20 for the Judiciary, amounting to \$2,109.5 million, represents an increase of \$278.8 million, or 15.2%, over our revised estimates for 2018-19. The Judiciary will be provided with the financial resources required for the creation of three additional judicial posts and 65 net additional non-judicial civil service posts, filling of existing judicial and non-judicial vacancies, provision of additional operating expenses to strengthen court operation, facilitate the implementation of the Information Technology Strategy Plan ("ITSP") and enhance administrative support on the various fronts of the Judiciary.

Judicial Manpower

4. The establishment of judicial posts now stands at 218, following the creation of four Deputy Registrar, High Court posts as approved by the Finance Committee of the Legislative Council on 1 February 2019. For the current financial year, with the support of the Government by providing the necessary financial resources, the Judiciary proposes to create three additional judicial posts of District Judge to strengthen the establishment of the Family Court to cope with its increased workload.

5. Over the past years, the Judiciary has been launching open recruitment exercises for filling judicial vacancies at appropriate timing, having regard to the overall judicial manpower situation and operational needs of the different levels of courts:

- (a) at the Judge of the Court of First Instance of the High Court (“CFI”) level, the Judiciary has conducted five open recruitment exercises on a more regular basis since 2012, including the new round of recruitment exercise launched in mid-2018. A total of 24 CFI Judges have been appointed, including four CFI Judges so far appointed from the latest recruitment exercise launched in mid-2018;
- (b) for the District Judge level, two rounds of open recruitment launched in 2011 and 2016 were completed. A total of 31 judicial appointments were made as a result. A new round of recruitment exercise was launched in end 2018 which is in progress; and
- (c) three rounds of open recruitment exercises for Permanent Magistrates conducted since 2011 were completed. A total of 41 Permanent Magistrates were appointed as a result. A new round of recruitment was launched in March 2019.

6. To address the persistent recruitment difficulties at the CFI level as well as the long-term needs of the whole of the Judiciary, and with the support of the Government, enhancements to the conditions of service for Judges and Judicial Officers (“JJOs”) have been implemented with effect from 1 April 2017. The Judiciary hopes that this would have a positive impact on recruiting suitable practitioners to join the Bench.

7. With the support of the Government, the Judiciary is also taking forward proposals to extend the retirement ages for the JJOs. The Judiciary envisages that extending the retirement ages of JJOs would have a positive impact on attracting quality candidates who are in private practice to join the Bench at the later stage of their career life, in particular at the CFI level, and also on retaining experienced judicial manpower where appropriate. The Government has introduced a Bill on the necessary legislative amendments for the implementation of the new retirement ages and related arrangements to the Legislative Council in March 2019. It is hoped that the legislative exercise could be completed within the 2018-19 legislative session.

8. For the year 2019-20 and as far as judicial manpower is concerned, the Judiciary will aim to seek the Legislative Council’s approval for the creation of three additional judicial posts, follow up on the making of judicial appointments upon completion of the new rounds of open recruitment of JJOs at different levels of courts, as well as take forward the legislative amendments for and the implementation of the extension of the statutory retirement ages of JJOs. The Judiciary would also continue to keep in view the judicial manpower situation and engage deputy JJOs in the interim in helping to meet pressing operational needs as far as practicable.

Non-Judicial Manpower

9. In 2019-20, on top of meeting the on-going operational needs in discharging its responsibilities on all fronts, the Judiciary will continue to enhance administrative support in respect of a number of

major initiatives. To this end, a net addition of 65 civil service posts will be required.

10. First, the Judiciary proposes to create a permanent Administrative Officer Staff Grade (“AOSG”) B1 post to head a new Planning and Quality Division to be set up in the Judiciary Administration (“Jud Adm”). This new Deputy Judiciary Administrator will provide dedicated strategic support to the Judiciary Administrator on formulating, evaluating and monitoring overall strategies and forward-thinking policies in the overall administration of the Jud Adm to improve efficiency and effectiveness. The new Division will also enhance overall steer for the mega projects, both on the accommodation and IT fronts, currently undertaken by the Judiciary.

11. To strengthen directorate support to the Chief Justice (“CJ”)’s Private Office, we also propose to create a permanent AOSGC post to be designated as Deputy Administrative Assistant to provide enhanced administrative support to the Chief Justice (“Deputy AA/CJ”).

12. Furthermore, additional/continuous staffing support will be required for many new and on-going initiatives. These include the provision of:

- (a) necessary support to the additional judicial posts to be created to cope with the workload of the Family Court;
- (b) administrative support to two new mega accommodation projects and the continuous review and implementation of enhanced court security measures in law courts buildings;
- (c) continuous/enhanced administrative support to facilitate the implementation of the ITSP; and

- (d) enhanced court/administrative support for coping with increased workload, for example, enhanced support to JJOs in the High Court and the District Court; and enhancement of services in various areas such as the Probate Registry, the District Court Registry, etc.

The Way Forward

13. The Judiciary consulted the Panel on Administration of Justice and Legal Services on 25 February 2019 on the proposed creation of three permanent judicial posts and two permanent civil service directorate posts. The Panel indicated its support. We will proceed to submit the proposals to the Establishment Subcommittee for endorsement and the Finance Committee of the Legislative Council for approval. The Judiciary looks forward to receiving Members' support.

Conclusion

14. The Judiciary will continue to explore areas for improvement to enhance access to justice and to provide quality services to court users and members of the public.

15. Thank you.

**Opening Remarks of the Secretary for Justice
at the Special Meeting of Finance Committee
of the Legislative Council
to Examine the Estimates of Expenditure 2019-20
on 8 April 2019**

Chairman,

1. The total estimated expenditure of the Department of Justice (DoJ) for 2019-20 is about \$2,330 million, representing an increase of 31.7% (or around \$560 million) over the revised estimate for the last financial year, and an increase of only about 1.7% (or around \$39 million) over the original estimate for the last financial year. The mild increases relate mainly to the expenditure on manpower and case handling.

2. With regard to manpower, there will be a net creation of 15 posts in the coming year to cope with the increasing demand of government departments for legal services and meeting our operational need.

3. For briefing out and court costs, the estimated expenditure is worked out on the basis of information available at the time of preparing the estimates and the principles of prudent management of public finances. The ultimate amount to be incurred in this regard will depend on the number of cases, their complexity, their development and outcome.

4. The Hong Kong Special Administrative Region Government (HKSARG) strives for Hong Kong's status as a leading centre for international legal and dispute resolution services in the Asia-Pacific region. This January, the DoJ established the Inclusive Dispute Avoidance and Resolution Office (IDAR Office), which works directly

under the Secretary for Justice's steer. The establishment of the IDAR Office will help better co-ordinate and implement various initiatives that the DoJ has been undertaking in the areas of dispute avoidance and resolution.

5. The IDAR Office will pursue and conclude co-operation or partnership arrangements with other jurisdictions and international organisations. It will also organise, support or encourage a number of important international events and activities in Hong Kong, as well as raising the international profile of Hong Kong in deal making and dispute resolution through capacity building and promotional activities overseas. For instance, the DoJ will join hands with the United Nations Commission on International Trade Law (UNCITRAL) and the Asian Academy of International Law to hold the UNCITRAL Judicial Summit in Hong Kong in the coming November for capacity building for the judiciaries in the region and enhancing international trade and development. Moreover, following the signature of a memorandum of co-operation with the Ministry of Justice of Japan on 9 January 2019, the DoJ is actively seeking to sign such memorandum with more places with a view to enhancing communication, exchanges and co-operation between Hong Kong and foreign jurisdictions on matters relating to international dispute resolution, as well as promoting the relevant development.

6. In addition to the deal making and dispute resolution fronts, the DoJ also devotes time to capacity building work to explore new opportunities in the Mainland and the Belt and Road countries for Hong Kong's legal and dispute resolution professions.

7. I will now outline the DoJ's major areas of work under the five programmes in the new financial year.

Programme (1) – Prosecutions

8. With respect to criminal prosecutions, we will continue to handle prosecution work in a fair, impartial and professional manner according to the relevant legislative provisions, the Prosecution Code, legal principles and evidence.

9. Since 1 July 2018, summaries of notable judicial decisions have been uploaded onto the DoJ's website for the general public's reference purpose. We will also continue to promote the rule of law and further public and international understanding of Hong Kong's criminal justice system through the "Prosecution Week" and other large-scale international conferences to be held in Hong Kong¹.

Programme (2) – Civil

10. Providing legal advice for the Government and representing the Government to respond in judicial review cases form a major part of the matters handled by the Civil Litigation Unit of the Civil Division (CD). 95% of the some 3 000 new applications for leave last year were related to non-refoulement claims. In the past three years, courts at all levels delivered around 650 judgments in judicial review cases involving the Government, of which over 85% were ruled in favour of the Government. Proper use of the judicial review regime by the public helps ensure that public officers make lawful decisions and policies, thus enhancing governance and safeguarding the rule of law.

11. The DoJ is now compiling the third edition of *The Judge Over Your Shoulder – A Guide to Judicial Review for Administrators*, setting out the basic principles and procedures of judicial review, and will be uploading it onto the DoJ's website upon completion.

¹ Other events include the "Criminal Law Conference" and the "Meet the Community" programme.

12. The CD plans to roll out an understudy programme for less-experienced barristers to undertake more of the Government's civil work in order to enhance their exposure.

13. Under the steering of the newly-established IDAR Office, the Mediation Team of the CD will continue to assist in matters relating to developing and promoting more extensive use of mediation to resolve disputes. Major initiatives include:

- (1) holding the biennial "Mediate First" Pledge event (2019);
- (2) assisting in the implementation of the mediation mechanism for investment disputes established under the Investment Agreement of CEPA²;
- (3) continuing to organise training courses on international investment law and international investment mediation skills;
- (4) supporting the development of an online dispute resolution platform; and
- (5) monitoring the pilot mediation scheme implemented at the West Kowloon Mediation Centre.

Programme (3) – Legal Policy

14. The Legal Policy Division will continue to discharge the important role of upholding and promoting the rule of law, and providing professional legal support to bureaux and departments on matters relating to the Basic Law, human rights and elections.

² The full title is the Mainland and Hong Kong Closer Economic Partnership Arrangement.

15. To further enhance communication with the legal sector, the DoJ has, since last year, had regular meetings with the Hong Kong Bar Association and the Law Society of Hong Kong to discuss different issues³.

16. The DoJ and the Ministry of Justice of the Mainland signed a record of meeting on 23 January 2019, reaching consensus with respect to assistance for Hong Kong's legal sector to enter the Mainland market. The Ministry of Justice has agreed in principle to further relax restrictions by allowing Hong Kong solicitors and barristers to be retained as legal consultants by one to three Mainland law firms concurrently, and to remove the minimum capital injection ratio of 30% by Hong Kong partner firms in the partnership associations set up by Mainland and Hong Kong law firms, etc. The DoJ will continue to follow up on these matters with the Mainland authorities, with a view to implementing the measures within 2019.

17. Another priority of the DoJ in recent years is to enhance Hong Kong's status as a leading centre for international legal and dispute resolution services in the Asia-Pacific region and to take forward the Legal Hub project. The renovation works for the Legal Hub at the West Wing of the former Central Government Offices will soon be completed. It is expected that space will be provided to international and local law-related organisations starting from the second half of this year.

18. The DoJ co-organised with the industry the 5th Hong Kong Legal Services Forum in Guangzhou last September. The purpose of the event was to promote Hong Kong as an international legal and dispute resolution services centre in the context of the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development to Mainland enterprises and the legal sector. The forum was very well received.

³ These include the exploration of opportunities for young practitioners and the initiatives to consolidate Hong Kong's position as a centre for international legal and dispute resolution services, etc.

19. Meanwhile, the DoJ is committed to enhancing the legal framework for dispute resolution. Regarding the amendments to the arbitration and mediation legislation in 2017, the new provisions on third party funding of arbitration have also come into effect since February 2019, following the issue of the relevant code of practice. For the new provisions on third party funding of mediation, the commencement date will be determined after further consulting the Steering Committee on Mediation and stakeholders.

20. The Government supports the non-governmental development of an online dispute resolution and deal making platform as well as promotion of the development of LawTech. We are grateful to the Panel on Administration of Justice and Legal Services for its support of the project and will seek funding approval from the Finance Committee in due course.

21. The DoJ has been actively enhancing legal co-operation in civil and commercial matters between Hong Kong and the Mainland. In early March 2019, we completed public consultation on the Bill⁴ for implementing the Matrimonial Arrangement⁵. The DoJ is following up on the drafting work with a view to introducing the Bill into the Legislative Council in June and endeavouring to implement the Arrangement as early as possible so as to take forward the new mechanism for application for reciprocal recognition and enforcement of matrimonial judgments.

22. In addition, the HKSARG and the Supreme People's Court (SPC) of the Mainland signed an arrangement on reciprocal recognition and enforcement of judgments in civil and commercial matters⁶ on

⁴ The full title is the Mainland Judgments in Matrimonial and Family Cases (Reciprocal Recognition and Enforcement) Bill.

⁵ The full title is the Arrangement on Reciprocal Recognition and Enforcement of Civil Judgments in Matrimonial and Family Cases by the Courts of the Mainland and of the Hong Kong Special Administrative Region.

⁶ The full title is the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region.

18 January 2019 to reduce the need for re-litigation and offer more effective protection to the parties involved. The DoJ will conduct a public consultation on the relevant bill in due course.

23. The HKSARG and the Mainland's SPC also signed the Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the HKSAR on 2 April 2019. As a seat of arbitration, Hong Kong becomes the first jurisdiction outside the Mainland where parties to arbitral proceedings administered by its arbitral institutions would be able to apply to the Mainland courts for interim measures.

24. The DoJ also plans to conduct public consultation in the second quarter of this year with a view to reaching early consensus on arrangements with the Mainland for reciprocal recognition and assistance regarding insolvency cases in order that better legal protection be provided and the business and investment environment in both places improved.

25. To implement the recommendations made by the Law Reform Commission in its Report on Hearsay in Criminal Proceedings, we will continue to assist the Legislative Council Bills Committee in its work so that the relevant law can keep abreast of the times.

Programme (4) – Law Drafting

26. As regards law drafting, apart from drafting and amending legislation as instructed by bureaux, the Law Drafting Division will –

- (1) prepare for publication on-line of the Combined DoJ Glossaries of Legal Terms in order to promote legal bilingualism; and
- (2) enhance the database of Hong Kong e-Legislation to facilitate more convenient access.

Programme (5) – International Law

27. The International Law Division (ILD) will continue to provide legal advice on different aspects of international law to bureaux and departments, and handle requests involving international legal co-operation.

28. Through co-operation with international organisations⁷, participation in the work of the Asia-Pacific Economic Cooperation⁸, and sending officers to join Chinese delegations participating in international organizations and international conferences,⁹ the ILD will also maintain its efforts in enhancing our international legal and dispute resolution services, our image and influence.

Conclusion

29. Chairman, the above sets out the DoJ's major areas of work in the coming financial year. My colleagues and I will be happy to answer Members' questions and listen to your views.

Thank you.

⁷ Such as the Hague Conference on Private International Law and the UNCITRAL.

⁸ Such as the Friends of the Chair Group on Strengthening Economic and Legal Infrastructure under the Economic Committee.

⁹ Such as participation in the discussion of the Working Group III of UNCITRAL in relation to the investor-state dispute settlement reform.

**Special Meetings of the Finance Committee
of the Legislative Council
to Examine the Estimates of Expenditure 2019-20
(2:00 pm - 3:10 pm on 9 April 2019)
Speaking Note of the Secretary for Financial Services
and the Treasury**

Chairman and Honourable Members,

I will briefly introduce the estimates of expenditure for financial services and our key areas of work in the coming year.

Estimates of Expenditure

2. The allocation to the Financial Services Branch and departments under its purview for 2019-20 is about \$1.8 billion. The amount represents an increase of about \$114 million over last year.

Key Areas of Work

3. In the coming year, we will focus our work on reinforcing Hong Kong's status as an international financial centre, promoting market development, enhancing protection for investors and the general public, and taking forward international regulatory requirements.

(I) Developing Offshore Renminbi Business and Enhancing Financial Co-operation with the Mainland

4. We will capitalise on the opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development. The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (Outline Development Plan) further recognises and supports Hong Kong's status as an international financial centre, a global offshore

Renminbi business hub, an international asset management centre and a risk management centre. It also supports the development of an investment and financing platform for the Belt and Road Initiative. We will actively work with Mainland authorities to take forward the relevant policy initiatives in accordance with the guiding directions set out in the Outline Development Plan.

5. The Outline Development Plan proposes to promote mutual financial markets access in the Greater Bay Area. To this end, we are gradually promoting connections between electronic payment systems in the Greater Bay Area and have attained initial results. Since last year, certain Hong Kong e-wallet operators have launched cross-boundary payment services on a pilot basis such that Hong Kong residents could use their smartphones to make payments with designated merchants in the Mainland. The operators are also planning to expand the scope of the merchants accepting such payments. Moreover, progress has been made in facilitating Hong Kong residents to open Mainland personal bank accounts. A Hong Kong bank launched a pilot scheme in March 2019, under which Hong Kong residents may complete the Mainland account opening procedure by attestation in Hong Kong without having to go to the Mainland in person. As a next step, we will continue to explore measures to simplify bank account opening procedures in the Mainland for Hong Kong residents and satisfy the demand for cross-boundary wealth management and insurance services.

(II) Promoting Market Development

6. On promoting market development, I would like to give a brief account of our priorities.

(i) Green Finance

7. The Government is making vigorous efforts to promote Hong Kong as a regional green finance hub. Apart from introducing the Green Bond Grant Scheme last year to subsidise eligible green bond

issuers in obtaining certification under the Green Finance Certification Scheme, we are also gearing up for the inaugural issuance of green bonds under the Government Green Bond Programme to encourage more issuers to finance their green projects through our capital markets. Our aim is to set a good example for other green issuers and develop a local green investor base. Last year, green bonds arranged and issued in Hong Kong amounted to US\$11 billion, more than triple that of 2017. We are glad to see that many local, Mainland and even international organisations, such as the World Bank, the Asian Development Bank and the European Investment Bank, have chosen to issue green bonds in Hong Kong. This attests to the strengths of our competitive capital markets and is conducive to the further development of green finance.

(ii) Mutual Market Access

8. Mutual market access schemes including Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Northbound Trading of Bond Connect have been operating smoothly since their launch, and some enhancement measures were implemented in 2018. The Government and regulatory authorities will continue to discuss with the relevant Mainland authorities to enhance the existing schemes and include more investment products in the mutual market access schemes, with a view to deepening the access scheme and promoting the collaboration and interaction between the two financial markets.

(iii) Asset and Wealth Management

9. The Government will continue to enhance our competitiveness as an asset and wealth management centre through various measures. Following the introduction of a new open-ended fund company structure in July 2018 to allow funds to be set up in corporate form in addition to the form of a unit trust, we are now studying the establishment of a limited partnership regime for private equity funds. This would provide more options for funds to be set up

in Hong Kong. We plan to consult the industry on the detailed proposals for the limited partnership regime later this year.

10. On tax arrangements, all publicly offered funds can enjoy profits tax exemption. As for privately offered funds, both onshore and offshore funds can enjoy profits tax exemption with effect from 1 April 2019 for qualifying transactions subject to meeting certain conditions. Such transactions include investments in both local and overseas private companies. We expect that the new arrangement will make Hong Kong a more attractive domicile for funds, drive demand for related professional services in Hong Kong and help start-ups secure sources of funding.

(iv) Tax Concessions for the Insurance Industry

11. To enhance Hong Kong's status as an international insurance hub, we plan to provide tax concessions at 50% of the profits tax rate for marine insurance and the underwriting of specialty risks in Hong Kong, so as to promote the development of relevant business. Our current target is to introduce the relevant amendment bill into the Legislative Council (LegCo) in the 2019-20 legislative year.

(v) Insurance-linked Securities

12. We will amend the relevant legislation to allow for the formation of special purpose vehicles in Hong Kong specifically for issuing insurance-linked securities (ILS), in order to facilitate the insurance industry to issue ILS in Hong Kong with a view to enriching the risk management tools available in the Hong Kong market. ILS is a tool to securitise insurance risks, so as to transfer the risks underwritten to capital markets. On the other hand, institutional investors may invest in instruments uncorrelated with the economic cycle in order to diversify risks. Our target is to introduce the relevant bill into LegCo for scrutiny in the 2019-20 legislative year.

(vi) Captive Insurers

13. We will amend the relevant legislation to reduce restrictions on insurable risks that can be carried by captive insurers set up in Hong Kong to meet the risk management need of multinationals. Our current target is to introduce the relevant amendment bill into LegCo in the 2019-20 legislative year.

(vii) Development of Financial Technologies (Fintech)

14. We will continue to promote the development of Fintech in Hong Kong on various fronts. On Fintech infrastructure, the Faster Payment System (FPS) is well received with more than 2.5 million registrations over the few months since its launch. The Government has engaged a contractor to provide a service for the public to pay government bills with the FPS. The service is expected to launch by the end of this year. The Hong Kong Monetary Authority granted three virtual banking licences last month, and their services are expected to be launched within six to nine months. This would provide the public with more innovative banking experience and enhance financial inclusion. In promoting Fintech, the Government strives to facilitate financial innovation on the one hand and protect the interests of the investing public on the other. We welcome the Securities and Futures Commission's announcement of a new regulatory approach for virtual assets. We will also make use of the Global Financial Innovation Network to track the latest regulatory trends.

(viii) eMPF Centralised Platform

15. To create room for fee reduction and a predominantly paperless Mandatory Provident Fund (MPF) experience, the Government is working with the Mandatory Provident Fund Schemes Authority to set up a centralised platform to facilitate standardisation, streamlining and automation of MPF scheme administration processes to maximise operational efficiency. The LegCo Panel on Financial

Affairs was consulted on and supported the funding proposal last December. Our target is to conduct the tendering exercise for the centralised platform in 2019 with a view to completing building the centralised platform by 2022 for phased commencement thereafter.

(III) Protecting Investors and the General Public and Taking Forward International Regulatory Requirements

16. On enhancing protection for investors and the general public and taking forward international regulatory requirements, I would like to highlight a few initiatives.

(i) Policy Holders' Protection Scheme

17. The Policy Holders' Protection Scheme aims to provide a safety net for policy holders and maintain market stability by compensating policy holders or securing the continuity of insurance contracts in case an insurer becomes insolvent. Our target is to introduce the relevant bill into LegCo for scrutiny in the 2019-20 legislative year.

(ii) Implementation of the New Auditor Regulatory Regime

18. With the passage of the Financial Reporting Council (Amendment) Bill 2018 by LegCo on 30 January 2019, we are now working closely with the relevant stakeholders on the preparation for implementing the new regulatory regime as soon as practicable. The Financial Secretary has also announced in the Budget that the Government will increase the amount of seed capital for the Financial Reporting Council (FRC) to \$400 million to help it migrate to the new regime, and exempt the levies payable to the FRC under the new statutory requirements for the first two years.

(iii) Group-wide Supervision

19. We are improving the legislative framework for the supervision of insurance groups where the holding company for the group is incorporated in Hong Kong. We will ensure that the requirements on capital, risk management, corporate governance, etc. are in line with international standards and can help maintain our global competitiveness. Our target is to introduce the relevant bill into LegCo for scrutiny in the 2019-20 legislative year.

20. Chairman, my colleagues and I will be happy to answer any questions from Members.

- End -

**Special Meetings of the Finance Committee
of the Legislative Council
to Examine the Estimates of Expenditure 2019-20
Public Finance
(3:20 pm - 4:00 pm on 9 April 2019)
Speaking Note of the Secretary for Financial Services
and the Treasury**

Chairman and Honourable Members,

This session of the special meetings of the Finance Committee will examine the expenditure estimates of the Treasury Branch and related departments. The policy areas under the Treasury Branch's purview cover revenue and financial control, provision of central support services within the Government and maintenance of government properties. Before the question session begins, I would like to brief Members on a few points.

Estimates of Expenditure

2. The estimated total expenditure of the Treasury Branch and departments under its purview for 2019-20 is \$9.785 billion. The amount represents an increase of \$1.306 billion (around 15.4%) over the original estimate of last year.

Key Areas of Work in the Coming Year

3. As regards our work in the coming year, I would like to brief Members on the following key areas.

4. On public finances, we will continue to adhere to the new fiscal philosophy of the current-term Government by following the principle of fiscal prudence to ensure healthy public finances, as well as adopting forward-looking and strategic principles in resource management and allocation in support of government policies to invest for Hong Kong and relieve people's burden.

5. On international tax co-operation, we conducted the first automatic exchange of financial account information in tax matters with the relevant tax jurisdictions last year, and are progressively implementing the minimum standards of the package to counter base erosion and profit shifting by enterprises. We will ensure that Hong Kong complies with the relevant international requirements on tax co-operation. Besides, we will continue to expand Hong Kong's network of Comprehensive Avoidance of Double Taxation Agreements (CDTAs). So far, Hong Kong has signed 40 CDTAs, and negotiations with 15 tax jurisdictions are underway. Our target is to bring the total number of CDTAs to 50 over the next few years.

6. The Tax Policy Unit was set up in April 2017, with its priority being to capitalise on the tax policy to facilitate the development of Hong Kong's industries and economy. It has so far assisted in implementing tax measures such as the two-tiered profits tax rates regime and the provision of enhanced tax deduction for research and development expenditure. It has also worked with other bureaux to study tax measures in their policy areas, for example insurance and ship leasing business. With global requirements and competition in taxation matters becoming more complex and Hong Kong moving towards a diversifying economy, the Government will closely monitor international developments on tax requirements and ensure compliance, while introducing tax measures strategically to enhance Hong Kong's competitiveness and ensure stability of our tax revenue. To better support the Government's work on the overall economic development of Hong Kong, the Unit will come directly under the Financial Secretary's Office starting from 1 July this year. The Financial Services and the Treasury Bureau (FSTB) and the Inland Revenue Department will work closely with the Unit in an effort to formulate tax policy that can safeguard a stable income for the Government on one hand, and cater for the development needs of our industries and economy on the other.

7. On government procurement, we have implemented two new policies from April this year, the first one being pro-innovation government procurement policy. To promote the development of innovation and technology (I&T), the Government introduced the pro-innovation government procurement policy and arrangements from 1 April, which aim to promote the adoption of innovative suggestions

and facilitate the participation of enterprises, including start-ups and small and medium enterprises (SMEs), in government procurement. Government departments will make wider use of marking schemes, consider both quality and price of tenders, and increase the weighting for quality in tender evaluation. Under the new policy, a weighting of at least 50% or even 70% will be given to quality in general. In addition, certain marks will have to be set aside for assessing innovative suggestions, so that innovative tenders will stand a better chance of success. In parallel, the government departments concerned will roll out measures to enhance exchange with the I&T sector and dissemination of information to facilitate the participation of I&T start-ups and SMEs in government procurement, as well as to equip government departments with a better understanding and knowledge of I&T development in the market. We will, in collaboration with the Government Logistics Department, oversee the implementation of the new policy.

8. The second new policy on procurement is the enhanced protection for non-skilled workers. Following a review conducted by a working group led by the Labour and Welfare Bureau, the Government has implemented new measures in respect of service contracts that rely heavily on the deployment of non-skilled workers starting from April this year in a bid to enhance protection for such workers. The measures include increasing the weighting for wage level as an assessment criterion in the technical assessment, encouraging departments to adopt a tenure of not less than three years for the service contracts where practicable, as well as requiring government service contractors to provide such employment benefits as contractual gratuities and extra pay for working when typhoon signal No. 8 or above is in force. We will maintain communication with the Labour Department and the procuring departments to monitor the implementation of the measures.

9. On property management, the Government Property Agency (GPA) will enhance its role in providing central support services to support government policies in different areas in the coming year. First, in collaboration with the relevant departments, the GPA will vigorously promote the “single site, multiple use” model in multi-storey developments, steer and take forward multi-storey development projects with cross-bureaux facilities, as well as expedite their delivery

through enhanced internal co-ordination. The Development Bureau and the FSTB will jointly provide the necessary policy support.

10. Second, in line with the Government's policy objective to build a caring society, the GPA has introduced new leasing arrangements. From 2019 onwards, when assisting departments in leasing government properties, the GPA will, where suitable, give priority to applications by non-governmental organisations and social enterprises which have obtained policy support. This will facilitate the provision of social services by the organisations concerned.

11. Moreover, the GPA will step up its property management work by gradually taking charge of the management of the facilities at border control points. This, coupled with the completion of new government offices and properties, will bring about a marked increase in the GPA's workload in such areas as property management and support services. The resources required for 2019-20 have already been reflected in the GPA's Head of Expenditure.

12. Chairman, my colleagues and I will be happy to answer any questions from Members.

Financial Services and the Treasury Bureau
April 2019

**Opening Statement by
Secretary for Constitutional and Mainland Affairs
at the Special Meeting of the Finance Committee
on 9 April 2019**

Chairman,

I wish to brief Members on the main points of the estimates of expenditure of the Constitutional and Mainland Affairs Bureau (“CMAB”) in 2019-20.

Estimates of Expenditure of CMAB

2. In 2019-20, CMAB is allocated \$766.8 million. The focus of work for this financial year is as follows -

(I) Electoral Arrangements

3. The Government will continue to work closely with the Electoral Affairs Commission (“EAC”) to ensure that each public election will be conducted in a fair, open and honest manner in strict accordance with the Basic Law and the relevant legislation.

Amendments to Electoral Laws

4. In preparation for public elections in the election cycle commencing this year, the Government is examining the relevant electoral laws with reference to the experience of the last election cycle, and has implemented some improvement measures, among which the Electoral Legislation (Miscellaneous Amendments) Bill 2018 has been passed by the Legislative Council (“LegCo”) January this year and has come into effect.

5. Besides, we have already introduced another amendment Bill into the LegCo last month, which proposes to introduce technical amendments concerning arrangements in the Elections (Corrupt and

Illegal Conduct) Ordinance (Cap. 554)¹, and various electoral procedures in LegCo elections and other public elections.

2019 District Council (“DC”) Ordinary Election

6. The 2019 DC Ordinary Election will be held on 24 November to elect 452 members to the DCs. The EAC will, in mid-2019, conduct a public consultation to solicit views on the “Proposed Guidelines on Election-related Activities in respect of the District Council Election” (“the Guidelines”), and consult the LegCo Panel on Constitutional Affairs on the Guidelines and the practical arrangements for the election.

2019 Voter Registration (“VR”)

7. The 2019 VR campaign commences in April. Starting from last year, electors applying to change their registered address are required to submit address proof at the same time. This will facilitate the verification of the electors’ address information by the Registration and Electoral Office (“REO”), thereby enhancing the accuracy of the registers of electors. Electors can use the “Online Voter Information Enquiry System” to verify their registration status and particulars. REO will continue to implement checking measures and carry out statutory inquiry process. If any person is suspected of providing false information for voter registration, the REO will refer the case to the law enforcement agencies for follow up action and investigation in accordance with the established procedures.

(II) Promoting the Constitution and the Basic Law

8. In 2019-20, the CMAB will continue to set aside about \$17 million to promote public understanding of the "one country, two systems" principle, the Constitution and the Basic Law through various means, including organising or sponsoring various types of promotional activities.

¹ Such as raising the limits for candidates to rectify minor errors or omissions in their election returns under the de minimis arrangement.

(III) Rights of the Individual

9. In 2019-20, subventions to the Equal Opportunities Commission (“EOC”) and the Office of the Privacy Commissioner for Personal Data (“PCPD”) will remain the major parts of the estimated total provision in human rights under the Bureau. CMAB will continue to carry out the legislative, promotional and educational work in certain areas.

EOC and PCPD

10. EOC is responsible for the implementation of four anti-discrimination ordinances. The total subvention for the EOC in 2019-20 is \$114.5 million. PCPD will continue to raise public awareness in protecting and respecting personal data, as well as encourage public and private organisations to embrace personal data protection as an essential part of corporate governance. In 2019-20, we propose to allocate \$78.57 million to PCPD.

Discrimination Law Review

11. We introduced the Discrimination Legislation (Miscellaneous Amendments) Bill 2018 (“the Bill”) to the LegCo in late 2018 so as to implement eight of the recommendations set out in EOC’s Submission to the Government on the DLR that are less complex and controversial. The Bill was gazetted on 30 November last year and presented to the LegCo for first and second reading on 12 December. At present, LegCo has formed a Bills Committee to scrutinise the Bill. The Government will listen and consider carefully views from the Bills Committee and look forward to early passage of the Bill.

12. CMAB will continue to study the remaining 19 recommendations of priority (including issues identified by the EOC as requiring further research, consultation and education²) and follow up as appropriate.

² For instance, providing protection from discrimination on the ground of citizenship and residency status in the Race Discrimination Ordinance (Cap. 602) (to address discrimination against new immigrants and tourists from the Mainland China); and providing protection from discrimination on the ground of cohabiting relationships.

Promotion of Children's Rights

13. In 2019-20, we have earmarked about \$1.10 million (excluding manpower cost) for implementing programmes for enhancing children's rights promotion.

Anti-discrimination on grounds of sexual orientation and gender identity

14. We are actively taking forward the strategies and measures recommended by the Advisory Group on Eliminating Discrimination against Sexual Minorities. First of all, we have enhanced public education and publicity efforts, including broadcasting the promotional video on different platforms to promote the message of "Eliminate Discrimination, Embrace Inclusion", as well as encouraging more organisations to adopt the Code of Practice against Discrimination in Employment on Ground of Sexual Orientation ("the Code") through multiple channels to provide equal opportunities for people of different sexual orientations. At present, more than 350 public and private organisations employing over 550 000 employees have adopted the Code.

15. As some sexual minorities expressed that they were unable to access information such as counselling and support services, we subsidised a 24-hour hotline operated by the Tung Wah Groups of Hospitals for supporting sexual minorities. The hotline has been launched since January last year to provide prompt support, counselling and referral services for sexual minorities and their families with a view to alleviating their difficulties and stress faced in the daily life.

16. We launched the training resources to enhance sensitivity of medical and healthcare professionals towards sexual minorities in December last year. A briefing session for representatives from different medical and healthcare professional bodies was held in January and a train-the-trainer session was held for Hospital Authority and Department of Health in late March this year with a view to enhancing their knowledge and awareness towards sexual minorities. In addition to medical and healthcare professionals, training resources will also be prepared for social workers, human resources professionals and teachers.

17. We are studying the experience of other jurisdictions in tackling discrimination through administrative and legislative measures and expect to complete it in first half of this year. The findings will provide more information to facilitate more in-depth discussion in the community on the issue of whether legislation should be introduced to protect people of different sexual orientations and transgenders against discrimination. We are also drawing up a charter on non-discrimination of sexual minorities for voluntary adoption by relevant organisations in the domains of provision of goods, facilities and services; disposal and management of premises; employment; and education.

(IV) Mainland and Taiwan Affairs

18. The HKSAR Government has fully enhanced the networks and functions of its Mainland Offices. At present, the HKSAR Government has established one office each at the eastern, southern, western, northern and central regions of the Mainland. Each office has established at least two liaison units, making up to a total of 11 liaison units.

Development of the Guangdong-Hong Kong-Macao Greater Bay Area

19. The development of the Greater Bay Area is a key national development strategy for China's further reform and opening up. Through further deepening cooperation amongst Guangdong, Hong Kong and Macao, the objectives of the development of the Greater Bay Area are to promote coordinated economic development in the Greater Bay Area, leverage the complementary advantages of the three places, and develop an international first-class bay area for living, working and travelling.

20. The Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area ("Outline Development Plan") promulgated by the Central Government in February set out the directions guiding the development of the Greater Bay Area. It also signified the development of the Greater Bay Area had entered into a stage of full-fledged implementation. The Hong Kong Special Administrative Region ("SAR") Government shall follow the guiding directions in the Outline Development Plan and proactively co-operate

with relevant central ministries, the Guangdong Provincial Government and the Macao SAR Government in jointly taking forward work relating to the development of the Greater Bay Area.

21. To take forward the development of the Greater Bay Area more effectively, the Chief Executive has established a high-level Steering Committee for the Development of the Greater Bay Area, with her as the chairperson and its membership comprising all Secretaries of Department and Directors of Bureau. The Steering Committee will be responsible for the overall co-ordination of matters relating to Hong Kong SAR's participation in the development of the Greater Bay Area. In 2019-20, CMAB will also set up a Greater Bay Area Development Office and appoint a Commissioner for the Development of the Greater Bay Area to implement the relevant work.

22. The Office will co-ordinate with relevant central ministries/departments, the Guangdong Provincial Government and the Macao SAR Government, as well as the relevant bureaux/departments of the Hong Kong SAR Government, and formulate annual work priorities to take forward the development of the Greater Bay Area. The Office will also carry out promotion and publicity work and disseminate information to deepen the understanding of the public and industries on the development of the Greater Bay Area. Meanwhile, the Office will maintain close liaison with Members of the LegCo, industries, business associations, professional bodies and relevant stakeholders to gauge their views on the effective implementation of the Outline Development Plan to ensure that the relevant measures can best meet the needs of various sectors of the community.

Regional Co-operation

23. We will continue to deepen regional cooperation through our cooperation mechanisms with the Pan-Pearl River Delta region, Shanghai, Beijing, Fujian and Sichuan, and promote regional cooperation with the other provinces and municipalities by adopting a pragmatic approach and launching initiatives once they are ready. We will foster exchanges and cooperation between Hong Kong and the Mainland in various areas, including trade, culture, finance, innovation and technology, and training of professional talents, with a view to opening up more opportunities for people of the two places.

Facilitation Measures for Hong Kong people in the Mainland

24. Since August 2017, the relevant central authorities have announced a number of policy measures to facilitate Hong Kong residents studying, working and living in the Mainland. The measures include allowing Hong Kong and Macao residents working in the Mainland to join the Housing Provident Fund; removing the requirement for Hong Kong and Macao residents working in the Mainland to apply for employment permits; and installing automatic ticket vending and issuing machines to read and verify Home Visit Re-entry Permits at train stations. The Regulations for Application of Residence Permit for Hong Kong, Macao and Taiwan Residents, as announced by the Central Government, have been implemented since 1 September last year. Hong Kong residents living in the Mainland who meet the relevant criteria can apply for residence permits. In future, the HKSAR Government will continue to actively reflect views of the Hong Kong people to the relevant Mainland authorities, with a view to striving for more facilitation measures for Hong Kong people and their smooth implementation at the local level.

Development of Hong Kong – Taiwan Relations

25. We will continue to foster economic, trade and cultural exchanges and co-operation between Hong Kong and Taiwan. The Hong Kong Economic, Trade and Cultural Office in Taiwan will liaise with key economic and cultural organisations as well as Hong Kong people and businesses in Taiwan. Through various activities, the Office will also promote Hong Kong's strengths and introduce to the Taiwan community the developments of Hong Kong, thereby enhancing exchanges between the two places.

Constitutional and Mainland Affairs Bureau
April 2019

Speech by SEN
at the Finance Committee Special Meeting (2019-20)

Chairman,

1. The Financial Secretary's Budget Speech highlighted two new initiatives on our side, namely, allocating another \$1 billion for departments to install renewable energy (RE) facilities; and providing more charging facilities for electric vehicles. \$120 million will be allocated to provide over 1,000 additional public chargers at government car parks. I would like to brief Members on other work priorities of the Environment Bureau in the coming financial year (FY).
2. The Government has earlier earmarked \$900 million to implement energy saving projects in government buildings and made good progress. We are confident that the target to reduce electricity consumption of government buildings by 5% within 5 years could be reached in this FY. Moreover, \$1 billion earmarked for installing RE facilities at government venues in the last two FYs is already benefitting leisure and cultural services facilities, government offices, government schools and sewerage treatment works. The additional \$1 billion this year will allow us to do more.
3. Pursuant to the requirement of the Paris Agreement, we need to draw up, by 2020, a long-term decarbonisation strategy for the HKSAR up to 2050. We have invited the Council for Sustainable Development to conduct a public engagement exercise shortly for this purpose and to engage the public on how to transit towards a low-carbon society.

4. On improvement of air quality, we are making preparations for phasing out Euro IV diesel commercial vehicles, and planning the trial of retrofitting Euro IV and V franchised buses with enhanced selective catalytic reduction systems to reduce emissions. Having completed the review of Air Quality Objectives (AQOs) last December, we will launch a 3-month public consultation this year. If it is decided to tighten the AQOs, we will submit an Amendment Bill to the Legislative Council (LegCo) for implementing the new AQOs as soon as possible.
5. Implementation of Municipal Solid Waste (MSW) charging is at the centre of our waste reduction strategy. The relevant Bill is being scrutinised at LegCo. This year, we are providing additional funding of around \$300 million to \$400 million to enhance support of the work related to waste reduction and recycling. Upon implementation of MSW charging in the future, annual funding will increase to about \$800 million to \$1 billion, which is commensurate with the amount of the estimated gross revenue to be generated from MSW charging, thereby achieving the effect of “dedicated-fund-for-dedicated-use”. We are preparing to roll out a pilot scheme in three districts this year to provide free collection service for non-commercial and non-industrial waste plastic. We also plan to introduce a pilot scheme later this year to collect food waste.
6. On the producer responsibility schemes (PRS), the one for waste electrical and electronic equipment is being implemented progressively. Moreover, we will submit the draft subsidiary legislation regarding the PRS for glass beverage containers to LegCo this year for scrutiny, in order to pursue its full implementation. Our next step is to take forward the PRS for plastic beverage containers. The relevant pilot scheme for reverse vending machines will be implemented in the second half of this year.

7. On marine refuse, apart from our continuous effort in coordinating and stepping up cleaning, monitoring and patrolling work through our inter-departmental working group, we will also strengthen collaboration with our Guangdong counterparts in marine environmental management. We will also enhance communication with the public and provide support to shoreline cleanup actions organised by different organisations.
8. Regarding water quality, to continually strengthen our sewerage infrastructural facilities and tackle near-shore pollution problems, we plan to seek funding approval from LegCo this year for 15 sewerage projects of some \$29 billion in total for upgrading or constructing sewage treatment works, sewers, village sewerage systems and dry weather flow interceptors.
9. On countryside and nature conservation, since the establishment of the Countryside Conservation Office (CCO) in July last year, we have been actively co-ordinating relevant government departments and stakeholders. CCO will launch a “Countryside Conservation Funding Scheme” in the second half of this year to support interactions and collaboration between non-government organisations and villagers for implementing conservation and revitalisation projects. In addition, we will consult the soon-to-be-established Advisory Committee on Countryside Conservation on the proposed minor improvement works in Lai Chi Wo and Sha Lo Tung.
10. I look forward to strengthening both our interaction and collaboration with LegCo Members and all sectors of the community, as well as our joint efforts in innovation, so that together we can continue to contribute to the sustainable development of Hong Kong and the world. Thank you, Chairman.

Legislative Council
Special Finance Committee Meeting (Housing Session)
10 April 2019

Opening Remarks
by the Secretary for Transport and Housing

Chairman,

1. Housing is a livelihood issue of greatest concern to the current-term Government. Based on the “supply-led” and “flexibility” principles under the Long Term Housing Strategy (LTHS), the Government will continue to increase public and private housing supply by a multi-pronged strategy.

Housing Supply

2. In December 2018, we announced that the ten-year total housing supply target from 2019-20 onwards was 450 000 units, and the Government revised the public-private split from 60:40 to 70:30. Therefore, in the future 10 years, the public housing supply target is 315 000 units, including 220 000 “Public Rental Housing (PRH)/ Green Form Subsidised Home Ownership Scheme (GSH)” units and 95 000 “Other Subsidised Sale Flats (SSFs)”, whereas the private housing supply target is 135 000 units.
3. With a view to increasing public housing supply, the Government decided, in June 2018, to re-allocate 9 sites originally intended for sale for private housing projects for public housing uses. These sites are expected to provide some 11 000 units. The Government will continue to review the situation from time to time, and, where appropriate, re-allocate sites originally planned for private housing for public housing uses.

4. Furthermore, in order to optimise the use of public housing land, the Government has, since the announcement in 2014 on increasing the development intensity of housing sites by 20%, allowed further increase of domestic plot ratio of public housing sites by 10% to a maximum of 30% where technically feasible (excluding those in the north of Hong Kong Island and the Kowloon Peninsula which are more densely populated). This initiative was approved by the Executive Council in December 2018.

Private Housing

5. On private housing, housing land supply has increased in a continuous manner over the last few years. In 2018, 21 000 private residential units were completed, a record high in 14 years. Based on preliminary estimation, the private sector would, on average, complete about 18 800 residential units annually in the next five years (i.e. from 2019 to 2023), representing an increase of about 20% over the annual average of the past five years. Besides, according to the projection as at end-December 2018, the supply of first-hand private residential property market in the next three to four years is about 93 000 units, which remains at a relatively high level.
6. On the other hand, to encourage more timely supply of first-hand private residential units in the market, the Government proposes to amend the Rating Ordinance to require developers of first-hand private residential units with Occupation Permits issued for 12 months or more to furnish annual returns to the Government on the occupancy status of the units. Units that have not been rented out for more than six months during the past 12 months will be subject to “Special Rates”. The Government is currently studying the views raised by Members at the Housing Panel meeting in April 2019 as well as other views from the public, and working out the legislative proposals

with a view to introducing the Rating (Amendment) Bill to the Legislative Council as soon as possible.

7. Regarding another issue about first-hand residential properties, we have noticed that for some individual developments offered to be sold by tender recently, the transparency of the sales process is less than satisfactory. In this connection, the Sales of First-hand Residential Properties Authority (SRPA) has proactively monitored the market situation and has earlier spotted cases with insufficient transparency in the sale practice and the records of transactions, which might have violated the Residential Properties (First-hand Sales) Ordinance. SRPA is investigating the cases and will strictly enforce the Ordinance based on evidence collected. Apart from taking enforcement action against individual cases, SRPA will also issue a reminder to the trade requesting vendors of first-hand residential properties to set out the full details of the terms of payments in the register of transactions so as to increase the transparency of transaction information and let purchasers understand the residential property market conditions.
8. Similarly, the Estate Agents Authority (EAA) is investigating into possible non-compliance cases and will issue reminder to estate agents ensuring that they strictly observe the Estate Agents Ordinance and EAA's guidelines when participating in the sales of residential properties by tender.
9. The Government will keep a close watch on the situation of selling first-hand residential properties by tender, and will take all possible and viable measures as and when necessary to make sure that the level of transparency of sales of first-hand residential properties by tender is the same as that for open sales with price list.

Public Housing: New Initiatives in the Chief Executive's 2018 Policy Address (2018 PA)

10. In order to ensure the effective use of public housing resources, the Chief Executive suggested in the 2018 PA that HA and the Hong Kong Housing Society (HKHS) should implement three new initiatives. First, the Chief Executive suggested that HA, in the light of the operational experience of HKHS's Letting Scheme for Subsidised Sale Developments with Premium Unpaid, should consider joining the scheme and allow owners of its SSFs with premium unpaid to sublet their flats to needy families. Second, the Government has accepted HKHS's recommendation of launching a Flat-for-Flat Pilot Scheme for Elderly Owners on a trial basis for its SSFs with premium not yet paid. Third, the 2018 PA recommends HA to consider launching a new concessionary initiative whereby under-occupation households whose family members are all elderly are allowed to enjoy lifetime full rent exemption upon their transfer to smaller units. HA and HKHS are following up on these three suggestions, and will announce the details when decisions have been made.

Subsidised Sale Housing

11. On Subsidised Sale Housing, the Government announced six new housing initiatives in June last year, which include, among others, revision to the pricing mechanism for Home Ownership Scheme (HOS) flats. Under this arrangement, applicants' affordability will be taken as the basis of pricing in order to make HOS flats more affordable to low-to-middle income families. On another front, "Starter Homes" (SH) and GSH will also be priced with reference to the new HOS pricing mechanism to address the home ownership aspirations of families with different incomes.

12. Subsequently, HA launched the Sale of HOS Flats 2018, which involved about 4 400 flats, and afterwards in December 2018, a GSH project in Cheung Sha Wan, namely Lai Tsui Court, which offered about 2 500 flats. Meanwhile, the Urban Renewal Authority put up 450 SH Pilot Project units at Ma Tau Wai Road for pre-sale at 62% of their market price in December last year. In considering the way forward of SH, the Government will take into account the experience from the SH Pilot Project at Ma Tau Wai Road.
13. In 2019, according to HA's projection, about 4 900 HOS flats will be put up for sale in May 2019. Also, two GSH projects located at Chai Wan Road, Chai Wan and Tsing Hung Road, Tsing Yi, offering a total of about 3 700 flats, will also be put up for pre-sale by end of this year.
14. In taking forward GSH projects in future, HA will, based on the decision it made during the regularisation of GSH, implement GSH at a more modest pace to gather experience, so as to reduce the risk of having flats unsold and minimise the impact on the waiting time for PRH applicants. HA will, by adhering to the incremental approach, take account of the operational experience and sales response to select PRH developments suitable for conversion to GSH projects on an annual basis.

Housing Reserve

15. Financially, HA, being a financially autonomous public body, funds its public housing programmes with its own resources. To ensure that HA has sufficient financial resources, the Government has set aside about \$82.4 billion as a Housing Reserve to support HA where necessary. In order to clearly reflect the overall financial position of the Government, the Financial Secretary (FS) announced that the Government would bring back the Housing Reserve to the fiscal reserves, and, at the same time, earmark the same amount in the fiscal reserves for

public housing development to demonstrate that the Government's financial resource commitment on this front has not lessened.

Transitional Housing

16. Apart from taking forward the long-term housing policy and measures, the Government supports and facilitates the implementation of various short-term initiatives put forward and carried out by community organisations with a view to alleviating the living hardships and other problems faced by those inadequately housed through the provision of transitional housing.
17. The Finance Committee of the Legislative Council approved a financial provision of \$1 billion in January 2019 for setting up a funding scheme to support non-governmental organisations (NGOs) for the gainful use of vacant government sites. The Development Bureau has started to invite funding applications and NGOs may apply for funding under the scheme to expedite the provision of transitional housing.
18. To further increase the funding support, FS announced in this year's Budget Speech that \$2 billion would be set aside to support NGOs in constructing transitional housing. THB will map out the detailed arrangements and submit the financial proposal to the Legislative Council after taken account of the operational experience of such projects and listened to the views of various sectors of the community.

Concluding Remarks

19. We will continue to do our best to provide adequate and affordable housing to the public, enabling them to have comfortable homes and improving their living environment.

20. Chairman, I am pleased to answer policy-related questions from Members, while the Controlling Officers and my other colleagues would respond to those questions relating to implementation matters and the use of financial resources.

- ENDS -

**Opening Remarks by the Secretary for Transport and Housing
at the LegCo Special Finance Committee Meeting (Transport)
on 10 April 2019**

Honourable Chairperson,

Today, I would like to brief Members on our work on land, marine and air transport in the new financial year.

2. Regarding rail transport, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”) commenced operation on 23 September 2018. The XRL has been operating smoothly since its commissioning. The patronage for the XRL has been over 10 million up to end of March this year, with average daily patronage nearly 54 000. In the light of the quality of works problem and related investigations for Hung Hom Station Extension under the Shatin to Central Link, the target commissioning date for “Tai Wai to Hung Hom Section” has to be further reviewed. Meanwhile, the Government and MTRCL are actively studying the feasibility of partial commissioning of some stations and part of the “Tai Wai to Hung Hom Section”. The target commissioning date for “Hung Hom to Admiralty Section” remains to be 2021.

3. In respect of major road infrastructure, the Hong Kong – Zhuhai – Macao Bridge (“HZMB”) has been operating smoothly since its commissioning in October 2018. The Tuen Mun - Chek Lap Kok Link (“TM-CLKL”) Southern Connection was commissioned in stages in October and November 2018 to dovetail with the commissioning of HZMB. As for the TM-CLKL Northern Connection, it is anticipated to be completed in 2020 at the earliest. The Central-Wan Chai Bypass and Island Eastern Corridor Link was also fully commissioned on 24 February 2019.

4. Meanwhile, we are pressing ahead with the Route 6 projects, including the ongoing construction works for the Tseung Kwan O – Lam Tin Tunnel (“TKO-LTT”) and the Central Kowloon Route. We will also seek funding approval for the Trunk Road T2 and Cha Kwo

Ling Tunnel within this legislative year with a view to commencing construction in the second half of 2019 such that the entire Route 6 may be commissioned in around 2025. After obtaining funding approval in the last legislative year, the Cross Bay Link, Tseung Kwan O and widening of Tai Po Road (Sha Tin Section) commenced construction in 2018.

5. The legislative amendments for exempting the toll for franchised buses using government tunnels and roads took effect on 17 February 2019. Since that day, the franchised bus operators have been exempted from paying the tolls for all government tunnels and roads (including Cross Harbour Tunnel and Eastern Harbour Crossing). The toll saved has been set aside in a fund account established by each operator with a view to lowering the magnitude of future fare increase to be shouldered by the public.

6. The Government attaches great importance to the provision of safe and reliable franchised bus service. In this regard, the Government has set aside \$500 million to subsidise franchised bus operators for retrofitting safety devices on appropriate existing buses, including the Electronic Stability Control, speed limiter, and the installation of seat belts on all seats in the upper deck of buses deployed for long-haul routes which are operated via expressways with relatively fewer stops. In the light of the recommendation of the Independent Review Committee on Hong Kong's Franchised Bus Service, the Transport Department ("TD") is conducting cost-benefit analyses in respect of the retrofitting of the devices to re-affirm the cost-benefit of the proposal. The analyses are expected to be completed in mid-2019.

7. The Government implemented the non-means-tested Public Transport Fare Subsidy Scheme on 1 January 2019. The operation of the Scheme has been smooth since its implementation. Based on the actual public transport expenses of commuters under the Scheme in January and February 2019, the total amount of subsidies for the two months is about \$306.7 million, involving a monthly average of around 2.15 million beneficiaries.

8. To promote the opening-up of the operating data by public transport operators to facilitate commuting and trip planning of the public, the Government will fund and develop a data collection system

and a mobile application, as well as install global positioning devices on around 3 300 green minibuses in the territory. We aim to implement the initiative in phases from 2021 with a view to full implementation by 2022.

9. The Government attaches great importance to alleviating road traffic congestion. TD will consult stakeholders on the Electronic Road Pricing Pilot Scheme in Central in the first half of 2019. TD is also taking forward a consultancy study on the parking demand of commercial vehicles, which is expected to be completed in end 2019.

10. At the same time, TD is actively preparing for the commencement of the Study on “Congestion Charging” in mid-2019. The Study will adopt the principle of “Efficiency First” to examine the hierarchy and level of tolls of government tolled tunnels and the Tsing Ma and Tsing Sha Control Areas with a view to enabling efficient people carriers and vehicles that support economic activities to enjoy lower tolls, while imposing higher tolls on vehicle types with low carrying capacity. The Study will also examine the scope for charging different tolls for different time periods. TD plans to consult relevant stakeholders on the recommendations arising from the Study in 2021.

11. The Government will continue to take forward various “Smart Mobility” initiatives under the Hong Kong Smart City Blueprint. TD will continue to disseminate more walking, driving, public transport and real-time traffic information to the public through “HKeMobility” mobile application. In addition, it is expected that the Government will commence issuing in-vehicle units (“IVUs”) to vehicle owners from the third quarter of 2020 onwards. The first application of IVUs will be the Free-Flow Tolling System (“FFTS”) of TKO-LTT to be commissioned in end 2021. TD also plans to roll out the FFTS at other government tolled tunnels and roads by phases within about two to three years after the commissioning of TKO-LTT. Starting from 2020, we will also commence the gradual installation of a new generation of on-street parking meters which provide real-time information on vacant parking spaces and support remote payment through mobile application.

12. To facilitate the access to public walkways by the public, we will take forward the Third Phase of the Universal Accessibility (“UA”) Programme. A feasibility study on the lift retrofitting proposals for the remaining some 120 walkways under the current ambit of the Programme across various districts will commence in the first half of 2019. We are also reviewing whether there is any scope for further expansion of the ambit of the UA Programme. Meanwhile, the Government will continue to take forward the Hillside Escalator Links and Elevator Systems (“HEL”) projects in different districts.

13. In respect of marine transport, the Marine Department will continue to take forward various measures and reforms to enhance marine safety in Hong Kong. We plan to submit the relevant legislative amendment proposal to the Legislative Council (“LegCo”) later this year to improve the provision of lifejackets on local vessels, as well as to enhance regulatory regime over pleasure vessels. In addition, we briefed the Panel on Economic Development (“ED Panel”) on the proposed legislative framework to regulate drink and drug boating in March this year and received ED Panel’s support. We are now drafting the legislation, and will continue to maintain liaison with the sector to ensure that the implementation details are practicable.

14. As for the maritime industry, the Government will continue to bolster the development of high value-added maritime services, thereby entrenching Hong Kong’s status as an international maritime centre. Hong Kong Maritime and Port Board is actively exploring tax measures for attracting ship finance companies to establish their presence in Hong Kong. The Government will also offer a 50% profits tax concession to eligible insurance businesses, including marine insurance industry. Other initiatives include injecting \$200 million to the Maritime and Aviation Training Fund and setting up of the Hong Kong Shipping Registry Regional Desks in selected overseas and Mainland Economic and Trade Offices and Liaison Units by phases.

15. The Government has been identifying suitable sites to support the development of high value-added third-party logistics services. We released a site of about 3.2 hectares in Tuen Mun Area 49 in May 2018 for modern logistics use. In addition, the Airport Authority Hong Kong (“AA”) awarded the right to develop and manage a premium logistics centre at a site of 5.3 hectares at the Airport South

Cargo Precinct in June 2018. We will continue to work with the relevant bureaux and departments to identify suitable sites for modern logistics facilities.

16. As far as aviation is concerned, the Hong Kong International Airport (“HKIA”) is the world’s busiest cargo gateway since 2010 and handled over 5 million tonnes of cargo and airmail in 2018. With the various major infrastructure projects coming into play, Lantau will become a “double-gateway” between the world and the Greater Bay Area. To support air cargo development, we support the AA reserving land on both the landside and airside in the South Cargo Precinct at the airport to enhance its capacity and efficiency in cargo handling so as to further the growth in transshipment, cross-boundary e-commerce and high value temperature-controlled goods. The Government will continue to support the AA in implementing the Three-Runway System project

17. To develop Hong Kong’s aircraft leasing business, the Government provided a dedicated tax regime in 2017. The measure has been well received by the global aircraft leasing industry. A number of the world’s top leasing companies from various countries have also set up their Hong Kong operation and some have already completed deals using our leasing platform with airlines around the world. The Government will continue to encourage market players to tap the business potential using Hong Kong’s leasing platform.

18. Honourable Chairperson, I will be happy to answer policy-related questions from Members. Controlling officers and other colleagues will answer questions pertaining to operation and the use of financial resources.

Transport and Housing Bureau
April 2019

**Speaking Note of the Secretary for Home Affairs
at the Special Meeting of the Finance Committee
of the Legislative Council on 10 April 2019**

Mr Chairman,

I would like to brief Members on the key areas of our work in 2019-20 in the light of additional resources for home affairs.

Arts and Culture

2. This term of the Government have been supporting Hong Kong's arts development financially. In order to enrich the arts and cultural life of our city and consolidate Hong Kong's position as an international cultural metropolis, the Government will, in the coming 5 years, provide an additional funding of \$176 million for the LCSD to host large-scale world-class performing arts programmes, to broadcast some mega shows in different places and to strengthen, in collaboration with District Councils (DCs), community arts activities. Moreover, following last year, in 2019-20, the Government will once again increase its regular subventions to arts groups involving about \$54 million in total. The 9 major performing arts groups will enjoy about a total of 20% increase in two years whereas the Hong Kong Arts Development Council will see an increase in recurrent subvention of over 30% during the same period.

3. In the coming 5 years, the Hong Kong Film Archive will, with the funding provision of \$20 million, restore and digitise an additional 150 carefully selected vintage films, so as to bring these long-lost old films back on stage.

4. The West Kowloon Cultural District is now entering the operational phase. Various arts and cultural facilities are successively coming on stream. The Xiqu Centre held its grand opening this

January; the Art Park is opening in phases; and Freespace will be commissioned in mid-2019.

Sports

Enhanced support to “national sports associations” (NSAs)

5. The Government will allocate an additional funding of about \$100 million in total to 60 NSAs in the coming 2 years through the Sports Subvention Scheme. The LCSD is now reviewing the Scheme. Pending the outcome of the review, the Government will provide resources to meet their needs where necessary.

Injection into the Hong Kong Athletes Fund

6. The Government will inject a total of \$250 million into the Hong Kong Athletes Fund to increase scholarship awards in support of the dual-career development of athletes, and will provide more cash incentives for full-time athletes when they retire from sports.

Major Sports Events Matching Grant Scheme

7. The Major Sports Events Matching Grant Scheme, approved by the Finance Committee (FC) on 4 January 2019, will be launched this April. It is envisaged that more high level major sports events will be staged in Hong Kong.

Five-Year Plan for Sports and Recreation Facilities

8. The Government will continue to implement the “Five-Year Plan for Sports and Recreation Facilities”. □ In the past 2 legislative sessions, 10 projects have been approved by the FC, such as the Station Square at Kai Tak, and the Swimming Pool Complex and Open Space in Area 107, Tin Shui Wai. In the current legislative session, we plan to submit funding proposals for the Hoi Sham Park Extension in Kowloon City and the Improvement of Lam Wah Street Playground and Adjacent Area, Kwun Tong to the Legislative Council.

Kai Tak Sports Park

9. The design-build-operate contract for the Kai Tak Sports Park has been awarded in December 2018, and the relevant construction works are expected to be completed in 2023.

Youth Development

10. The Youth Development Commission (YDC) announced the introduction of 2 new funding schemes under the Youth Development Fund in March. Both schemes are aimed at subsidising non-governmental organisations in Hong Kong to offer more relevant entrepreneurial support and incubation services for Hong Kong young people to start their businesses in the Greater Bay Area, including Hong Kong, as well as further helping them meet their initial capital needs. The YDC has also enhanced various funding schemes for youth exchange, internship and life planning in order to improve project quality and benefit more Hong Kong young people.

11. To provide greater opportunities for young people to participate in policy discussions, the Government launched the Pilot Member Self-recommendation Scheme for Youth in October 2017. In the light of the encouraging response, the Scheme has been regularised and extended to cover more boards/committees, and there will be two rounds of recruitment every year. The assessment and appointment procedures under the regularised Member Self-recommendation Scheme for Youth (MSSY) Phase I have been completed with 20 young people appointed as members. The MSSY Phase II, already open for applications in December 2018, offers 20 seats covering 10 boards/committees. A total of 1 409 eligible applications were received during the application period and interviews commenced in early March 2019. We will also invite applicants attending the interviews to authorise the Home Affairs Bureau to include their personal particulars in the Central Personality Index so that relevant bureaux and departments can access such information when considering offering an appointment. The youth (aged 18 to 35) participation rate in advisory and statutory bodies has increased from 7.8% as at the end of 2017 to 9.9% at present, which is gradually approaching the 15% target of the current-term Government.

District Administration

Review of the remuneration package for DC Members

12. The Government has completed the review of the remuneration package for DC members of the next term. The proposals include, amongst others, 5.6% increase in honorarium for DC members, 8.5% increase in Operating Expenses Reimbursement and 20% increase in Setting-up Expenses Reimbursement.

District-led Actions Scheme (DAS)

13. We have been implementing the DAS since April 2016 to tackle district problems which are long-standing, of large magnitude and complex, as well as to capitalise on local opportunities. In 2018-19, a total of 54 projects selected by DCs have been carried out in various districts. We will continue to implement the DAS this year.

Building management

14. Good building management is conducive to improving the living environment and fostering social harmony. Since last September, we have separately issued the new Codes of Practice, the Administrative Guidelines, and the Checklist on Procedural Propriety on Building Management. Moreover, in order to enhance our support for building management, we launched the Pilot Scheme on Advisory Services to Owners' Corporations, the Building Management Dispute Resolution Service and the Central Platform on Building Management last year, and will introduce the Pilot Scheme on Free Outreach Legal Advice Service on Building Management and regularise the Pilot Scheme on Advisory Services to Owners' Corporations this year. We are now actively taking forward the amendment exercise for the Building Management Ordinance.

Social Enterprises (SEs) - Enhancing Self-Reliance Through District Partnership Programme (the ESR Programme)

15. Since its launch in 2006, the ESR Programme has acted as a catalyst for the development of SEs and provided funding for the establishment of over 200 SEs, where 80% of them continue to operate after the funding period. These SEs have directly employed more than 5 000 people, with 80% of them from socially disadvantaged groups. This shows that the ESR Programme has brought and will bring long-term benefits to society. The Government will provide an additional funding of \$150 million for the ongoing operation of the ESR Programme.

16. My colleagues and I will be happy to answer any questions from Members. Thank you.

Special FC Meeting on 10 April 2019
Speaking Notes for
Secretary for Commerce and Economic Development

Foreword

- Chairman, I would like to set out the key matters within the policy areas of commerce, industry and tourism as mentioned in the Budget.

Trade Conflict between China and United States (US)

- The Government has been closely monitoring the developments of the China-US trade conflict and their impact on Hong Kong economy, maintaining close communication and exchanging information with the trade, and jointly assessing the impact and discussing with the trade on how to respond. The Government has implemented short-, medium- and long-term support measures in a timely manner, having due regard to the trade's situation and needs.
- Negotiations between China and the US are ongoing, and reportedly there is substantive progress. This positive development is welcome by all. We hope that both sides will continue the constructive dialogue and reach agreement as soon as possible.

Free Trade Agreements (FTA) and Investment Promotion and Protection Agreements (IPPA)

- We will continue our efforts to help Hong Kong traders and investors open up new markets, protect their overseas investments and attract foreign investors to Hong Kong, including through expanding our Free Trade Agreement (FTA) and Investment Promotion and Protection Agreement (IPPA) networks.

- Late last month, I represented the HKSAR Government to sign an FTA and Investment Agreement with Australia. Since taking office, this term of Government has signed four FTAs with our trading partners, i.e. Australia, the ten ASEAN member states, Georgia and Macao. We will continue to actively pursue signing FTAs and investment agreements with other economies.
- I will attend the Commerce and Industry Panel meeting next Tuesday (16 April) to introduce the details of our FTA with Australia and our future work priority.

Setting up of the new Overseas Economic and Trade Offices (ETOs)

- The Government is committed to enhancing its Economic and Trade Office (ETO) network. With the Bangkok ETO commencing operation in end February, we will forge stronger economic and trade ties with ASEAN. Moreover, our discussion with the United Arab Emirates Government on setting up the Dubai ETO is in good progress. It is expected that the Dubai ETO will be the second new ETO to be established after the Bangkok ETO by the current-term Government. We have also continued with the discussion and preparatory work for setting up the new ETOs in India, Korea and Russia respectively.

Belt and Road

- The Belt and Road Initiative (B&RI) carries profound implications for the future development of Hong Kong. Coupled with the development of the Guangdong-Hong Kong-Macao Greater Bay Area, fuller support will be provided in the pursuit of the Initiative. To capitalise on the opportunities brought by the B&RI, we are committed to enhancing policy co-ordination with the Mainland authorities, building different collaboration platforms, promoting project participation, facilitating enterprises and professional services sector to establish partnership, and strengthening external exchanges. We would fully leverage Hong Kong's unique

advantages, and make the best use of Hong Kong's position as the professional services hub, so as to promote Hong Kong's full participation in the B&RI.

The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the development of the Guangdong-Hong Kong-Macao Greater Bay Area

- The Mainland and Hong Kong signed the Agreement on Trade in Goods in December last year on the basis of 15 years of implementation of CEPA. This marked the advanced completion of the objective of promoting the CEPA Upgrade under the National 13th Five-Year Plan, thus enabling CEPA to become a comprehensive free trade agreement framework, covering the four major areas of trade in goods, trade in services, investment protection, and economic and technical cooperation. The pace of developing CEPA will not stop, and we will continue to enrich and enhance the content of CEPA.
- The Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) was just promulgated in February. The Greater Bay Area has great development potential and the community is looking forward to participating in it. CEDB will take forward the development of the Greater Bay Area on various fronts and identify new areas of growth for Hong Kong.
- To assist Hong Kong enterprises in gaining greater access to the Mainland market, we will consider and seek more liberalisation measures under CEPA for early and pilot implementation in the Greater Bay Area with the Ministry of Commerce of the Central People's Government, so that Hong Kong professionals and enterprises practising, investing and doing business on the Mainland may be able to enjoy national treatment in more sectors.

- Also, after the second plenary meeting of Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area on 1 March 2019, the Chief Executive announced that the Central Government would introduce eight policy measures to take forward the development of the Greater Bay Area. The expansion of the applicability of the Single E-lock Scheme to all nine Mainland municipalities within the Greater Bay Area is one of such measures. The Single E-lock Scheme, by way of using E-lock technology, reduces the number of repeated inspections on shipments. With the progressive expansion in the network of clearance points under the Scheme, cargo clearance efficiency can be enhanced.

Measures to Support Small and Medium Enterprises (SMEs)

- Since the implementation of enhancement measures to various SME support schemes last year, we have seen a marked increase in the number of applications of various funding schemes. I am glad to see that the support measures could offer practical assistance to enterprises.
- This year's Budget proposes a new round of enhancement measures, including further injecting \$1 billion to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), extending the geographical scope to include all economies which have signed Free Trade Agreements with Hong Kong, as well as increasing the funding ceiling for each enterprise from \$2 million to \$3 million.
- We will also extend the application period of the special concessionary measures under the SME Financing Guarantee Scheme and the validity of the three enhancement measures launched last year to the end of June 2020.

Tourism

- Tourism is one of the four pillar industries of Hong Kong. To promote healthy development of the tourism industry and attract more high-spending overnight visitors from different source markets, the Government will continue to work with the Hong Kong Tourism Board (HKTB) and the travel trade for implementing the “Development Blueprint for Hong Kong’s Tourism Industry” (the Development Blueprint) announced in 2017 and bringing the edges of local tourism resources into full play, while paying due regard to the receiving capacity of Hong Kong.
- This year’s Budget allocated additional funding of \$353 million for the tourism industry to continue to implement the four development strategies under the Development Blueprint, including the additional funding of \$326.2 million for HKTB, as well as \$26.8 million for the Tourism Commission to take forward various new tourism initiatives.

Conclusion

- Chairman, my colleagues and I would be pleased to answer questions from Members.

**Speaking Notes for
the Secretary for Commerce and Economic Development
at the Special Meeting of the Finance Committee
on 10 April 2019**

Introduction

- Chairperson, I will briefly highlight the main areas of work in respect of communications and creative industries in the coming financial year.

Telecommunications and Broadcasting

- On telecommunications, 5G is an important infrastructure for Hong Kong's smart city development, and has immense potential in various business services and applications in the long run. We plan to assign and auction 5G spectrum in various bands from this year. Apart from spectrum supply, we will continue to support technical trials for 5G and initiate facilitation measures for operators to develop their 5G networks.
- One of the important facilitation measures is the opening up of suitable government premises for operators to install base stations. The Office of the Communications Authority, with the support of various departments such as the Food and Environmental Hygiene Department, the Leisure and Cultural Services Department, the Government Property Agency, the Architectural Services Department, the Electrical and Mechanical Services Department and the Lands Department, just launched a pilot scheme last month and has identified more than 1 000 government premises for operators' selection with streamlined application procedures. Operators have also been informed of the application details. These arrangements aptly demonstrate our Government's role as a "facilitator" and a "promoter".

- After a year of preparation and having completed consultations with the districts and Rural Committees, we plan to issue the tender documents for the subsidy scheme for extending fibre-based networks to villages in rural areas in the second quarter of this year. According to the latest assessment, these networks can be extended to around 235 villages in nine districts in the New Territories and outlying islands in phases from 2021 onwards. About 110 000 villagers will be benefited under the scheme.
- On broadcasting, to prepare for Full Digital TV Broadcast on 1 December 2020, we will partner with a non-governmental organisation to implement an assistance programme. We will, through a simple application process, assist needy households to purchase digital TV sets or set-top boxes, so that they can continue to receive free TV services after analogue switch-off. We plan to seek the approval of the CCF Task Force and the Commission on Poverty by mid-year for funding under the Community Care Fund (CCF). It is expected that the assistance programme will be open for application by the end of this year. We will continue with our publicity work to encourage analogue TV households to make early preparation.
- On the review of the television and sound broadcasting regulatory framework, First and Second Reading of the Broadcasting and Telecommunications Legislation (Amendment) Bill took place in the Legislative Council (LegCo) on 27 March 2019. Our proposed measures to lower the burden of regulation for the industry cover three areas, including relaxation of “Cross-media Ownership Restrictions”, relaxation of “Foreign Control Restrictions” and removal of the “Requirement of Licensee being a Non-subsidiary Company”. We will cooperate with LegCo to scrutinize the Bill with a view to enabling early implementation of the proposals to facilitate the sustainable development of the broadcasting industry.
- As for the review of the telecommunications regulatory framework, we completed a three-month public consultation on 27 February 2019. The consultation covered four proposed measures under two themes, namely “Embracing the Arrival of

5G and Internet of Thing Technologies” and “Trade Facilitation”. We will study carefully stakeholders’ views and aim to introduce an amendment bill into the LegCo as soon as possible.

- In recent years, person-to-person telemarketing calls (P2P calls) have caused nuisance to many members of the public. There are growing demands on strengthening the regulation of such calls. We propose to regulate P2P calls by setting up a statutory Do-not-call Register to allow phone users who do not wish to receive such calls to include their phone numbers in the Register. We plan to brief the relevant LegCo Panels on the progress of the work and the proposed legislative framework on 16 April 2019. Our aim is to complete the legislative drafting work and introduce an amendment bill into LegCo as soon as possible.

Creative Industries

- In respect of creative industries, the 2019-20 Budget proposes to inject \$1 billion into the Film Development Fund to support further development of the local film industry. We look forward to the passage of the Appropriation Bill, so that we can immediately increase the maximum number of winning teams under the 6th First Feature Film Initiative to six, and raise the amount of subsidies by around 50%. We will also press ahead to roll out the enhanced Film Production Financing Scheme and raise the production budget limit and maximum financing amount so as to better support the production of small to medium-budget films.
- In respect of the seven creative industries other than film, we will make good use of the \$1 billion injection into the CreateSmart Initiative in 2018 to support the trade to take forward various activities and programmes. We will continue to organise various mega events (including the scaled-up Business of Design Week), and step up efforts in nurturing talent and start-ups. We also place emphasis on fostering a design and creative atmosphere in the community. This year, we will support the Hong Kong Design Centre to set up an event space at No. 7

Mallory Street in Wan Chai to promote creativity, design and design thinking at the community level.

- The Sham Shui Po Design and Fashion Project aims to develop synergy between design and industry, enrich district tourism resources and further promote the development of the design and fashion sectors. The Project is in good progress. Construction works have commenced and are expected to be completed in 2023-24.

Conclusion

- Chairperson, the above summarises the main points. My colleagues and I stand ready to answer questions from Members.

~ End ~

**Speaking Note for Secretary for Food and Health
at the Special Meeting of the Finance Committee
on 11 April 2019**

Food Safety and Environmental Hygiene
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Chairman and Honourable Members,

The Food and Health Bureau (FHB) is committed to ensuring food safety and environmental hygiene as well as promoting the sustainable development of the local agriculture and fisheries industry.

2. In the 2019-20 Estimates, about \$9.17 billion is earmarked for recurrent expenditure in the policy portfolio of “Environment and Food”, representing an increase of about \$870 million (10.5%) over the previous year and accounting for 2.1% of recurrent government expenditure.

Refurbishment of Public Toilets

3. The Government will refurbish the public toilets managed by the Food and Environmental Hygiene Department (FEHD) by phases. Based on our preliminary estimate, refurbishment works for about 240 public toilets will commence in the coming five years, incurring a total expenditure of over \$600 million. FEHD will take into account factors such as the maintenance condition, the utilisation rates and public views in determining the toilets to be refurbished and their priorities..

4. FEHD will also improve the on-going management of public toilets, conduct deep cleansing on a regular basis, step up inspections, and monitor contractors’ performance and compliance with the cleansing service contracts.

Public Markets

5. Having obtained support from the Yuen Long District Council and the Islands District Council for the new public market projects in Tin Shui Wai and Tung Chung Town Centre respectively last October, we are pressing ahead with the engineering and technical studies. We are also identifying sites for building public markets in Tseung Kwan O and Kwu Tung North New Development Area.

6. As to existing markets, the overhaul of Aberdeen Market is the pioneering project under the Market Modernisation Programme. In addition, we are planning a fundamental overhaul for three other markets and refurbishment and minor improvement works for at least three markets for commencement progressively within this year as far as practicable.

Environmental Hygiene

7. FEHD has set up 19 dedicated enforcement teams to strengthen enforcement actions against cleanliness offences, and plans to set up additional teams this year.

8. On the application of technologies, FEHD will continue to introduce automated cleansing technologies and equipment for trial use at different venues. The Department is also conducting studies to improve the design of the ovitrap, and use night vision or thermal imaging cameras with artificial intelligence to monitor the extent of rodent activities. As for pest prevention and control work, FEHD is testing the effectiveness of a new mosquito trapping device and a new rodent trapping device driven by pressurised gas.

Food Safety

9. The Centre for Food Safety (CFS) of FEHD is following up the Director of Audit's Report released late last year and the recommendations of the LegCo Public Accounts Committee, and actively reviewing its daily operations and workflow to implement specific improvement measures in various areas. CFS has also set up a dedicated team to upgrade its IT systems by phases starting from the end of this year, with a view to providing more support to frontline staff

and enhancing the efficiency and effectiveness of its food safety work.

Supply and Regulation of Niches

10. To increase the supply of public niches, we are implementing the district-based columbarium development scheme. The columbarium projects at Wong Nai Chung Road in Wan Chai, Tsang Tsui in Tuen Mun and Wo Hop Shek in North District will be completed this year, providing a total of about 205 000 new niches, about 21 000 of which are expected to be open for application in mid-2019.

11. The Private Columbaria Licensing Board is speedily handling over 300 applications for specified instruments received from about 140 private columbaria.

12. To enhance promotion of green burial, FEHD opened a new garden of remembrance in Kwai Chung and launched the central register for green burial in January this year.

Animal Welfare

13. The Government attaches great importance to animal welfare and animal management. We are preparing to conduct a public consultation on reviewing the existing legislation related to animal welfare. We will then propose amendments to the legislation, including introducing a concept of positive duty of care into the law and reviewing the existing maximum penalty for animal cruelty.

14. In particular, to enhance the financial support to animal welfare organisations, we will allocate an addition of \$1.5 million this year to support their work in promoting animal welfare and adoption.

New Agriculture Policy

15. We strive to implement the New Agriculture Policy. Funding for the construction works of Agri-Park Phase 1 is supported by the LegCo panel. The Public Works Subcommittee will continue the consideration of funding application next week. The construction works is expected to commence by the end of this year if funding is

approved by the Finance Committee afterwards. We are also conducting a consultancy study on Agricultural Priority Areas so that fallow farmland could be rehabilitated for agricultural use.

16. The Sustainable Agricultural Development Fund (SADF) has approved seven applications so far, and also provides funding direct for farmers to acquire farming equipment, involving a total commitment of about \$88 million.

Fisheries Development

17. As for fisheries, the Sustainable Fisheries Development Fund (SFDF) has approved 14 projects with a total commitment of about \$77 million to improve aquaculture and help fishermen acquire modernized capture or culture equipment.

18. In addition, we will conduct environmental impact assessments for designating new fish culture zones and issue new marine fish culture licences to promote the development of aquaculture.

19. We are pleased to see that the agriculture and fisheries sectors both benefit direct from SADF and SFDF, while other support measures are also bearing fruits. With the concerted efforts of the trade and the continuous support of the Government, the agriculture and fisheries sectors will be able to explore new areas for long-term sustainable development.

20. Chairman, my colleagues and I are happy to answer questions from Members.

**Speaking Note for Secretary for Food and Health
at the Special Meeting of the Finance Committee
on 11 April 2019**

Health

Chairman and Honourable Members,

In 2019-20, the estimated recurrent government expenditure on healthcare is \$80.6 billion, which accounts for 18.3% of the Government's total recurrent expenditure and represents an increase of about \$7.9 billion or 10.9% as compared with the previous year.

2. New and additional resources available in this financial year are mainly used for various enhanced or newly introduced public medical and health services, including:

(1) A recurrent provision of \$68.8 billion allocated to the Hospital Authority (HA), representing an increase of 8.3% over the 2018-19 revised estimate, for the implementation of various initiatives to strengthen manpower and improve services, including:

- providing an additional \$700 million or so for enhancing staff retention measures;
- providing an additional \$400 million or so for widening the scope of the HA drug formulary;
- providing about 500 additional hospital beds;
- strengthening the services for chronic diseases, e.g. cancer; and

- setting up the HA Data Collaboration Lab and enhancing the Big Data Analytics Platform, etc.

(2) A non-recurrent provision of \$5 billion earmarked for enhancing technology adoption, for the HA to procure equipment and implement computerisation projects.

(3) On the other hand, we will allocate an additional amount of about \$2.4477 billion to the Department of Health for enhancing services and implementing key measures, including:

- providing a one-off additional \$1,000 voucher amount for eligible elderly persons in 2019 and increasing the accumulation limit from \$5,000 to \$8,000, which will involve an estimated expenditure of about \$1.024 billion;
- setting up the Office for Regulation of Private Healthcare Facilities to undertake the relevant registration and enforcement work under the new regulatory regime for private healthcare facilities;
- extending the School Outreach Vaccination Programme to cover more primary schools, kindergartens and child care centres; and
- providing school girls in Primary 5 and Primary 6 with HPV vaccination to prevent cervical cancer, etc.

Public Healthcare Services

3. In view of the importance of public healthcare and to prepare for unforeseen circumstances, the Government will earmark \$10 billion to set up a public healthcare stabilisation fund for meeting the financial need of HA in case of unexpected circumstances.

Healthcare Reform

4. The Voluntary Health Insurance Scheme has been fully implemented since 1 April 2019. Under the scheme, indemnity hospital insurance plans offered to individuals are regulated so as to allow the public to choose with confidence. Starting from 1 April 2019, taxpayers who pay insurance premiums for themselves and their specified relatives will be eligible for tax deduction.

Primary Healthcare

5. The Chief Executive announced in her 2017 Policy Address that district health centres (DHCs) would be set up with a brand new operation mode. Preparatory work is now well underway for the establishment of Hong Kong's first DHC, which is located in Kwai Tsing District and is expected to commence operation in the third quarter of this year. The Financial Secretary announced in his 2019-20 Budget that he had earmarked over \$150 million to meet the relevant expenditure and would continue to provide resources needed for the future expansion of the network of DHCs.

6. Apart from Kwai Tsing District, we will continue to actively look for suitable government properties or sites in other districts for the establishment of more DHCs in the coming few years.

Development of Chinese Medicine

7. The Government is actively planning for the development of the first Chinese medicine hospital in Hong Kong. We expect to conduct a tender exercise in the second half of the year to identify a non-profit-making organisation to operate the hospital, which is targeted to commence operation in phases in late 2024. The Government will increase the recurrent subvention for the Chinese Medicine Centres for Training and Research in the 18 districts. The dedicated Chinese Medicine Development Fund of \$500 million, aimed at subsidising projects to promote the development of Chinese medicine, will soon be launched.

Hong Kong Genome Project

8. To promote the development of genomic medicine, we will allocate about \$1.2 billion to establish the Hong Kong Genome Institute and take forward the Hong Kong Genome Project, under which 40 000 to 50 000 whole genome sequencing will be performed in the next six years.

9. Chairman, my colleagues and I are now happy to answer questions from Members.

**Speaking Notes for
the Secretary for Innovation and Technology
at the Special Meeting of the Finance Committee
on 11 April 2019 (Thurs)**

- Chairman, since the setting up of the Innovation and Technology Bureau (“ITB”), the Government has put in a huge amount of resources for perfecting the innovation and technology (“I&T”) ecosystem in Hong Kong. The current-term Government has been promoting I&T development along the eight major areas set forth by the Chief Executive. Initiatives on various fronts including developing I&T infrastructure, promoting research and development (“R&D”), pooling I&T talent, supporting technology enterprises and promoting “re-industrialisation” have injected a strong impetus into the I&T ecosystem in Hong Kong.
- On this occasion, I would like to thank the Finance Committee of the Legislative Council (“LegCo”) for the support rendered to ITB’s work, in particular for approving all our funding and establishment proposals in the past year, enabling us to move ahead with our agenda with adequate manpower and resources. These proposals include the injection of \$10 billion to the Innovation and Technology Fund to continue its operation, the respective allocations of \$10 billion and \$300 million to the Hong Kong Science and Technology Parks Corporation (“HKSTPC”) and the Cyberport, and the creation of a new Assistant Commissioner’s post in the Innovation and Technology Commission. I also thank LegCo Members for supporting our proposal to amend the Inland Revenue Ordinance so that the proposal to provide a two-tier additional tax deduction for eligible R&D expenditures of enterprises can be implemented in the last financial year to encourage enterprises to carry out more R&D activities.

- The Financial Secretary announced in the 2019-20 Budget an investment of an additional \$6 billion for I&T development and enhancement of existing initiatives.
- In respect of new initiatives, the Budget has set aside a total of \$6 billion to enhance the long-term development of the information technology (“IT”) industry, including \$5.5 billion for the construction of Cyberport 5, providing about 66 000 square metres of floor space to accommodate more quality technology companies and start-ups to set up their offices in the Cyberport, and create room for development of other new technology areas such as insurance technology (InsurTech), financial regulatory technology (RegTech) and Legal Technology (LawTech), thereby providing a platform for young people to pursue a career in I&T. As regards nurturing talent, \$500 million has been set aside for implementing the IT Innovation Lab in Secondary Schools initiative. The initiative is an enhancement of the existing Enriched IT Programme. The number of secondary schools benefiting will increase from eight partner schools providing Enriched IT Class and more than 140 involving in Enriched IT Activities, to approximately 500 publicly-funded secondary schools in Hong Kong. We will provide up to \$1 million for each of the secondary schools in the coming three academic years to enable them to upgrade their facilities and organise extra-curricular activities related to IT. This facilitates secondary school students to learn about the latest IT, as well as enhances young people’s interest in IT and innovative thinking, thereby promoting an I&T learning atmosphere and encouraging them to pursue tertiary education in relevant technology areas and a career in I&T in the future.
- In respect of enhancement of existing initiatives, since the day the Budget was announced, we have increased the monthly allowance under the Researcher Programme, and extended the maximum engagement period for the Researcher Programme and the Postdoctoral Hub from two years to three years. We have

also regularised the Technology Voucher Programme and introduced enhancement measures, including doubling the funding ceiling to \$400,000, expanding the application eligibility, increasing the maximum number of approved projects from three to four, and streamlining application and monitoring procedures, so as to encourage more local enterprises and institutions to use technology to improve efficiency and services.

- In the coming year, the external environment will continue to be volatile. My colleagues and I will continue to work hard to promote the development of I&T and enhance the overall competitiveness of Hong Kong. Our key tasks include –
 - First, to participate in full in the development of an international I&T hub in the Guangdong-Hong Kong-Macao Greater Bay Area, creating a broader arena for the I&T sector;
 - Second, to press ahead with the establishment of two research clusters to facilitate the setting up of laboratories by research institutions, thereby promoting R&D collaboration between top local and overseas researchers;
 - Third, to continue taking forward various I&T infrastructure projects, especially the Hong Kong-Shenzhen Innovation and Technology Park in the Loop, the InnoCell, the Data Technology Hub and the Advanced Manufacturing Centre;
 - Fourth, to launch the Re-industrialisation Funding Scheme and support the HKSTPC to build dedicated manufacturing facilities in industrial estates to expedite the realisation of “re-industrialisation”;

- Fifth, to continue promoting smart city development, including preparing for the launch of electronic identity (eID) and smart lampposts;
 - Sixth, to organise the first City I&T Grand Challenge to drive the I&T atmosphere in Hong Kong; and
 - Seventh, to organise a number of large-scale I&T events, including the I&T Summit and the InnoCarnival to promote I&T culture.
- I hope Members and the public will continue to support our work.
 - Thank you, Chairman.

- End -

**Speaking Points of the Secretary for Development
at the Special Finance Committee Meeting (Planning and Lands)
on 11 April 2019**

Chairman,

1. The respective Controlling Officers of the Planning and Lands Branch and relevant departments under the Development Bureau (DEVB) have provided answers to 220 written questions from Members accounting for the use of resources under their purview. We are here to respond to any further questions that Members may wish to raise.
2. The 2019-20 estimated Recurrent Expenditure for the Planning and Lands Branch and relevant departments is \$6,110 million, representing an increase of \$440 million (about 7.7%) compared with the revised estimate for 2018-19. There will be a net increase of 336 civil service posts in total, including 28 civil service posts in replacement of non-civil service contract posts. The directorate civil service establishment will see a net increase of three posts.
3. The additional recurrent resources this year are mainly deployed to the following three areas:
 - firstly, to increase manpower to handle the work of increasing land supply (involving additional resources of about \$250 million);
 - secondly, to strengthen the work of safeguarding building safety (involving additional resources of about \$42 million);

- thirdly, to support smart city development and harbourfront enhancement (involving additional resources of about \$22 million).

Land Supply

4. Increasing land supply has been the top priority of the DEVB's work. The Government announced in February 2019 its full acceptance of the recommendations tendered by the Task Force on Land Supply on the strategy of land supply and eight land supply options worthy of priority studies and implementation. We are taking forward a range of follow-up actions.
5. We will seek funding approval of the Legislative Council in 2019 for various major development projects, including the main works of the first phase of Kwu Tung North/Fanling North New Development Area (NDA) in the New Territories, the first batch of works of Hung Shui Kiu NDA, as well as the studies on Kau Yi Chau artificial islands and the near-shore reclamations on three locations, namely Lung Kwu Tan, Siu Ho Wan and Sunny Bay.
6. In addition, we will also expedite the planning for brownfield development, kick start a study on the first phase of the New Territories North NDA development covering San Tin/Lok Ma Chau, and formulate policy measures to promote relocation of brownfield operations in multi-storey buildings; draw up details of the Land Sharing Pilot Scheme as soon as possible; and commission a detailed technical study on the development of the 32 hectares of Fanling Golf Course for housing purpose.
7. In addition, with the \$1 billion funding scheme recently launched, we are supporting non-government organisations actively to take forward worthy projects as soon as possible, with a view to putting more vacant government sites to optimal short-term uses benefiting the community.

“Single Site, Multiple Use” Initiative

8. We will pursue more vigorously the “single site, multiple use” model through multi-storey development on “Government, Institution or Community” sites to accommodate and consolidate different public facilities to provide the public services to meet local needs and to make optimal use of government land. The Government has set aside \$22 billion to take forward the first batch of “single site, multiple use” development projects, including redevelopment of Tuen Mun Clinic, development of a proposed ambulance depot near Sheung Wan Fire Station, and consolidation of several government sites in Tsuen Wan town centre. Together with the Government Property Agency, the PlanD and the relevant government departments, we are actively working on the specific details of these development projects.

Smart City

9. Land creation aside, we work closely with the Innovation and Technology Bureau and other relevant departments to press ahead with the setting up of the Common Spatial Data Infrastructure (CSDI) to facilitate the dissemination, utilisation and innovative application of geospatial data. The Government has set aside \$300 million to expedite the CSDI development, which is expected to come into full operation by end 2022, and to make available the high-quality 3D digital maps of the whole territory in phases. We will seek funding approval of the Finance Committee within this year to implement early the CSDI development.

Harbourfront Enhancement

10. Following the gradual completion of the planning for the harbourfront areas and the commissioning of the related major infrastructure projects on both sides of the Victoria Harbour, the DEVB will make the best use of the \$6 billion earmarked funding to take forward the nine projects which have gained the support of the Harbourfront Commission earlier. These projects are located in Wan Chai, the Eastern District, Kai Tak, Cha Kwo Ling and Tsuen Wan respectively.

11. Chairman, the above is a brief account. My colleagues and I will be happy to answer any questions that Members may wish to raise. Thank you.

**Speaking Points of the Secretary for Development
for the Special Finance Committee Meeting (Works)
on 11 April 2019 (Thursday)**

Chairman,

- In the new financial year, we will focus on four priority tasks.
- Firstly, we will take forward work related to Lantau Tomorrow. Based on the recommendations put forward by the Task Force on Land Supply, we have initiated the process of seeking funding from the Legislative Council (LegCo) so as to commence, in the latter half of 2019, studies on the artificial islands near Kau Yi Chau and the related major transport infrastructure. We also plan to seek funding approval from LegCo in the latter half of 2019 for studies on projects in Lung Kwu Tan, the coastal areas of Tuen Mun, Sunny Bay and Siu Ho Wan. In carrying out the studies, we will carefully consider the views of LegCo, District Councils and the public. To uphold the principle of “conservation to precede development”, we are seeking funding approval from LegCo to set up a \$1 billion Lantau Conservation Fund with a view to enhancing the conservation of Lantau as early as possible.
- Secondly, we will continue to develop Kowloon East into the second core business district, which includes enhancing connectivity, improving the environment, unleashing development potential and taking forward smart city initiatives. On the public works projects in this aspect, we have commenced improvement works at Hoi Bun Road Park, and are making preparations for seeking LegCo’s funding approval for improvement of Lam Wah Street Playground, construction of an additional footbridge connecting the Mass Transit Railway Kowloon Bay Station and the future East Kowloon Cultural Centre, and implementation of the Tsui Ping River project. Moreover, we have just commenced a technical feasibility study on advance works in the Kwun Tong Action Area.

- Thirdly, we will continue our efforts in cost control for public works. To further uplift the performance of public works projects, we will upgrade the Project Cost Management Office and rename it the Project Strategy and Governance Office. We will also implement Construction 2.0 by advocating innovation, professionalisation and revitalisation, so as to lead the construction industry in making changes aimed at strengthening cost management and uplifting the performance of public works projects. In addition, we are gearing up for the establishment of a Centre of Excellence for Major Project Leaders to instil in public officers an innovative mindset and equip them with enhanced leadership skills for delivering public works projects. We are also promoting the digitisation of the works supervision system so as to enhance project governance, quality and safety performance through innovation and technology.
- Fourthly, we will address the challenges of labour shortages and an ageing workforce in the construction industry, and continue to promote a culture of “safety first”. In view of the keen demand for skilled workers arising from short-to-medium term infrastructure development projects, the Financial Secretary has proposed to allocate \$200 million to strengthen the training of construction workers. Furthermore, we will adopt various measures to effectively reduce the number of accidents associated with public works projects. We will collaborate with the Construction Industry Council and the industry to explore ways to further enhance site safety through the application of advanced technology and innovative construction methods.
- I would also like to brief Members on our work on three issues which may be of public concern. In December last year, we secured funding approval from LegCo to implement a \$2.5 billion Lift Modernisation Subsidy Scheme (LIMSS), which aims to offer subsidies for the modernisation of about 5 000 aged lifts with a higher priority over the next six years. A committee comprising representatives from the Development Bureau, the Urban Renewal Authority and the Electrical and Mechanical Services Department has been set up to oversee the scheme. The first round of applications under LIMSS has been open since 29 March this year, and the results are due to be announced in the

fourth quarter of this year.

- The second issue is tree care. The Financial Secretary has proposed to set up a \$200 million Urban Forestry Support Fund, under which a number of new initiatives will be rolled out to strengthen public education and promotion on proper tree care and uplift the professional standards of practitioners in the arboricultural and horticultural industry.
- The last issue is about drinking water. To safeguard drinking water safety and encourage the public to conserve water, we propose to amend the Waterworks Ordinance to enhance the regulatory control of the construction and installation of internal plumbing systems and water supply for fire services installations. Public consultation will be conducted in 2019. We will submit the amendments to LegCo for consideration in due course.
- Chairman, the above is a brief account of the work under the Works portfolio. My colleagues and I will be happy to answer any questions that Members may wish to raise. Thank you.

Speaking Notes of
Mr. Kevin Yeung Yun-hung, JP,
Secretary for Education
at the Special Meeting of the Legislative Council's Finance Committee
to examine the Estimates of Expenditure 2019-20
on 12 April 2019

Mr. Chairman,

The total expenditure on education in 2019-20 is \$124 billion, which is higher than the 2018-19 revised estimate by over 12%. Of this, the recurrent education expenditure increases by about 6% to \$90.6 billion. Both the total and recurrent education expenditure account for more than one-fifth of the respective government expenditure and take up the largest share among all policy areas. The Government will continue to devote resources in enhancing the quality of education and providing students with quality education.

2. In 2019-20, we will take forward the following new measures announced in the Policy Address and Budget.

3. For primary and secondary education, we will implement the all-graduate teaching force policy, and carry out the "One Executive Officer for Each School" policy to increase the administrative support for public sector schools, Direct Subsidy Scheme schools and their management committees. In calculating promotion posts of public sector secondary schools, those regular teaching posts converted from the Senior Secondary Curriculum Support Grant and the Career and Life Planning Grant will be accounted for. We will provide the Life-wide Learning Grant to promote life-wide learning with enhanced efforts. We will also enhance various support measures under integrated education policy to support students with special educational needs (SEN). Furthermore, we will provide additional resources to support parent education and continue to carry out various improvement projects of school premises. In addition, we consulted the Panel on Education in late March on the proposal of increasing the manpower at the middle management level and rationalising the

salaries for school heads and deputy heads in public sector primary schools. We will soon submit the proposal to the Establishment Subcommittee and the Finance Committee.

4. We will enhance the subsidy for kindergartens joining the kindergarten education scheme and admitting non-Chinese speaking (NCS) students, provide additional resources for NCS students with SEN and to support NCS students to use Chinese in learning Chinese History, and commission school-based professional support services for schools and kindergartens admitting NCS students from the 2019/20 to 2021/22 school years.

5. We propose injecting \$20 billion into the Research Endowment Fund, and setting up a \$3 billion Research Matching Grant Scheme. We will also introduce three new fellowship schemes for outstanding academics to support research work and help retain talents. Moreover, we have earmarked \$16 billion for the University Grants Committee-funded universities to construct or renovate their campus facilities, including the acquisition of necessary research equipment.

6. We will expand the Study Subsidy Scheme for Designated Professions/Sectors to self-financing sub-degree programmes, and regularise the Mainland University Study Subsidy Scheme as well as the Hong Kong Scholarship for Excellence Scheme.

7. As regards Vocational and Professional Education and Training, we will regularise the Pilot Training and Support Scheme with increased quota. For the 2019/20 to 2021/22 academic years, we will introduce a new pilot incentive to employers participating in the workplace assessment from, and provide tuition fee subsidies to students admitted to designated professional part-time programmes offered by the Vocational Training Council.

8. Furthermore, we will provide a support grant of \$2,500 for financially needy students, and pay the examination fees for school candidates sitting for the 2020 Hong Kong Diploma of Secondary Education Examination, as relief support measures.

9. Mr. Chairman, my colleagues and I will be happy to answer further questions from Members.

Education Bureau
12 April 2019

Speaking Notes for S for S
at the 2019 Special FC Meeting on 12 April 2019

Chairman,

- In the draft Estimates for the new financial year, allocation for the two policy areas under Security Bureau's responsibility will account for \$48.9 billion, representing 8.0% of the total government expenditure.

Law and Order

- The major operational targets of the Hong Kong Police Force (HKPF) for 2019 are to combat violent crimes, triads, syndicated and organised crimes, dangerous drugs and "quick-cash" crimes, to promote cyber security and combat technology crimes, and to ensure public safety and step up counter-terrorism work.
- A total of 179 additional posts will be created in the HKPF in 2019-20. These new posts are mainly for increasing manpower support for the Hong Kong-Zhuhai-Macao Bridge (HZMB), strengthening the HKPF's capability in tackling trafficking in persons and protecting foreign domestic helpers, and enhancing Hong Kong's capabilities in anti-money laundering and counter-terrorist financing, etc.

Control Points

- The Guangzhou-Shenzhen-Hong Kong Express Rail Link West Kowloon Terminal and the HZMB were commissioned in September and October 2018 respectively. Heung Yuen Wai Boundary Control Point is expected to come into operation in 2019-20, the frontline law enforcement departments will get prepared to ensure smooth operation of the new control point.

Non-refoulement Claims

- Since the commencement of the comprehensive review of the strategy of handling non-refoulement claims in early 2016, various measures have yielded considerable results so far. The numbers of illegal immigrants and non-refoulement claims have dropped significantly by 80% from the peak. Immigration Department (ImmD) has also basically completed the screening of the backlog of over 10 000 claims. Although there are still some 6 000 appeals pending handling by the Torture Claims Appeal Board, the number is expected to drop gradually with their handling completed in two years.
- The Government will continue with various suitable measures, including the submission of an amendment bill to amend the Immigration Ordinance for improving the screening procedures, and will ensure that sufficient resources are available to handle the claims and appeals efficiently and fairly, coupled with dedicated efforts into expediting the removal of the rejected claimants from Hong Kong.

Combatting Trafficking in Persons (TIP)

- In March last year, the Government established a high-level inter-bureau/departmental Steering Committee for combatting TIP. It is chaired by the Chief Secretary for Administration. At the same time, an Action Plan, with 14 new measures, was promulgated. In 2019-20, the HKPF, ImmD, Customs and Excise Department, Labour Department and Department of Justice will create a total of 98 posts to fully and vigorously implement the measures promulgated in the Action Plan.

Territory-wide Identity Card Replacement exercise

- The territory-wide identity card replacement exercise has commenced in December 2018. ImmD will continue to replace the existing smart Hong Kong Identity Cards of all holders in phases at the nine Smart Identity Card Replacement Centres.

Fire and Ambulance Services

- Fire Services Department (FSD) will have 135 new posts in the new financial year, which are mainly for increasing ambulance shifts; serving as ambulance hospital controllers; operating the Rail-Road Fire Appliance procured for fire-fighting and rescue operations in railway conduits and tunnels; as well as strengthening the Department's capability in handling maritime incidents and supporting in high-angle rescue operations, etc.

Fire Safety Improvement Works Subsidy Scheme

- Over 2 500 applications were received under the Fire Safety Improvement Works Subsidy Scheme launched last year by the Government in collaboration with the Urban Renewal Authority. Successful applicants were notified gradually, and would be assigned case officers who would provide appropriate assistance and follow-up. We hope that this subsidy scheme, together with a series of improvised measures actively promoted by FSD, could facilitate owners of old composite buildings to carry out improvement works as early as practicable in order to comply with the fire safety requirements under the Fire Safety (Buildings) Ordinance.

Custody and Rehabilitation

- Correctional Services Department (CSD) is committed to improving correctional facilities, including installing electric locks systems in Stanley Prison, Tai Lam Centre for Women and Pik Uk Correctional Institution, and replacing and enhancing the closed-circuit television systems in eleven correctional facilities, including Stanley Prison, Pik Uk Prison and Hei Ling Chau Correctional Institution, etc.
- CSD will develop "Smart Prison" proactively for the sustainable development of correctional system, using innovation and technology (including piloting the "Health Signs Monitoring System", "Video Analytic Monitoring System" and "Passage Surveillance System") to further modernise correctional facilities, with a view to enhancing the efficiency of prison management and

level of security.

- CSD will continue to provide diversified and market-oriented vocational training to persons in custody, having regard to the overall situation and demand of the employment market, with a view to enhancing their ability to find employment after release, thereby facilitating their re-integration into society.

Chairman, the representatives from Departments and I are pleased to answer questions from Members on the Appropriation Bill relating to the policy area of Security.

Thank you, Chairman.

Security Bureau
April 2019

**Speaking Notes for the Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
on 12 April 2019**

Welfare and Women

Chairman and Honourable Members,

In 2019-20, government recurrent spending on social welfare and women's interests is estimated to be \$84.3 billion, accounting for 19.1% of the total recurrent government expenditure of the year, second only to education. Compared with the revised estimate for 2018-19 of \$80.1 billion, there is an increase of \$4.2 billion (5.2%). This reflects the Government's commitment to supporting the disadvantaged. The Government will continue to provide and enhance our support to the disadvantaged, including the elderly, children, persons with disabilities, low-income families and those in need. Now, let me highlight how the Labour and Welfare Bureau (LWB) will make use of these resources.

Elderly Care

2. The recurrent government expenditure on elderly services in 2019-20 is estimated to reach about \$10.6 billion, representing an increase of about 23% over the revised estimate in 2018-19. In the next two years, the Government expects to provide more than 500 additional residential care places and 300 subsidised day care places for the elderly through setting up new contract residential care homes for the elderly (RCHEs) and day care centres/units for the elderly. The Government has also allocated additional resources to implement various initiatives on enhancing elderly services put forth in the 2018 Policy Address. These include purchasing an additional 5 000 EA1 places under the Enhanced Bought Place Scheme (EBPS) in the next five years (i.e. purchasing 1 000 additional ones each year); providing an additional 2 000 service quotas under the Enhanced Home and Community Care Services; providing an additional 1 000 vouchers

under the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly, bringing the total to 7 000; providing designated residential respite places in private RCHEs participating in EBPS; and setting up day care units for the elderly at qualified private and self-financing RCHEs.

Services for Families and Children

3. The Government will provide an additional funding of about \$210 million from 2019-20 onwards to strengthen child care services, including improving the manning ratio of qualified child care workers in child care centres (CCCs); increasing the level of subsidy for services provided by CCCs; providing additional aided CCC places; enhancing the service quality of the Neighbourhood Support Child Care Project; and re-engineering the existing Mutual Help Child Care Centres.

4. For early identification of, and to provide assistance to pre-school children with welfare needs, the Government has launched a three-year pilot scheme in the 2018/19 school year to provide social work services in phases for about 150 000 pre-school children in over 700 subsidised/aided CCCs, kindergartens and kindergarten-cum-CCCs in Hong Kong. An allocation of about \$989 million from the Lotteries Fund will be provided for implementing the pilot scheme.

5. The Government will set up five co-parenting support centres in Hong Kong from 2019-20. We will also strengthen the manpower of the Social Welfare Department (SWD) to enhance the co-parenting support for separated/divorced parents and their children. The above initiatives will involve an additional recurrent provision of around \$69.5 million.

Enhancing Secondary School Social Work Services

6. To enhance the support to youth in handling matters related to academics, relationships with friends and family as well as better adaptation to growth, and to strengthen the mental well-being and resilience of students and to prevent youth suicides, starting in the academic year of 2019/20, the Government will increase the number of school social workers to two for each of some 460 secondary schools,

together with a concomitant increase in supervisory support. The annual recurrent expenditure involved is about \$310 million.

Rehabilitation Services

Enhancing Support for Pre-school Children with Special Needs and their Parents

7. The Government has regularised on-site pre-school rehabilitation services (OPRS) in 2018/19 school year and increased the number of service places from about 3 000 under the Pilot Scheme to about 5 000 at present, which will be further increased to 7 000 in October 2019. In parallel, the SWD will allocate annual recurrent expenditure of about \$126 million from 2019/20 school year to enhance the professional and support services provided under the OPRS, including strengthening the establishments of speech therapist and social worker of the inter-disciplinary service teams, and setting up mobile training centres.

Enhancing Community Support and Residential Care Services

8. The SWD will allocate annual recurrent expenditure of about \$138 million to gradually set up five additional District Support Centres (DSCs) for Persons with Disabilities and two additional Support Centres for Persons with Autism, and to strengthen the rehabilitation and support services provided by the centres by increasing the manpower of social workers and therapists.

9. Besides, the SWD will allocate annual recurrent expenditure of about \$138 million to increase 835 rehabilitation service places and purchase 300 places from private residential care homes for persons with disabilities.

10. To enable carers to continue to take care of ageing persons with disabilities at home under the assistance of professionals, the SWD will allocate annual recurrent expenditure of about \$25.5 million to enhance speech therapy services to ageing service users and persons with severe disabilities through DSCs, Home Care Service for Persons with Severe Disabilities and Integrated Support Service for Persons

with Severe Physical Disabilities, and extend speech therapy services for ageing service users living in Care and Attention Homes for the Aged Blind, Long Stay Care Homes and Supported Hostels, so as to assist them in dealing with speech and swallowing problems.

Community Mental Health Services

11. The SWD will allocate annual recurrent expenditure of about \$56 million to increase the manpower of professional and support in all Integrated Community Centres for Mental Wellness (ICCMWs), so as to expand the target groups of ICCMWs from ex-mentally ill persons and persons with suspected mental health problems aged 15 or above, etc. to secondary school students with mental health needs.

Social Security and One-off Relief Measures

12. On social security, the Government will continue to provide financial assistance to persons in need through the Comprehensive Social Security Assistance (CSSA) Scheme and the Social Security Allowance Scheme. In 2019-20, the estimated total recurrent expenditure of these two Schemes is about \$54 billion, registering a significant increase of 46% as compared with \$37 billion five years ago (i.e. 2014-15). The amount also represents 12% of the recurrent government expenditure in 2019-20.

13. Of note, the Higher Old Age Living Allowance (OALA), which has been implemented for less than a year since June 2018, has already become the social security programme with the highest number of elderly recipients aged 65 or above. At present, about 480 000 elderly persons are receiving the higher allowance of \$3,585 per month. Together with about 60 000 recipients of Normal OALA (currently at \$2,675 per month), the OALA is covering some 540 000 elderly persons aged 65 or above.

14. As for other enhancements to the social security system, in order to further facilitate elderly persons who choose to retire in Guangdong or Fujian, the Government will extend the OALA to these two provinces by early 2020 at the earliest, so as to provide the monthly allowance for eligible elderly persons.

15. Besides, the Financial Secretary has proposed in the 2019-20 Budget to provide an extra allowance to social security recipients equal to one month of payment, which will involve an additional expenditure of about \$3.8 billion and is expected to benefit about 1.32 million persons. The Government will also make similar arrangements for recipients of the Working Family Allowance (WFA) and the Work Incentive Transport Subsidy (WITS). It is expected that some 50 000 WFA households and 30 000 WITS recipients will benefit from this initiative, involving an additional expenditure of about \$150 million. It is also proposed in the Budget that a one-off grant of \$2,500 should be provided for each student in need (including those who are receiving CSSA). It is estimated that about 67 000 children under the CSSA Scheme will benefit from this initiative, involving an estimated expenditure of about \$170 million.

Welfare Facilities

Purchase of Premises for Provision of Welfare Facilities

16. With a view to meeting the demand for the much-needed welfare services and solving the problem of shortage in premises, as announced in the 2019-20 Budget, \$20 billion will be allocated to implement an initiative for the Government to purchase suitable premises from the market for the provision of accommodation in operating welfare facilities. This initiative involves more than 130 welfare facilities, scattering around 18 districts, which are to be planned for purchase in three years. The Government will continue to adopt a multi-pronged approach in identifying suitable sites or premises for the provision of welfare facilities for meeting the needs of the community. We would brief the Panel on Welfare Services later on the initiative and seek its views before submitting the funding proposal to the Finance Committee.

Women's Development

17. In 2019-20, the Government has earmarked around \$36.7 million to promote women's interests and support the work of Women's Commission (WoC). These include the provision for assisting WoC in implementing the "Capacity Building Mileage Programme", and implementing the "Funding Scheme for Women's

Development” under which 18 District Councils and women’s groups may implement programmes that are conducive to women’s development.

18. Chairman, this concludes my opening remarks. Members are welcome to raise questions.

– End –

**Speaking Notes for the Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
on 12 April 2019**

Labour

Chairman and Honourable Members,

Recurrent spending on labour and manpower development in 2019-20 is estimated to be \$2,250 million, representing an increase of \$244 million (12.2%) over the revised estimate of \$2,006 million last year. It accounts for 0.5% of the total recurrent government expenditure. I will briefly highlight the key areas of work in respect of labour and manpower development in the coming year.

Abolishing the “Offsetting” of Severance Payment and Long Service Payment with Employers’ Mandatory Contributions under the Mandatory Provident Fund System

2. Abolishing the arrangement of “offsetting” severance payment and long service payment against the accrued benefits attributable to employers’ mandatory contributions under the Mandatory Provident Fund System (i.e. abolishing “offsetting”) is one of the priority tasks of the current-term Government. Having carefully considered the views of various stakeholders, the Chief Executive announced in last year’s Policy Address the enhanced arrangements for abolishing “offsetting”, and undertook to provide a two-tier subsidy to employers so as to help enterprises, in particular the micro, small and medium-sized enterprises, adapt to the policy change. The first-tier subsidy will last for 12 years while the period of the second-tier subsidy will be extended to 25 years. The Government’s total financial commitment is estimated to be \$29.3 billion in the 25-year subsidy period.

3. The Government has embarked on the preparatory work for abolishing “offsetting” and is working with the Mandatory Provident Fund Schemes Authority and other stakeholders to sort out operational

details for the abolition. It will then prepare the relevant enabling legislation and strive to introduce the bill into the Legislative Council (LegCo) by 2020, with a view to securing its passage by 2022 and implementing the arrangements for abolishing “offsetting” two years after the enactment of the enabling legislation.

Extending Statutory Maternity Leave

4. We have commenced the drafting of the enabling legislation to extend the statutory maternity leave (ML) from the current 10 weeks to 14 weeks. The extra expenditure for this additional four weeks’ ML pay, subject to a cap of \$36,822 per employee, will be funded by Government. The employer shall first pay the employee the ML pay for the additional four weeks’ ML together with the current 10-week ML pay, and may apply to the Government for reimbursement afterwards. The Government aims at introducing the enabling legislation into LegCo by the end of this year and implementing the proposal, including the reimbursement mechanism, in 2021.

Strengthening Employment Support for Ethnic Minority Job Seekers

5. On employment services, the Labour Department (LD) will strengthen its manpower for launching a pilot programme in conjunction with non-governmental organisations to provide employment services for ethnic minority job seekers through a case management approach.

Protecting Employees Injured at Work

6. LD is actively looking into a feasible way forward to strengthen the rehabilitation services for injured employees in need. Preliminary ideas include pairing an independent case manager with each participating injured employee to follow up on the case, coordinate the communication amongst relevant stakeholders and assist the injured worker to return to work. LD is also considering to engage the private sector to provide timely and highly-coordinated treatment and rehabilitation services for injured employees. LD will complete the study and come up with recommendations as soon as possible, and will consult different stakeholders in the process.

7. In parallel, LD will strengthen the processing of employees' compensation claims with the enhanced Claims Support Services to help resolve disputes between employers and employees through dedicated follow-up, early intervention, proactive contact and arrangement of meetings. LD will also implement a new screening process to improve follow-up procedures for sick leave relating to work injury to speed up case processing so that employees who do not require assessment by the Employees' Compensation Assessment Board will not have to attend the follow-up procedures at LD in person.

Enhancing Occupational Safety and Health

8. LD attaches great importance to safeguarding the occupational safety and health (OSH) of employees. To further enhance the OSH performance of the construction industry, LD will continue to adopt targeted measures to further improve the OSH performance of major infrastructure projects. These measures include conducting in-depth surprise inspections of construction sites involving high-risk processes or with poor safety performance, and stepping up participation in site safety management committee meetings of public work projects so that LD will be apprised of their latest risk situation and give advice, and adjust the inspection strategy accordingly in a more focused manner. In addition, in view of the increasing number of old buildings due for large-scale maintenance works, LD will deploy new resources to improve the OSH of repair, maintenance, addition and alteration works through enhanced inspection and enforcement.

9. The numbers of occupational fatalities have remained at a high level in recent years. The public generally considers that the sentences for OSH offences failed to pose sufficient deterrent effect on duty holders violating the law. We agree that it is necessary to enhance the deterrent effect of OSH penalties. We have consulted relevant stakeholders on the preliminary amendment proposals of raising penalties of OSH legislation, including consultation with the LegCo Panel on Manpower on 19 March 2019. We are consolidating the views of stakeholders with a view to completing the legislative amendment exercise within the current-term Government.

10. Moreover, LD will continue to encourage workers to lodge complaints against unsafe operations and promote the newly-launched online complaint platform. LD will also make effort to ensure the compliance of the Guidance Notes on Standing at Work and Service Counter Design issued at the end of last year through promotional visits and inspection work, so as to reduce employees' health risks associated with standing at work.

Continuing Education Fund

11. The Government has injected an additional funding of \$10 billion to Continuing Education Fund (CEF) to implement a series of enhancement measures, which have just been effective from 1 April this year, to further encourage the public to better equip themselves through continuing education. The enhancement measures include doubling the subsidy ceiling to \$20,000 per applicant, relaxing the upper age limit for applicants from 65 to 70, expanding the scope of CEF courses to all eligible courses registered in the Qualifications Register, and enhancing the quality assurance monitoring of CEF courses, etc. All those who once opened a CEF account are eligible for the enhancement measures. We have launched promotion on CEF and the enhancement measures since early 2019, and will closely monitor the implementation progress.

Talent List

12. Upon the promulgation of the first Talent List of Hong Kong containing 11 professions in August 2018, the bureaux and departments concerned have been actively publicising the List locally, on the Mainland and overseas to attract targeted quality talents from all over the world in a more effective and focused manner, so as to support Hong Kong's development as a high value-added and diversified economy.

13. Chairman, this concludes my opening remarks. Members are welcome to raise questions.

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