

**Laying of the Report** Report No. 70 of the Director of Audit on the results of value for money audits was laid in the Legislative Council ("LegCo") on 25 April 2018. The Public Accounts Committee ("the Committee")'s Report (Report No. 70) was subsequently tabled on 11 July 2018, which met the requirement of Rule 72 of the Rules of Procedure of LegCo that the Report be made within three months of the Director of Audit's Report ("Audit Report") being laid.

2. **The Government Minute** The Government Minute in response to the Committee's Report No. 70 was laid in LegCo on 31 October 2018. A progress report on matters outstanding in the Government Minute was issued on 30 October 2019. The latest position and the Committee's further comments on these matters are set out in paragraphs 3 to 6 below.

### **Consumer protection against unfair trade practices, unsafe goods, and short weights and measures**

*(Chapter 2 of Part 4 of P.A.C. Report No. 70)*

3. The Committee was informed that:

#### Enforcement work against unfair trade practices

- the Customs and Excise Department ("C&ED") and the Office of the Communications Authority ("OFCA") had conducted a comprehensive review on the enforcement issues of the Trade Descriptions Ordinance (Cap. 362) to further enhance enforcement effectiveness in protecting consumers. OFCA had promulgated a performance pledge for the enforcement of Cap. 362 to enhance transparency and accountability;
- C&ED had promulgated revised guidelines to improve complaint handling mechanisms and ensure the accuracy of reporting achievement of key enforcement targets in the Controlling Officer's Report;
- C&ED had made use of exception reports generated from computer system to monitor progress of investigation cases;
- enhancements to the computer system interface between C&ED and the Consumer Council ("CC") to facilitate case referral were completed in October 2018. OFCA and CC had agreed to share unfair trade

practice information relating to telecommunications and broadcasting services on a monthly basis via electronic means;

Enforcement work against unsafe goods, and short weights and measures

- C&ED had set out clearer instructions for frontline officers to increase the effectiveness of spot checks relating to the Consumer Goods Safety Ordinance (Cap. 456) and the Toys and Children's Products Safety Ordinance (Cap. 424), and had also stepped up spot checks on online sales;
- more test purchases were conducted by C&ED to enhance the enforcement of the Weights and Measures Ordinance (Cap. 68), and revised guidelines were also issued by C&ED to ensure timely approval of work plans on Cap. 68;

Other consumer protection measures

- CC had implemented a dedicated spreadsheet programme to analyze data on consumer complaints and generate monthly reports for the purpose of accurately monitoring the attainment of the two performance targets on handling consumer complaints;
- CC had conducted a data collection and analysis exercise from January to June 2019, and concluded that the two performance targets concerning the timeline in handling consumer complaints could be shortened as recommended by the Audit Commission ("Audit"). The new performance targets were implemented in late September 2019;
- CC had reminded its case officers to avoid making duplicate entries of an inquiry letter in the Complaint Case Management System ("CCMS") when multiple copies of the same letter were sent via different channels. Automatic reminders were properly issued and there had been no recurrence of system error;
- CC had implemented a system under which the dashboard of CCMS was regularly used to compile a list of traders with repeated cases of undesirable trade practices. The list was then discussed at monthly case review meetings for follow-up actions; and
- OFCA had relaxed the eligibility criteria for case referral under the Customer Complaint Settlement Scheme ("CCSS") and strengthened

publicity to promote the public awareness and usage of CCSS, and had also raised the target level of the two performance indicators on resolution rate and user satisfaction of the mediation service of CCSS.

4. The Committee has noted that CC is reviewing the overall complaint handling procedures, and the review result will form the basis for the eventual overhaul of CCMS to enhance its analytical capability and other functionalities to support the updated complaint handling procedures. The Committee wishes to be kept informed of further development on the subject.

**Government's efforts in managing excavation works on public roads**  
*(Chapter 4 of Part 4 of P.A.C. Report No. 70)*

5. The Committee was informed that:

Management and monitoring of road excavation works

*Managing road excavation works*

- the Highways Department ("HyD") had since July 2019 commenced compiling statistics on coordination work regularly to evaluate its effectiveness in reducing road openings;
- HyD had revised the relevant procedures/manual such that applicants of excavation permit ("XP") were required to provide reasons for not adopting a common trench approach. HyD also enhanced the Excavation Permit Management System ("XPMS") in July 2019 to identify and request an explanation from those XP applicants who had revised the works schedule to include a time break of three to six months instead of adopting a common trench approach;
- HyD enhanced XPMS in July 2019 to automate the process for sorting and clearing long outstanding obsolete/abandoned plans. The number of plans shown in XPMS had thus been reduced considerably, which could facilitate the identification of conflicting plans requiring coordination;
- the Development Bureau ("DEVB") had already issued a memo to remind works departments to make greater efforts to ascertain the underground conditions, particularly at locations with potential

conflicts between utilities and the proposed works before applying for XPs as mentioned in Environment, Transport and Works Bureau Technical Circular (Works) No. 17/2004;

*Monitoring compliance with excavation permit conditions*

- HyD had since July 2018 reviewed the inspection mechanism and enhanced the site selection process to further improve the overall inspection coverage for Normal XP and Capital works XP sites. HyD would regularly monitor the effectiveness of the above enhancement;
- since July 2019, HyD had issued an information leaflet together with XP to permittees to promote the importance of complying with XP conditions and relevant requirements;
- all enhancements to the Demerit Point System became effective on 1 January 2019. The number of cases of long-outstanding rectification works (specifically the number of rejected Completion Notices ("CNs") which had remained outstanding for over two years) had substantially reduced from 2 581 in December 2017 to 93 in June 2019. HyD would continue to urge utility undertakings ("UUs") in the monthly meetings of Road Opening Coordinating Committee ("ROCC") to improve the quality of reinstatement works;
- HyD had been regularly compiling relevant statistics to closely monitor the situation of CN processing and had expedited CN inspections. The percentage of submitted CNs that were processed within the target time had increased from 89% in June 2018 to 92% in June 2019;
- HyD had provided statistics on UUs' performance in submitting site photographs and test reports during the monthly ROCC meetings with UUs to monitor the submission progress. HyD would also issue reminders to UUs requesting timely submission and drawing the attention of those UUs with outstanding submission of site photographs and test reports. In December 2017, 3 618 site photographs and 2 441 test reports were not submitted to HyD in a timely manner. In June 2019, the numbers of late submission of site photographs and test reports were reduced to 2 140 and 408 respectively;
- relevant statistics on performance in processing site photographs and test reports had been compiled and monitored in XPMS since July 2019. In December 2017, there was delay in processing

15 626 submitted site photographs and 7 486 submitted test reports. In June 2019, the numbers of delay in processing submitted site photographs and test reports were substantially reduced to 503 and 272 respectively;

*Enforcement actions*

- HyD had implemented improvement measures and revised the referral procedures in the first quarter of 2018 to expedite the referral actions from the Audit Inspection Team to the Enforcement Team on cases of serious and repeated non-compliance with XP conditions and cases of suspected breaches of provisions under section 10T of the Land (Miscellaneous Provisions) Ordinance (Cap. 28);

Control of underground utility installation and space occupation

*Control of underground utility installation*

- HyD implemented in July 2019 the revised Excavation Permit Processing Manual on the checking of completed works under small-scale works XP in order to detect unauthorized works (including above-ground installations);
- HyD had required UUs to take photo records showing the depth of their installed utility services before road reinstatement to ensure the compliance of minimum depth requirement. HyD had also expedited the processing of these site photographs in response to Audit's recommendation;
- HyD held two collaborative meetings on 6 June and 2 August 2018 with the Lands Department ("LandsD") and other relevant bureaux/departments to explore the need to require UUs to submit as-built records and updated master plans of underground utility systems at strategic locations (e.g. at road junctions/locations with busy vehicular traffic or pedestrian flow) to facilitate HyD's checking and controlling of road excavation;
- LandsD had agreed to share with HyD the annual updated master plans on strategic installations as at the end of 2017 and 2018, which were submitted annually by the power and gas supply UUs to LandsD in accordance with its issued block license's conditions, for HyD's reference in processing XP;

*Management and control of underground space occupation*

- after discussing with LandsD, DEVB, the Electrical and Mechanical Services Department, OFCA and UUs, HyD, in collaboration with LandsD, engaged an information technology service provider in April 2019 to develop, on a trial basis, an information system to store, manage, maintain and share underground utility information. After taking into account the trial results, HyD would incorporate the functions of the Consolidated Utility Installation Modelling System into this utility information system for better utilization of underground space in congested locations;

Exploring the use of common utility enclosures

- taking into account the findings and recommendations of a consultancy study on adopting common utility enclosures ("CUEs"), HyD would review and propose an action plan in new development areas for consideration by DEVB. HyD would also assist DEVB in establishing procedures for identifying suitable locations to construct CUEs, determining the need for the implementation of CUEs in early project stage of new development areas and conducting detailed cost-and-benefit analysis; and
- HyD would assist DEVB in establishing procedures and requirements for maintaining records on the implementation results of the trial CUEs to facilitate evaluation of their effectiveness.

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