立法會 Legislative Council

LC Paper No. CB(1)1627/13-14 (These minutes have been seen by the Administration)

Ref: CB1/PL/EDEV/1

Panel on Economic Development

Minutes of meeting held on Monday, 24 March 2014, at 10:45 am in Conference Room 1 of the Legislative Council Complex

Members present: Hon James TIEN Pei-chun, GBS, JP (Chairman)

Hon Jeffrey LAM Kin-fung, GBS, JP (Deputy Chairman)

Hon CHAN Kam-lam, SBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP Hon Ronny TONG Ka-wah, SC Dr Hon LAM Tai-fai, SBS, JP

Dr Hon LEUNG Ka-lau Hon Paul TSE Wai-chun, JP Hon Albert CHAN Wai-yip Hon Steven HO Chun-yin Hon Frankie YICK Chi-ming

Hon YIU Si-wing

Hon Charles Peter MOK Hon CHAN Han-pan Hon Dennis KWOK

Hon Christopher CHEUNG Wah-fung, JP Dr Hon Fernando CHEUNG Chiu-hung

Hon SIN Chung-kai, SBS, JP Dr Hon Elizabeth QUAT, JP

Hon TANG Ka-piu

Hon CHUNG Kwok-pan

Member absent: Hon Kenneth LEUNG

Members attending: Hon James TO Kun-sun

Hon WONG Kwok-hing, BBS, MH

Hon Gary FAN Kwok-wai Hon CHAN Yuen-han, SBS, JP

Hon KWOK Wai-keung

Public officers attending

: Agenda Item IV

Professor Anthony CHEUNG

Secretary for Transport and Housing

Transport and Housing Bureau

Miss Mary TSANG Fung-yee

Ag. Deputy Secretary for Transport and Housing

(Transport) 5

Transport and Housing Bureau

Mr Michael WONG Wai-lun

Director of Marine Marine Department

Mr TUNG Hon-ming

Deputy Director of Marine

Marine Department

Ms Shirley LAM Shuet-lai

Deputy Director of Marine (Special Duties)

Marine Department

Agenda Item V

Mr Philip YUNG, JP

Commissioner for Tourism

Miss Rosanna LAW, JP

Deputy Commissioner for Tourism

Agenda Item VI

Mr Clement CHEUNG Wan-ching Commissioner of Customs and Excise Customs and Excise Department Mr CHAN Chi-keung Head of Trade Controls Customs and Excise Department

Mr LAM Po-chuen Head of Consumer Protection Bureau (3) Customs and Excise Department

Mr Sanda CHEUK Sing-tak Assistant Director (Market & Competition) Office of the Communications Authority

Ms Manda CHAN Wing-man Principal Assistant Secretary for Commerce and Economic Development (Commerce and Industry) Special Duties

Clerk in attendance: Mr Derek LO

Chief Council Secretary (1)5

Staff in attendance : Mr Daniel SIN

Senior Council Secretary (1)7

Ms Michelle NIEN

Legislative Assistant (1)5

Action

I Confirmation of minutes of meeting

(LC Paper No. CB(1)1085/13-14

—Minutes of special meeting held on 16 December 2013)

The minutes of special meeting held on 16 December 2013 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)1014/13-14(01)

—Administration's paper on tables and graphs showing the import and retail prices of major oil products from February 2012 to January 2014

LC Paper No. CB(1)1052/13-14(01)

—Administration's paper on the Amendment of the Seventh Schedule of the Shipping and Port Control Regulations

LC Paper No. CB(1)1117/13-14(01)

—Administration's paper on Public Consultation on Future Fuel Mix

for Electricity Generation)

2. <u>Members</u> noted the above papers issued since the last regular meeting.

III Items for discussion at the next meeting

(LC Paper No. CB(1)1093/13-14(01) —List of outstanding items for discussion

LC Paper No. CB(1)1093/13-14(02) —List of follow-up actions)

- 3. <u>Members</u> agreed that the following items should be discussed at the meeting scheduled for 28 April 2014
 - (a) Update on the operation of the Kai Tak Cruise Terminal; and
 - (b) Public consultation on the Future Fuel Mix for Electricity Generation.
- 4. In response to Mr TANG Ka-piu's enquiry whether a public hearing would be held to receive views of deputations on the discussion item regarding the future fuel mix, the Chairman suggested and members agreed that such decision be made at the meeting on 28 April 2014 subject to the outcome of members' deliberation on the item.

IV Update on follow-up actions arising from the Report of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012

(LC Paper No. CB(1)899/13-14(07)

—Administration's paper on update on follow-up actions arising from the Report of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012

LC Paper No. CB(1)899/13-14(08) —Paper on follow-up actions arising from the Report of the Commission of Inquiry into the Collision of Vessels near Lamma

Island on 1 October 2012 prepared by the Legislative Council Secretariat (updated background brief))

5. <u>Secretary for Transport and Housing</u> ("STH") briefed members on the latest position of the follow-up actions taken by the Government after the release of the report of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012 ("the CoI report").

<u>Internal investigation</u>

- 6. <u>STH</u> said that the work of the Investigation Team set up in the Transport and Housing Bureau ("THB") to investigate the possible problems with the Marine Department ("MD") officers in carrying out their duties in the past relating to the vessel collision incident, such as possible maladministration and negligence of duty as mentioned in the CoI report, was near completion, and the Investigation Team would submit its report to him by the end of March 2014.
- 7. Mr James TO Kun-sun expressed grave concern that the Administration had not committed to reveal in full the investigation report to the public and the families of the victims of the marine disaster. He considered that the Administration might withhold from the public detailed information such as the names of the public officers involved by using the need to protect people's privacy as an excuse.
- 8. <u>STH</u> said that the Administration would make public the findings of the investigation as far as possible on balance of four considerations, namely, public interest and right to information, restrictions under the Personal Data (Privacy) Ordinance, without prejudice to any possible criminal investigation and legal action, and the right to a fair hearing for staff members alleged to have breached disciplinary rules and regulations.
- 9. Mr Albert CHAN Wai-yip expressed strong dissatisfaction with the Administration's procrastination in the internal investigation in that it had yet been completed before the former Director of Marine ("D of Marine") went on retirement. Mr CHAN expressed his distrust in the internal investigation as he opined that it was essentially "an investigation of insiders by insiders" and was a tool used by the Administration to protect the senior management of MD and to shift the blame on frontline staff members. He reiterated his call at an earlier meeting of the Panel that the Administration should hold an independent investigation into the marine disaster. He demanded that the report of the internal investigation be made public in full.

Responsibility of officials

- 10. Given that the former D of Marine had retired from MD, Mr WONG Kwok-hing and Mr Gary FAN Kwok-wai asked whether he would thus be exempted from penalty even though the investigation report found that he should be held responsible for the marine disaster.
- 11. <u>STH</u> said that should any existing or former staff members of MD were found to have been involved in any maladministration or negligence of their duties as revealed by the investigation, the Administration would take actions against such officers in accordance with the established civil service disciplinary procedures in an impartial manner irrespective of their rank or whether they were under the employment of the Government.
- 12. Mr WONG Kwok-hing commented that the former D of Marine should have been absent from the recent reception to bid farewell to him in which he received gifts to commemorate his retirement. Mr WONG said that to the families of the victims of the marine disaster, it was like "rubbing salt into their wounds". STH said that MD had declared and recorded the gifts he received at the farewell dinner according to the established procedures in MD.

Admin.

13. <u>Mr Albert CHAN Wai-yip</u> asked whether the former D of Marine had drawn in full his entitled benefits under his conditions of service upon his retirement. STH agreed to provide written response after the meeting.

Provision of lifejackets on board

- 14. Mr WONG Kwok-hing stressed the importance of passenger safety on board but he noted that the trade faced difficulties in determining the number of lifejackets that had to be provided on board. Mr WONG and Mr TANG Ka-piu asked whether the Administration had any statistics on the number of lifejackets on board ferries. Mr WONG asked whether it was feasible to set a reasonable number of lifejackets for children on board. Mr TANG pointed out that it was not uncommon that there could be over 200 students on board a ferry at one time when it was carrying them for a school field trip to an outlying island. The Administration should expedite the discussion with the trade for implementing the measure for providing adequate child lifejackets on passenger vessels.
- 15. <u>STH</u> said that all local passenger-carrying vessels met the current standard under the law, i.e. 5% of the total number of persons permitted on board. The Administration understood the concerns expressed by the trade about the recommendation made in the CoI report that each child on board to be provided with a child lifejacket which was more than that required under the current law. <u>STH</u> pointed out that apart from the practical difficulties for vessel operators,

especially ferry operators, to forecast and ascertain the number of child passengers finally on board before each journey, there were also the problems of insufficient space on vessels at present to stow more child lifejackets as well as the difficulty in retrieving the suitable lifejackets especially in the chaos of an emergency situation. Dof Marine said that MD would invite tender for designing a lifejacket that would be suitable for both adults and children. In case it was found not possible after the study, one of the directions that MD would explore with the trade would be for vessels to carry child lifejackets at a higher but reasonable percentage of the total number of persons permitted on board.

Communication with the trade on measures for enhancing maritime safety

- 16. Mr Frankie YICK Chi-ming said that the trade had worries about how to implement the proposed requirements for enhancing maritime safety in the first phase such as the provision of sufficient number of child lifejackets. Mr YICK called on the Administration to continue to meet with the trade and explain to the trade the various requirements. In response, STH stressed that maritime safety was of primary importance. Notwithstanding this, the Administration would take into account the feasibility of implementing the requirements.
- 17. Mr Steven HO Chun-yin considered that the blame should not be laid on the trade for the delay in the implementation of the measures for enhancing maritime safety because many of the measures proposed by the Administration were based on the recommendations by the Australian expert appointed by CoI who did not quite understand the local operating environment in Hong Kong. In respect of the cause of the vessel collision disaster, Mr HO opined that the attitude of the coxswains of the two colliding vessels at the time of the collision might be a more important factor. Noting that the safety awareness of passengers on board vessels was in general weak in Hong Kong, Mr HO suggested that the Administration should study the feasibility of conducting relevant drills in schools. The mere provision of child lifejackets on board was not sufficient if children did not know how to don lifejackets in case of emergency.
- 18. <u>STH</u> said that the Administration would continue its discussion with the trade on measures for enhancing maritime safety. In response to Mr TANG Ka-piu's enquiry about the work on improving the situations of the crew members of ferries working long hours, <u>D of Marine</u> said that the Administration had been discussing with the trade on the working conditions of crew on board including requirements for meal break, rest period after a long duration of work, etc.

Navigational equipment

19. <u>The Chairman</u> referred to MD's proposal on the installation of Automatic Identification System ("AIS") and radar, and asked whether the fact that these

systems were made by many different manufacturers would have any impact on the communication between vessels, and whether the crew on board were adequately trained to operate such equipment.

20. <u>D of Marine</u> said that the said equipment would enable the crew on board to detect vessels nearby and would therefore help enhance maritime safety. Of the 120 local vessels requiring the installation of such equipment, about 40 and 80 had been installed with AIS and radar, respectively. MD would ensure that the systems functioned normally during its regular inspections of vessels. The operation of AIS did not require complicated training. The Hong Kong Seamen's Union and the Marine Services Training Institute could provide relevant courses for the training needed by vessel crew.

Reform in MD

21. <u>Dr Fernando CHEUNG Chiu-hung</u> said that the various problems of MD staff as revealed in the CoI report were long-standing. The findings of the current internal investigation presently undertaken by THB would show how strong the determination of the Administration was to reform the culture of MD which had evolved over years. <u>Dr CHEUNG</u> asked about the plan of the Administration to take forward the reform of the Department.

Admin.

- 22. <u>D of Marine</u> said that with the help of the Efficiency Unit, MD had identified a number of business processes and operational procedures of the Department to which improvement could be made. For example, responsibilities were clarified in certain areas of work undertaken by frontline staff which lacked supervision in the past. Handwritten records would be converted into electronic format for better record management and retrieval. MD had invited the Office of the Government Chief Information Officer to assist MD in formulating its electronic information management strategy. Moreover, MD's management had strived to foster a culture of facing problems positively and taking up responsibilities courageously.
- 23. <u>STH</u> stressed that any staff members who were found to have involved in dereliction of duties would be held responsible irrespective of their rank. He pointed out that he personally chaired the Steering Committee on Systemic Reform of the Marine Department which was set up for driving forward the systemic reform of MD.

V Extension of a supernumerary Administrative Officer Staff Grade C (D2) post holding the post of Assistant Commissioner for Tourism (4) in the Tourism Commission created up to 31 December 2014 for three years from 1 January 2015 to 31 December 2017

(LC Paper No. CB(1)1093/13-14(03) —Administration's paper on retention of a Supernumerary Directorate Post in the Tourism Commission responsible for promoting the development of cruise tourism in Hong Kong and overseeing the development and operation of the Hong Kong

Disneyland

LC Paper No. CB(1)1093/13-14(04)

- Paper on the proposed extension of a supernumerary Administrative Officer Staff Grade C (D2) post in the Tourism Commission for three years from 1 January 2015 to 31 December 2017 prepared by the Legislative Council Secretariat (background brief))
- 24. <u>Commissioner for Tourism</u> ("C for T") briefed members on the salient points of the paper. He said that the supernumerary post of Assistant Commissioner for Tourism (4) was mainly responsible for providing policy inputs and co-ordination in promoting the development of cruise tourism in Hong Kong, and overseeing the development and operation of the Hong Kong Disneyland ("HKDL"). The Administration envisaged that the supernumerary post's tasks would be on-going in the coming few years given that cruise tourism and the continuous development of HKDL were among the key initiatives to sustain Hong Kong's position as a leading tourist destination. The Administration therefore proposed that the current supernumerary post should be retained for three years from 1 January 2015 to 31 December 2017. The Administration might review whether the post should be required on a permanent basis in due course.

Development of tourism in Hong Kong

- 25. <u>Mr Albert CHAN</u> said that the People Power objected to the proposed retention of the supernumerary post. He criticized the Administration for practising cronyism by filling senior posts with those it favoured.
- 26. <u>Mr Albert CHAN</u> said that the daily routine of the public had already been seriously hampered by the excessive influx of Mainland tourists. He

queried the need to continue to promote tourism. <u>C for T</u> responded that the retention of the existing supernumerary post for promoting further development of cruise tourism and HKDL would help improve Hong Kong's capacity in receiving tourists; improved tourism infrastructure would also help divert inbound visitors from existing tourist hotspots and alleviate their impact on the public.

27. Mr CHAN Kam-lam supported the staffing proposal. He said that further development of HKDL and the Kai Tak Cruise Terminal ("KTCT") would lend impetus for the burgeoning tourism industry in Hong Kong, which would help drive Hong Kong's economic growth and bring new employment opportunities, especially for low-skilled labour, in tourism-related sectors such as transport and catering. Mr CHAN agreed that, rather than limiting the number of tourists to visit Hong Kong, the Administration should continue to expand Hong Kong's capacity to receive the projected increasing number of visitors, two-thirds of whom would be from the Mainland, by developing more tourism infrastructure, improving the quality of service, and by organizing more large scale events to maintain Hong Kong's attractiveness as a tourism destination.

Development of Kai Tak Cruise Terminal and HKDL

- Mr YIU Si-wing supported the staffing proposal which would contribute towards improving Hong Kong's capacity in receiving tourists. Mr YIU said that the number of vessels berthing at KTCT appeared to be lower than the original forecast. He asked what improvement measures the Administration would introduce to boost utilization of KTCT. C for T advised that the number of berthings at KTCT would reach 26 in 2014. Taking into account the berthings at the Ocean Terminal and other berthing facilities, the total number of berthings would increase from 89 in 2013 to 136 in 2014. C for T said that with further promotion efforts, the Administration expected steady growth of berthings in the coming years.
- 29. Mr YIU Si-wing said that coaches carrying local visitors to KTCT were charged hefty gate fees. Many coach operators therefore parked the coaches outside KTCT to avoid the fees, causing traffic safety and congestion problems in the neighbourhood. As KTCT had still not reached full utilization, Mr YIU asked if the Administration would ask the Terminal operator to offer concessionary gate fees to local tour coaches during non-berthing days to boost local patronage. C for T said that the Terminal operator had to deploy suitable traffic and crowd control measures during weekends and port call days in order to facilitate cruise operation and passenger flow. The KTCT operator maintained close communication with local tour and coach operators on traffic and parking arrangements, and would take into consideration views of members and the public in reviewing the various measures.

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- 30. Mr WONG Ting-kwong said that the Democratic Alliance for the Betterment and Progress of Hong Kong supported the staffing proposal. Mr WONG suggested that the supernumerary post should be made permanent as he considered it necessary to co-ordinate and monitor the development of HKDL on an on-going basis even after the completion of the second hotel and the current extension programme. Similarly, the Administration should maintain continuous supervision and monitoring of KTCT development to ensure timely and sufficient provision of retail facilities. C for T noted members' concerns and advised that the Administration would review the need of the supernumerary post nearer the time when its tenure was due to expire in 2017.
- 31. <u>Mr SIN Chung-kai</u> supported the staffing proposal. He commented that KTCT should be open for other activities during non-berthing days. The holder of the supernumerary post should explore the necessary measures to maximize the utilization of the facility. <u>C for T</u> responded that the Terminal was designed with the flexibility of being used for different functions when no vessels were berthing. To this end, two car shows had been held at KTCT and the Travel Industry Council of Hong Kong had organized the Cruise Holiday Expo at the Terminal in September 2013 where about 30 000 participants attended. More activities and events were scheduled to be held at KTCT in the coming months.

Alternative to retaining the supernumerary post

- 32. Mr Paul TSE supported the staffing proposal. He queried whether the duties associated with the development of HKDL and KTCT could be shared amongst other staff of the Tourism Commission. C for T advised that the three incumbent Assistant Commissioners were already fully engaged with their own portfolios and it would not be viable for them to absorb or share the duties of the supernumerary post. In particular, C for T said that the post holder of AC(T)4 would need to monitor and facilitate the timely completion of the construction of the second KTCT berth by the end of 2014 to enable KTCT to receive the largest cruise liner in 2015. The post holder would also be expected to play an important role in promoting cruise tourism in Hong Kong.
- 33. <u>The Chairman</u> asked members whether they supported the staffing proposal for submission to the Establishment Subcommittee and the Finance Committee. At the request of Mr Albert CHAN, <u>the Chairman</u> put the question to vote. The voting results of individual members were as follows –

For:

Mr CHAN Kam-lam Mr WONG Ting-kwong Dr LAM Tai-fai Mr Paul TSE Wai-chun

Mr YIU Si-wing Mr Charles Peter MOK Mr TANG Ka-piu Mr SIN Chung-kai (8 members)

Against: Mr Albert CHAN Wai-yip (1 member)

Abstained:

Dr LEUNG Ka-lau (2 members)

Dr Fernando CHEUNG Chiu-hung

34. The Chairman declared that the Panel supported the Administration's submission of the staffing proposal to the Establishment Subcommittee and the Finance Committee.

VI **Implementation of the Trade Descriptions (Unfair Trade Practices)** (Amendment) Ordinance 2012

(LC Paper No. CB(1)1093/13-14(05) —Administration's paper on implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment)

Ordinance 2012

—Paper on implementation of the LC Paper No. CB(1)1093/13-14(06) Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 prepared by the Legislative Council Secretariat

(background brief))

35. Commissioner of Customs and Excise ("CCE") briefed members on the salient points of the paper.

Manpower provision in the Customs and Excise Department

Mr TANG Ka-piu expressed concern about whether the Customs and 36. Excise Department ("C&ED") had sufficient manpower to enforce the new provisions under the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 ("TD(A)O"). Mr WONG Ting-kwong noted that C&ED received some 2 786 complaints since TD(A)O took effect. He said that apart from the traditional functions of anti-smuggling and combating drug-trafficking, C&ED had taken up responsibilities such as export control of powdered formula and intellectual property rights protection. He asked if the Department had sufficient manpower to perform these additional duties, and whether it would recruit an auxiliary enforcement team similar to that of the Police.

37. <u>CCE</u> advised that C&ED had deployed 162 staff, including 40 new posts, to undertake enforcement duties under the amended Trade Descriptions Ordinance (TDO). He said that C&ED would flexibly deploy manpower resources and accord priority to cases of landmark significance in order to raise the general awareness and to cultivate a compliance culture among traders, as well as to arouse public attention. <u>CCE</u> pointed out that C&ED had successfully engaged retired customs officers to render contingency support on export control of powdered formula and had formed a special duty team to trackle cases involving greater complexity or organized syndicates.

Enforcement of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012

- 38. <u>Miss CHAN Yuen-han</u> declared that she was the chairman of a trade union representing sales staff who often acted upon instructions from their employers, and there was no internal control on the trade practices. <u>Miss CHAN</u> said that these staff should not therefore shoulder the full burden of compliance, and their liabilities under TDO should be clearly defined and explained. <u>CCE</u> said that the definition of "trader" had been broadened to include any persons acting in the name of or on behalf of a trader like marketing agents, frontline practitioners and their supervisors, etc. C&ED would adopt an impartial approach in determining the culpable parties before initiating prosecution.
- 39. <u>Dr Fernando CHEUNG</u> queried, with reference to some 3 000 complaints related to unfair trade practices received, why the actual number of prosecution undertaken by C&ED and the number of warning or advisory letters issued had been relatively small.
- 40. <u>C&CE</u> explained that some complaints were related to incidents occurring before the new provisions took effect in July 2013 and could not be pursued, whereas other complaints fell outside the scope of TD(A)O. Besides, in-depth investigation and collection of evidence was required to meet the threshold for criminal indictment.
- 41. Referring to the complaints handled by C&ED, the Consumer Council ("CC") and the Office of the Communications Authority ("OFCA"), <u>Mr SIN Chung-kai</u> asked if C&ED would first refer cases to CC for mediation, while CC would refer unresolved ones to C&ED for initiating prosecution. He also asked if OFCA would first attempt to conciliate between relevant parties in a complaint.
- 42. <u>CCE</u> said that there was proper role delineation between C&ED and CC in handling complaints. CC would conduct conciliation among relevant parties, while C&ED was the enforcement agency under TDO. There was established referral mechanism for this purpose but how a case would be handled hinged

ultimately on the preference of complainants. <u>C&CE</u> emphasized that apart from direct investigation based on prevailing facts, undercover operations would often be arranged after analyzing the intelligence in hand. An electronic platform was being developed to facilitate exchange of information between C&ED and CC.

- 43. <u>Assistant Director (Market & Competition)</u>, <u>OFCA</u> ("AD(MC)") supplemented that when receiving a complaint against unfair trade practice, OFCA would consider if the complaint involved any contravention of TD(A)O. If the complaint fell within the scope of TD(A)O, OFCA would take action under the TD(A)O. However, if the complaint fell outside the scope of TD(A)O or where there was insufficient evidence to suspect a contravention, OFCA might refer the case to the relevant service operator for follow-up with the complainant. <u>AD(MC)</u> added that OFCA had worked with the telecommunications industry to set up a mediation mechanism in November 2012 to handle complaints involving billing disputes between customers and their telecommunications service operators.
- 44. Mr KWOK Wai-keung said that tourists who were victims of unfair trade practices could not afford to stay in Hong Kong to follow through the whole criminal procedures. He asked if there were any fast-track procedures for dealing with cases involving tourists. CCE remarked that since the standard of proof for criminal offence was high, the process of investigation and evidence gathering inevitably took time. However, C&ED could initiate raiding and surveillance based on the outcome of target profiling.

Cooling-off period provision

- 45. Noting that C&ED had examined 977 complaints which were found not to have contravened the new provisions as at 28 February 2014, Mr TANG Ka-piu asked whether CCE saw the need to introduce a "cooling-off period" TDO for better protection of consumers. CCE reported that by mid-March 2014, preliminary screening of 3 000 complaints had been completed and the number was expected to reach about 4 400 by end of the year. He indicated that if the Commerce and Economic Development Bureau saw a need to review the justification for "cooling-off period", C&ED would offer its input thereon.
- 46. <u>Dr Elizabeth QUAT</u> said that she had received more than 400 complaints involving pre-paid services. She noted that CC was examining the merits of introducing a "cooling-off period" clause in service contracts. She asked what the current progress was in the review.

47. <u>CCE</u> said that C&ED was looking into a couple of such cases and would proceed with prosecution if sufficient evidence was available. He highlighted the defence provisions in TD(A)O which allowed a trader to be absolved from legal liability if full refund was provided within a reasonable period. <u>CCE</u> assured members that the situation would be closely monitored.

Penalty under TDO

48. Mr TANG Ka-piu referred to a recent case where a supermarket chain was convicted under TDO, but was only fined \$10,000. Mr TANG commented that the fine was too small to deter recurrence of similar offence and queried whether the Administration would review the levels of penalty under TDO. CCE felt that the fine was rather immaterial compared with reputational damage suffered by the supermarket chain in question.

Publicity on TDO

- 49. Mr CHAN Kam-lam commented that the Administration should step up public education and publicity on TDO to raise the awareness of the public as well as traders about the specific practices that were sanctioned under the law. Concurring with Mr CHAN's comments, CCE said that C&ED had launched a large promotional campaign in 2013, whose impact was fully demonstrated by the surge of complaints received. C&ED would henceforth leverage on precedent to enhance the understanding of consumers and traders on their respective rights and obligations under TDO.
- 50. <u>Dr Fernando CHEUNG</u> suggested that C&ED should publish a simplified version of the enforcement guidelines in conjunction with CC as the current version was too technical for the general public. He also suggested that a complaint hotline should be set up to enable C&ED to respond more quickly to complaints or requests for assistance.
- 51. <u>CCE</u> explained that pamphlets illustrating the key features of TD(A)O had been circulated. Since the enforcement guidelines promulgated by C&ED were designed to cater for the needs of traders, it must embody a fair share of narrative details and examples.
- 52. Mr KWOK Wai-keung enquired whether C&ED had deployed dedicated publicity and public education teams to reach out to vulnerable communities such as elderly people to avoid them from being trapped by unfair trade practices. CCE replied that talks and seminars had been organized for elderly centres as well as other community groups.

Other problematic trade practices

- 53. <u>Dr Elizabeth QUAT</u> said that some companies had selectively invited elderly persons to attend talks on health food products and coerced them into buying expensive but ineffective products during the talks. <u>Dr QUAT</u> asked how the Administration would tackle such practices. She also asked if the Administration had encountered any problem with enforcement against counterfeit organic fresh food produce.
- 54. <u>CCE</u> acknowledged that investigation into such cases was difficult as perpetrators picked their preys carefully and induced them to join events only open to a restricted audience. He added that undercover operations would be launched at an appropriate juncture. On organic produce, CCE observed that the absence of any international quality standards had hampered enforcement efforts even though this remained an area of attention for C&ED.
- 55. At 10:45 am, the Chairman directed that the meeting be extended to allow Dr Fernando CHEUNG to speak for the second time.
- 56. <u>Dr Fernando CHEUNG</u> asked if C&ED or CC would announce or publicize the identities of shops or operators who had been prosecuted or issued warning or advisory letters for having breached TDO.
- 57. <u>CCE</u> said that traders who had committed a minor breach of TDO due to lack of knowledge on legal requirements deserved a chance to improve. Revealing their identities might not fit this goal. However, C&ED would seek assistance from CC to publicize the names of rogue traders who showed no remorse and were unco-operative, who had a record of repeated offences or whose act inflicted harm on a large number of victims.

VII Any other business

58. There being no other business, the meeting was adjourned at 12:50 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
19 June 2014